

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

LON/00AF/LSC/2006/0304

**Landlord & Tenant 1985 (as amended) s.27A**

**Property:** Sherborne Court, Elmers End Road, London SE20 7SL

**Applicants:** Ms Anne Faulty (Flat 37), Ms Lynne Saunders (Flat 14), Mr Graydon Downs (Flat 54), Ms Ellena Badrick (Flat 19), Mr John Eastwood (Flats 31 and 40), Mr James Pursey (Flat 53), Ms Carolyn Elliott (Tenant), Ms Sasha Lettington (Flat 28) (Tenants)

**Represented by:** Ms Ellena Badrick

**Respondents:** (1) Newservice Limited (Landlord)

**Represented by:** Stevensons, (Solicitors); Andertons Residential Property (Managing Agent)

(2) Haywards Property Services

**Represented by** Juliet Bellis & Co (Solicitors)

**Hearing:** 16<sup>th</sup> February 2007

**Members of the Tribunal:**

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

**Mr M. Cairns MCIEH**

**Mrs G. V. Barrett JP**

**Preliminary Matters**

1. This case relates to an application made on 15<sup>th</sup> August 2006 under section 27A of the Landlord & Tenant Act 1985 (as amended). The Applicant seeks determination of the reasonableness and the amount of service charges relating to the financial years ending on 31<sup>st</sup> March 2006 and 31<sup>st</sup> March 2007 which the Respondent claims are payable under the terms of the leases of the property. A copy of the lease dated 5th December 1984 relating to Flat 19 (the Lease) was put in evidence as a specimen. A copy of the Lease is attached as Appendix A.
2. Pre-Trial Directions were given at a Pre Trial Review held on 20<sup>th</sup> September 2006. These Directions were amended on 29<sup>th</sup> November 2006 at the request

of the Second Respondent to allow time for the First Respondent to change the managing agent (previously the Second Respondent).

3. At the start of the hearing on 16<sup>th</sup> February 2007, the Tribunal drew attention to a letter to the Tribunal from Ms Sasha Lettington dated 15<sup>th</sup> February 2007, requesting to be joined to the application. Neither party objected and the Tribunal directed that Ms Lettington should be joined as an applicant.

#### **Inspection**

4. The Tribunal inspected the property on the morning of the hearing in the company of Ms Badrick and Ms Faulty. The property is a large block of flats on 6/7 floors built about 1930. The property is brick built with concrete floors under a flat roof. Externally it appeared structurally in good condition, but the fixed external fire escapes were rusty, looked old and in need of redecoration. One escape in particular showed signs of failure at first floor level apparently due to a leaking down pipe. A few flats had replacement double glazed windows but the rest were the original metal frames which badly needed redecoration and were in some disrepair. The rainwater goods and soil pipes were largely cast iron. Many of the soil pipes showed signs of age with nearby brickwork stained white, suggesting long term leakage. The area near Flat 16 was particularly affected. The drains at the bottom of the soil pipes at the north end of the building were blocked, with soap suds visible around them. There was a boiler house at basement level at the west side of the site, and an electricity sub station at the south west corner.
5. The property stands in its own grounds on a corner plot at the busy junction of Elmers End Road and Croydon Road. The external common parts consisted of a garden area on all sides of the building except the frontage to Elmers End Road which had two vehicular entrances and informal parking for up to 14 cars. The grounds were laid largely to lawn. The lawns had recently been cut, but were neglected, as were the shrubberies. The garden contained approximately 14 trees of which six were substantial. Four trees had been pollarded but had apparently received no attention in the last growing season. Builder's waste and furniture was being dumped in the bin area.
6. There were two main entrances to the internal common parts, each controlled by an entry phone system. The common parts were relatively clean, free of rubbish and dust, but very dingy and in need of redecoration. The carpets were very old and stained. The north entrance was malodorous – possibly from drain smells. In addition, the lift well there had a large amount of rubbish in it, constituting a fire risk. There were no fire precautions signs and no automatic fire detectors at all. Each entrance was served by what appeared to be an original lift inside a central metal cage with expandable metal grilles for gates. Despite their age they seemed to be in good working order. In the southern common parts the door to the lift motor room was open, and a number of pigeons were roosting on the stairs next to Flat 60. The glass in the window outside Flat 61 was broken. Most doors to the external fire escapes did not self-close properly. There were no safety limiters on the opening windows in the common parts. Some tenants tended to dump rubbish on the stairwell landings. It appeared that some staining to carpeting was attributable to leaks

from refuse sacks. The presence of cleaners in the common parts was noted during the inspection.

7. We inspected Flat 19 internally as an example of the flats in the block. The main door was a fire door, leading to a central corridor. The accommodation consisted of a reasonably sized double bedroom, small living room, bathroom/WC and kitchen.

### Hearing

8. Ms Badrick, representing the Applicants made oral submissions and had previously made written submissions on 9<sup>th</sup> October 2006, and also responded on 1<sup>st</sup> February to evidence (without submissions) provided by Andertons dated 17<sup>th</sup> January 2007. Mr G. Brown AIRPM, Senior Residential Property Manager for Andertons, representing the First Respondent, made oral submissions following a written summary. No one appeared for the Second Respondent.
9. At the suggestion of the Chairman, the parties made their oral submissions by reference to the service charge demands for the years in question (attached as Appendix B). Mr Brown was invited to put his points first, as it was for the Respondent to show that the charges were proper. It should be noted that Mr Brown's knowledge of the situation prior to November 2006 when his firm was instructed was only second hand, but his evidence and submissions were of considerable assistance. The parties' submissions and the Tribunal's decision on each item appear under the relevant heading.
10. In its consideration after the hearing, the Tribunal found it difficult to follow the analysis of service charges prepared by Ms Badrick in her written submissions. It also concluded that the certified accounts for 2005/6 prepared on behalf of the First Respondent were either defective or had insufficient detail to relate the amounts noted there with the accounts ledger for that period. In a few cases there was no evidence at all in the bundle of invoices produced by the Respondent for items noted in the certified accounts. The Tribunal decided to compare the accounts ledgers for both periods with invoices in the bundle to gain a more accurate picture of the service charge expenditure.

### **Year ending 31.3.2006**

11. Although her previous submissions referred to other matters as well, Ms Badrick stated at the hearing that only the following items were disputed:  
Cleaning of Common Parts    General Repairs  
Insurance                            Managing Agents fees  
Legal and Professional fees

### Cleaning of Common Parts

12. In the service charge summary attached to the certified accounts (the Summary) this item was described as Cleaning/Gardening. Mr Brown stated that the figure of £12,737 shown in the accounts related mostly to cleaning and a little gardening. There were no separate invoices for the gardening work. He agreed that little gardening had been done since last summer. The cleaners

attended five days per week. They charged £927 per month plus VAT, and were there for 2.5 –3 hours each day. There was no specification for the work, but he assumed that they did the usual things such as vacuum cleaning, sweeping the external areas, and occasionally strimming the grass. Mr Brown stated that his firm had visited 5 times in the last few weeks, and the cleaner had always been present.

13. Ms Badrick submitted that the overall impression of the cleaning was that it was done intermittently, probably only on Mondays and Fridays, although the tenants could not be certain on that point. No one was sure what the cleaners were doing. The Applicants disputed the quality and cost.
14. The Tribunal noted from the evidence that the cleaners appeared to be charging about £15 per hour on the basis of 60 hours per month. On inspection the Tribunal noted that the grounds were free of litter. The internal common parts were grubby, but not dirty. Considering the extent of the internal and external common parts, it concluded that it would take about 2 hours to vacuum clean them, with perhaps another hour to clean up outside. Ms Badrick had confirmed that the condition we had seen on inspection was about average.
15. The Tribunal considered that the evidence was inconclusive. The apparent hourly charge was not unreasonable for a professional cleaning firm. We concluded that the work done gave reasonable value to the tenants. The state of the common parts seemed due to lack of redecoration and maintenance, and to some tenants misusing these areas, rather than the cleaning. However we noted that there was no specification for the work, and previously there was no effective system in place for supervising or monitoring the cleaners. However this point seemed to relate to management rather than the work itself, a point also noted later in this decision. The Tribunal decided on the balance of probabilities that the quality and cost of the work actually being carried out was reasonable.

#### General Repairs

16. Mr Brown stated that this work would normally cover things like door locks, glass, downpipes, plus general odds and ends. The budget had been £15,000, but the actual amount expended in that year was £7,311.06. Ms Badrick submitted that charges of (apparently) £30 to change a light bulb, and £50 to let in contractors were excessive. The tenants were not sure that the invoices were genuine. They were concerned that the reserve fund was being used for something else. The Applicants queried whether the reaction times for carrying out the work were satisfactory. They had to make several calls to get work done.
17. The Tribunal noted that the certified accounts showed a figure for this item of £12,642. The total in the ledger for this item was £7,311.56. However when the heating repairs, rubbish removal and bin hire was included (not charged for elsewhere) it seemed that in fact the Respondent was undercharging for repairs. Nevertheless the Tribunal concluded that two invoices dated 19<sup>th</sup> April 2005 were missing, although included in the ledger account and the total

charged. These items totalling £201.22 should be deducted from the total charge as the only reference was "general repairs" with no other evidence for the expenditure.

18. On the specific issue of light bulbs and letting contractors in, the Tribunal noted that these were difficult issues. Relying on its general experience and knowledge, it noted that practice varied, some managers opted to change all bulbs at specific intervals, regardless of condition, others preferred reactive maintenance. There were too many variables to conclude which method was preferable. Also the cost of getting a key holder to let in tradesmen, was likely to be rather less than the cost of a member of the managing agent's staff doing so. The Tribunal found no reason to doubt the copy invoices produced were genuine. The Tribunal noted that the invoices for the call-out charges, all submitted by the same contractor, were for varying amounts. No standard fee seemed to have been negotiated. However taken together, the Tribunal decided that the cost of this work was on the high side, but not unreasonable. In passing, the Tribunal noted that the ledger and invoices suggested that the expenditure on the lifts was significantly understated. The Applicants had not challenged the amount stated in the certified accounts for the lifts, so the matter is not for decision. The Tribunal has no jurisdiction to rule on reaction times. Generally on the question of repairs, the evidence was that several calls might have to be made to get work done, but usually it was eventually done. This was a management problem. The Tribunal decided that the figure of £12,440.88 (i.e. £12,642 minus 201.22 for general repairs) was reasonable.

#### Insurance

19. Mr Brown referred to the letter dated 10<sup>th</sup> November 2006 from the Respondent's brokers OAMPS (items 175-9 in the bundle), specifying the recent premiums and claims experience. This showed a significant increase in the year 2003/4. He did not disagree with the insurance cost analysis of several other properties produced by the Applicants in their written submissions, showing considerably lower premiums on other blocks of flats in London. The lowest, Du Cane Court, showed a premium rate multiplier figure of 0.0741p per £ premium, against a figure for this property of 0.19p per £. However he submitted that the difference was largely attributable to the high number of claims experienced in the preceding year. He noted that the premium for the year 2006/7 was considerably lower, again attributed to the claims experience. The rest of the increase could be explained by the increases in the amount insured each year. He would expect to tender the insurance next year. For the year 2005/6, the brokers said they had tested the market before placing the insurance with the same company. Mr Brown stated that in his experience he thought it would be difficult to get another insurer to take on the risk at all, with the claims record at the time. In reply to a question from Ms Badrick, he stated that he did not agree that poor maintenance of the block was contributing to the claims record. The claims arose from individual tenants.
20. Ms Badrick submitted that the tenants' concerns were not about the standard of the insurance, but the amount. It was a very significant part of the service charge. The premium had increased from £26,467 in 2003/4 to £39,567 in 2005/6. The Applicants also wanted the figure of £950 for insurance claims in

the accounts to be explained. In response to this last point, Mr Brown thought that this item might be explained by claims assessors' fees.

21. The Tribunal accepted Mr Brown's evidence and explanation of the increase in the insurance premium. It noted that the policy had an excess of £300, and when the ledger was examined, it looked quite clear that the payments made for insurance claims related to sums very close to the £300 excess. While some were above that figure, the effect of claiming for small sums would have a disproportionate effect on the insurance premium. Based on the brokers' figure of £39,567.16 for the year 2005/6 the premium per flat equated to £573. The Tribunal noted that the amount actually charged to the service charge was only £38,067, a discrepancy which was unexplained. Based on that figure the premium per flat was £551.70. The Tribunal, drawing on its general knowledge and experience considered that these figures were high, but not unreasonably so. The Tribunal therefore decided that the figure of 38,067 for insurance in the certified accounts was reasonable.

#### Managing Agents' Fees

22. Mr Brown said that no copy of the management agreement was available, but he assumed it was on the usual ARMA standard contract. He described it as a "responsive system". The fee would usually cover preparing budgets, supervising contractors, paying demands, collecting service charges, banking and bank reconciliation, and contact with the tenants. Ms Badrick submitted that it took a lot of time to get work done. The Applicants were very unhappy with the agent's performance, for the reasons noted above, and set out in some detail in the Applicant's statement of case.
26. The Tribunal noted that the management appeared reactive only. There was no written agreement setting out the agent's fee scale and duties. This was itself not in accordance with the RICS Code of Management for Residential Properties. There was no evidence of an ongoing management plan for the block. There were no specifications for work with regular contractors. One of the invoices in the bundle for gas was an interest charge of £151.04 due to late payment, which indicated slow payment. The correspondence in the bundle and the submissions indicated that communication with the tenants was very poor. However some basic work was being done. The management charge for the period was £9,730 on a total service charge of £104,898, including £38,067 for the insurance premium. Calculated on a per flat figure this worked out at £141.01. While such a charge might not appear unreasonable on its own, the standard of service was clearly unsatisfactory. During the period the management fees had been increased without consultation with the tenants from £641.84 per month to £810.83 per month.
27. The Tribunal decided that a reasonable charge for the actual work done would be £641.84 per month, i.e. the charge applicable at the start of the period, giving an annual charge of £7,702.08. From that figure the gas interest charge should be deducted. The Tribunal decided that the reduced figure of £7,551.04 was reasonable for the management charge.

### Legal and Professional Fees

28. The legal and professional fees were in issue for this period, and at the hearing the parties made submissions based on items found in the accounts ledger entries. However the Tribunal noted that only £235 had been charged for this item, apparently relating to a boundary wall survey by Ash-Surveyors. Mr Brown was hopeful that this item would eventually be recoverable from the adjoining owner. The Tribunal saw evidence of the fee, and the reasons for it being incurred. The Tribunal considered that the fee was reasonable.

### **Year ending 31.3.2007**

29. In this period, only a budget service charge has been demanded, therefore detailed consideration of accounting and invoices is usually less critical, although the charge still has to be reasonable in the light of previous experience, available evidence, and legitimate spending plans. The Tribunal noted that either party is entitled to apply to it once the final service charge account has been prepared and demanded.
30. At the hearing Ms Badrick stated that the following items in the budget service charge remained in dispute:
- |                             |                          |
|-----------------------------|--------------------------|
| Legal and Professional Fees | Asbestos Survey          |
| Insurance                   | Cleaning of common parts |
| Drain Maintenance           | General Repairs          |
| Managing Agents' fees       | Water treatment          |
| Reserve Fund                |                          |

### Legal and Professional Fees

31. While there had been a discussion at the hearing about the legal fees, no separate budget figure was included, so the matter does not require a decision. A sum of £4,000 was included for professional fees, and the fees concerned are discussed below.
32. Ash-Surveyors had prepared Schedules of Condition and Works. Mr Brown submitted that these were a necessary preliminary to doing any significant work on the block. His understanding was that the previous agents were preparing for major works. Mr Easton intervened on behalf of the Applicants to say that the complaint was that the survey had taken nearly a year to commission.
33. The Tribunal noted that there was no actual dispute on the amount. The delay in commissioning it was a management issue. It considered that it was reasonable in principle to include the Ash-Surveyors' fee amounting to £4,723.61 in the Budget Service Charge. The Tribunal also noted a fee of £956.18 from Ash-Surveyors, relating to water ingress in the basement and dampness in Flat 48.
34. Mr Brown submitted that there was a further fee in prospect for work connected with a Party Wall Notice served by an adjoining owner. Ms Badrick queried what this cost would cover. Mr Brown stated that normally a proportion of the fee would eventually be paid by the adjoining owner. It was even possible the fee might be repayable from an insurance claim

35. The Tribunal concluded that the budget figure of £4,000 was reasonable, in the light of work already carried out or in contemplation.

#### Asbestos Survey

36. Mr Brown submitted that there was asbestos in the basement area, which needed to be removed. The survey had been carried out and the report was in the bundle (Vol 1 p.70). Ms Badrick agreed that there were concerns about asbestos, and had no other comments to make. The Tribunal decided that it was reasonable to include the stated amount for this item in the budget service charge.

#### Insurance

37. Mr Brown agreed that the actual sum paid was lower than the estimate. Ms Badrick had no further submissions on that point. The Tribunal decided that only the actual sum expended was reasonable, i.e. £35,395.54.

#### Cleaning

38. Ms Badrick stated at the hearing that the concerns were about the standard of cleaning. The Tribunal considered that this matter has already been discussed in its decision relating to the previous year. The budget figure showed little change. The Tribunal considered that it was reasonable.

#### Drain Maintenance

39. At the hearing the parties seemed to agree there was a problem with some of the drains. This view was supported by the Tribunal's inspection. The Tribunal noted that the past spend in recent years was modest and as the end of the year loomed, decided to reduce the estimated amount from £2,000 to £1,000.

#### General Repairs

40. No further representations were made relating to this period. The budget figure correlated to the actual figure demanded in the previous year, but the Tribunal noted from the ledger account that by 8<sup>th</sup> November 2006, only £1,647.55 had been spent on this item. The budget figure of £12,000 therefore seemed high. The Tribunal decided to reduce the budget figure to £6,000 as there was no evidence of significant additional expenditure and the year end was very near. The Tribunal notes in passing that the figure for general repairs is likely to increase substantially in future years, if a planned maintenance programme is implemented.

#### Management Fees

41. The budget figure of £9,972 was a small increase on the actual figure for the previous year; £9,730. The Tribunal noted that there was no evidence that the tenants had been consulted about any part of the budget, which is contrary to the RICS Code of Practice. The same problems noted above relating to the previous year were present. The official hand over date to the new agents was 17<sup>th</sup> January 2007, so effectively 9.5 months had been managed by Haywards. The Tribunal decided to allow a budget figure of £641.84 per month for that period, totalling just over £6,000, and, say, 3 months at the slightly higher figure of £810 per month for the period from 17<sup>th</sup> January to the end of the financial year, in the absence of any figures being put in evidence. After rounding, the Tribunal decided to allow a budget figure of £8,500 for management fees.



### Water Treatment

42. At the hearing Ms Badrick accepted that treatment was necessary, and Mr Brown outlined that two inspections per year were necessary. The Tribunal decided to accept that the budget figure of £1,000 was reasonable.

### Reserve Fund

43. Ms Badrick submitted that the Applicants had no idea what this fund was for, or what it currently contained. Her concern was that the tenants who paid promptly were disadvantaged, as the money was being used to fund service charge recovery litigation. Mr Brown explained that once the defaulting tenants had paid their bills most of the fees paid from the service charge fund would be repaid, thus topping up the amounts demanded in this and previous years. He submitted that the Lease did not prevent the money from being used to fund current expenditure, and that using it for that purpose was preferable to the cost of borrowing money to fund current work.
44. The Tribunal noted that significant sums needed to be spent to bring the property back into reasonable order. The £30,000 budget figure did not look unreasonable when viewed from that perspective. It agreed with Mr Brown's view of the Lease and also that using the Reserve Fund was preferable to borrowing, as borrowing money would cost the tenants more. The Tribunal decide to allow the sum of £30,000 as a reasonable reserve.


### Summary

45. For clarity the Tribunal has produced a schedule of the amended amounts allowed in the accounts for 2005/6 and the budget estimate for 2006/7 as Appendix C to this decision.

### **Section 20C Application and Reimbursement of Fees**

46. Mr Brown had no instructions but believed that his client would want to charge the costs of the application to the service charge. He admitted that the previous agents had not done well, but he considered that the Applicants could have complained to ARMA about the previous agents, or taken advantage of mediation during the application process. If the Tribunal was minded to make a section 20C order, it should also consider whether a percentage of the fees chargeable by the landlord would be appropriate.
47. Ms Badrick submitted that the Applicants had been unaware that ARMA could deal with the matter. The Applicants had tried and failed to get answers to their questions before making the application. They had paid £510 already in fees. They were not seeking to recover the fees. Ms Faulty intervened and requested that the Tribunal look at the timetable of events relating to the proposal that the parties should mediate. Their concerns were that the full hearing date would be delayed.
48. The Tribunal considered that the previous managing agents had demonstrated a number of shortcomings, including lack of communication with the Applicants. While the Applicants could have complained to ARMA, they were not knowledgeable property professionals, and in any event they were not obliged

to do so. Also there was no guarantee that an intervention by ARMA would have improved the management situation. Also, while the Tribunal encouraged parties to mediate, once an Application had been made the Tribunal should not be influenced one way or the other by attempts to mediate. The Tribunal decided to make an order under Section 20C of the Landlord and Tenant Act 1985 limiting the full amount of the Respondents' costs recoverable from the Applicants under the service charge.

Signed:   
.....  
L.W.G Robson

Dated: *28th March 2007*  
.....

**Appendix A**

Lease dated 5<sup>th</sup> December 1984 (see attached)

**Appendix B**

First Respondent's Service charge demands for the service charge years ending 31.3.06 and 31.3. 07 (see attached)

**Appendix C**

**Tribunal's Amendments to Service Charges**

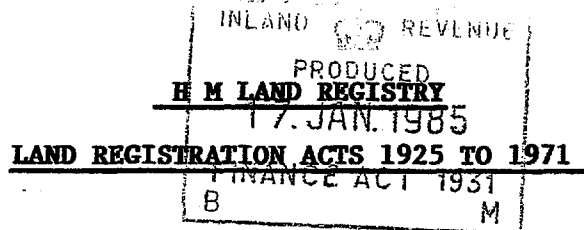
Year Ending 31.3.2006

General Repairs:	£12,440.88
Managing Agents Fees	£ 7,551.04

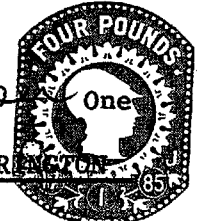
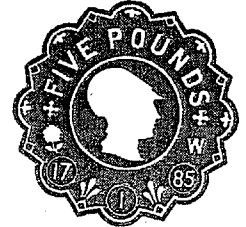
Year Ending 31.3.07 (Budget)

Insurance	£35,395.54
General Repairs	£ 6,000
Drain Maintenance	£ 1,000

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LONDON BOROUGH : BROMLEY  
 TITLE NUMBER : SGL 228049  
 PROPERTY : FLAT NUMBER 19  
 SHERBORNE COURT  
 CROYDON ROAD  
 ANERLEY



THIS LEASE is made the <sup>5<sup>th</sup></sup> day of December  
 thousand Nine hundred and eighty-four B E T W E E N DORRINGTON  
DEVELOPMENTS LIMITED whose Registered Office is situate at 16 Hans Road  
 London SW3 (hereinafter called "the Lessor") of the one part and PEGGY  
BAGAN of 245 Elmers End Road Beckenham Kent (hereinafter called "the  
 Lessee") of the other part

W H E R E A S :-

- (1) IN this Deed unless the context otherwise requires:-
- (a) "the Lessor" includes the person or persons for the time being entitled to the reversion immediately expectant upon the determination of the term hereby created
- (b) "the Lessee" includes the successors in title of the Lessee
- (c) "the Property" means the property described in the First Schedule hereto
- (d) "the Flats" means the flats forming part of the Property and "Flat" has a corresponding meaning
- (e) "the Reserved Property" means that part of the Property not included in the flats being the property more particularly described in the Second Schedule hereto
- (f) "the Premises" means the property hereby demised as described in the Third Schedule hereto including for the purpose of obligations as well as grant the ceilings floors joists beams cisterns tanks

DATED

15<sup>th</sup> December

1984

**DORRINGTON DEVELOPMENTS LIMITED**

- to -

**PEGGY FAGAN**

---

**L E A S E**

**relating to the Premises known  
as Flat Number 19  
Sherborne Court  
Croydon Road Anerley**

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**Messrs Philip Ross & Co.,  
77 Wimpole Street  
London W1A 3BQ**

**Tel: 935 0151**

**Ref: 11/D6**

Lessor HEREBY DEMISES unto the Lessee ALL THOSE the Premises TOGETHER WITH the rights set out in the Fourth Schedule hereto TO HOLD the same unto the Lessee for the term of NINETY NINE YEARS from the First day of January One Thousand Nine Hundred and Seventy Eight YIELDING AND PAYING therefor for the first THIRTY THREE YEARS of the said term the yearly rent of TWENTY FIVE POUNDS (£25.00) and during the next THIRTY THREE YEARS of the said term the yearly rent of FIFTY POUNDS (£50.00) and during the last THIRTY THREE YEARS of the said term the yearly rent of SEVENTY FIVE POUNDS (£75.00) all such rents to be paid by equal half-yearly instalments in advance on the First day of July and the First day of January in each year the first of such payments to be made upon the execution hereof and being a proportionate part calculated from the date hereof to the Thirty-first day of December next PROVIDED THAT in the event of the rent hereby reserved at any time exceeding two thirds of the rateable value of the Flat at the date payment of the rent is due such rent shall be reduced to a sum equal to £1 less than two thirds of such rateable value AND ALSO YIELDING AND PAYING by way of Service Charge to the Lessor pursuant to Paragraph 17 of the Sixth Schedule hereto in the manner set out or referred to in the said Paragraph SUBJECT to the rights set out in the Fifth Schedule hereto (which so far as not already affecting the Lessor's Estate in the Property are hereby excepted and reserved from this demise) and to the restrictive covenants or other matters (if any) referred to in the First Schedule hereto so far as the same are still subsisting and capable of being enforced and to the covenants on the part of the Lessee hereinafter contained

2. THE LESSEE HEREBY COVENANTS with the Lessor that the Lessee will observe and perform the obligations and regulations on the part of the Lessee set out in the Sixth Schedule hereto

3. THE LESSOR HEREBY COVENANTS with the Lessee that it will observe and perform the obligations on its part set out in the Seventh and Ninth

Schedules hereto

4. THE Lessee paying the rent Service Charge and Insurance Rent hereby reserved and performing and observing the covenants on the part of the Lessee herein contained shall peaceably hold and enjoy the Premises for the term hereby created without interruption by the Lessor or any person lawfully claiming under or in trust for it

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

- (i) THE Lessor shall neither be liable nor responsible for any damage suffered by the Lessee or any servant agent or workmen of the Lessee or any member of the Lessee's family or any guest or sub-tenant of his from any defect in fixture fitting pipe wire guttering drain cable staircase lift or other thing in or about the Property or any part thereof (including the Premises) or through the neglect fault or misconduct of any porter or other servant employed by the Lessor in connection with the Property except in so far as any such liability may be covered by insurance effected by the Lessor pursuant to its obligations hereunder
- (ii) IN case of any dispute between the Lessee and any other lessee tenant or occupier of any other part of the Property (including the Lessor in respect of any flat or other part of the Property which may for the time being be retained by the Lessor) and any owner occupier of any adjoining or neighbouring property relating to any part of the Property or such adjoining property such dispute shall be referred (if the Lessor so requires) to a Surveyor appointed for that purpose by the President for the time being of the Royal Institution of Chartered Surveyors whose decision (as between the Lessee and any other lessee tenant or occupier of any part of the Property) shall be final and binding
- (iii) THE Lessor may at any time or times during the term hereby granted in the interests of good estate management impose such regulations of general application regarding the Property or the flats and the

curtilage of the Property as it may in its absolute discretion think fit in addition to or in place of any regulation or covenant or stipulation on the part of the Lessee herein contained (but so that any such regulations shall not conflict with the terms of this Lease and the Lessor shall have power in its absolute discretion to revoke amend or add to such regulations or any additions thereto or substitutions therefor

6. IF the rent hereby reserved or the Service Charge Contribution or any part thereof is unpaid for Twenty One days after becoming payable (whether formally demanded or not) or if any of the covenants on the part of the Lessee herein contained are not observed and performed then and in any such case it shall be lawful for the Lessor or any person or persons authorised by it in that behalf at any time thereafter to re-enter the Premises or any part thereof in the name of the whole and thereupon the term hereby created shall absolutely cease and determine but without prejudice to any right of action or remedy of either party against the other in respect of any antecedent breach of the covenants hereinbefore contained

7. IF the Third Schedule hereto shall include reference to a private motor garage the term "the Premises" where used in these presents shall include such garage and all the obligations of the Lessee in respect of the residential accommodation shall apply to the said garage except only in so far as the same can by their nature not be practically applicable to a garage

8. 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 other than rent exceeds the sum of THIRTY THOUSAND POUNDS (£30,000.00)

IN WITNESS whereof the Lessor has caused its Common Seal

to be hereunto affixed and the Lessees have hereunto set their hands and seals the day and year first before written

**THE FIRST SCHEDULE above referred to**

**THE PROPERTY**

**ALL THAT** piece or parcel of land situate in the Borough of Bromley **TOGETHER WITH** the building erected thereon and known as Sherborne Court Croydon Road Anerley comprising self-contained flats of which the Lessor is registered at H M Land Registry with Absolute Freehold Title under Title Number SGL 228049 **SUBJECT** to the easements and other rights restrictive covenants stipulations and conditions (if any) contained or referred to in the Property and/or Charges Register of the said Title

**THE SECOND SCHEDULE above referred to**

**RESERVED PROPERTY**

**FIRSTLY ALL THOSE** the halls staircases landings lifts lift wells and other parts of the building forming part of the Property which either are used in common by the owners or occupiers of any two or more of the flats or are not exclusively included in the demise of any one flat (including any porter's flat or flats (if any) and any service room or rooms whether let or used by the Lessor for the provision of services hereunder) **SECONDLY ALL THOSE** the main structural parts of the building forming part of the Property including the roofs foundations and external parts thereof (but not the glass of the windows of the flats nor the interior faces of such of the external walls as bound the flats) and all cisterns tanks sewers pipes wires ducts and conduits not used solely for the purpose of one flat

**THE THIRD SCHEDULE above referred to**

**THE PREMISES**

**ALL THAT** Flat being known as Flat Number 19 located on the Third



Floor of the Property ALL WHICH said Flat is delineated on the plan annexed hereto and thereon coloured pink TOGETHER WITH:-

- (a) ALL walls enclosing the said Flat including the plaster and plasterwork thereon (but in the case of any external wall or structural wall of the Property only the interior face of such walls and in the case of any non structural dividing wall between the said Flat and any other flat or flats in the Property only one-half of such wall severed vertically) the glass fitted in the windows of the said Flat the interior surfaces (but not the structure thereof) and the doors and door frames and windows and window frames fitted in such walls and all those fitted in the walls and partitions lying within the said Flat
- (b) ONE-HALF in depth of the ceilings and floors of the said Flat including the plaster of the ceilings and the floorboards on the floors
- (c) THE gas electrical water and sanitary apparatus now or hereafter installed in and belonging exclusively to the said Flat and all other Lessor's fixtures and fittings therein except the central heating pipes and apparatus and
- (d) ALL conduits pipes wires and cables carrying or conveying gas electricity water soil television aerial lead telephone door telephone ventilation and such like carried in the floor screeds ceilings walls or ducts incorporated with the said Flat and which are not used by or for any other flat whether or not in common with the said Flat hereby demised AND ALSO TOGETHER WITH the rights easements and privileges specified in the Fourth Schedule hereto but EXCEPT AND RESERVING as specified in the Fifth Schedule hereto

THE FOURTH SCHEDULE above referred to

RIGHTS INCLUDED IN THIS DEMISE

1. THE right for the Lessee and persons authorised by him in common

with the Lessor the owners and occupiers of all other flats and all others having the like right to use for the purpose only of access to and egress from the premises all such parts of the Reserved Property (including lifts when operative and subject to safety regulations concerning the use of the same)

2. THE right of passage and running of gas electricity water telephone cables ventilation ducts soil and surface water from and to the Premises through the pipes wires conduits and drains in or under or upon the Property or any part thereof with power for the Lessee with servants workmen and others at all reasonable times during the daytime on giving reasonable notice (except in the case of any emergency) to enter into and upon the adjoining or adjacent flats in the part of the Property in which the Premises are situated for the purpose of inspecting cleansing maintaining repairing or renewing any pipes wires conduits and drains which exclusively serve the gas electrical water and sanitary apparatus now or hereafter installed in and belonging to the Premises the Lessee or other the person or persons exercising such power forthwith making good any damage occasioned thereby

3. THE benefit (in common with the Lessor and other persons entitled thereto) of every covenant entered into or to be entered into by the owners of other flats with the Lessor so far as such covenants are intended to benefit the Premises or the Lessee and so far as the benefit thereof can in law accrue to the Premises or the Lessee

4. ALL rights of support shelter protection and other easements and all quasi-easements rights and benefits of a similar nature now enjoyed or intended to be enjoyed by the Premises over the other parts of the Property

5. THE right for the Lessee and persons authorised by him to use in common with the owners and occupiers of all other flats and their visitors the entrance hall forming part of the Reserved Property

6. SUCH rights for the Lessee with servants workmen and others of

access to and entry upon the Reserved Property and other flats as are necessary for the proper performance of the Lessee's obligations hereunder and for the purpose of repairs cleansing maintaining and renewing any such sewers drains watercourses cables pipes wire ducts and conduits as aforesaid the Lessee or other the persons or person exercising such rights doing thereby as little damage as possible to the other part or parts of the Property so entered upon and forthwith making good or making full compensation for any damage done

7. (a) THE right to connect to any central television aerial which may be provided by the Lessor the Lessor being under no duty to provide such aerial

(b) THE right for the Lessee in common with all other persons entitled to the like right to use any common television aerial rediffusion service for wireless programmes and internal telephone systems and door porter system from time to time installed in the Property subject to the Lessee complying with the relevant provisions of any agreement from time to time made between the Lessor and the person or corporation installing supplying or maintaining the same and any rules which the Lessor may from time to time make in respect thereof

8. THE right for the Lessee to an adequate supply of hot and cold water

9. ALL the above rights easements and privileges are subject to and conditional upon the Lessee paying the rent hereby reserved

THE FIFTH SCHEDULE above referred to

RIGHTS TO WHICH THE DEMISE IS SUBJECT AND WHICH

ARE EXCEPTED THEREFROM

1. THE right to subjacent and lateral support by the Premises and to shelter and protection by the Premises for the other parts of the Property TOGETHER WITH all other rights and easements or quasi-rights

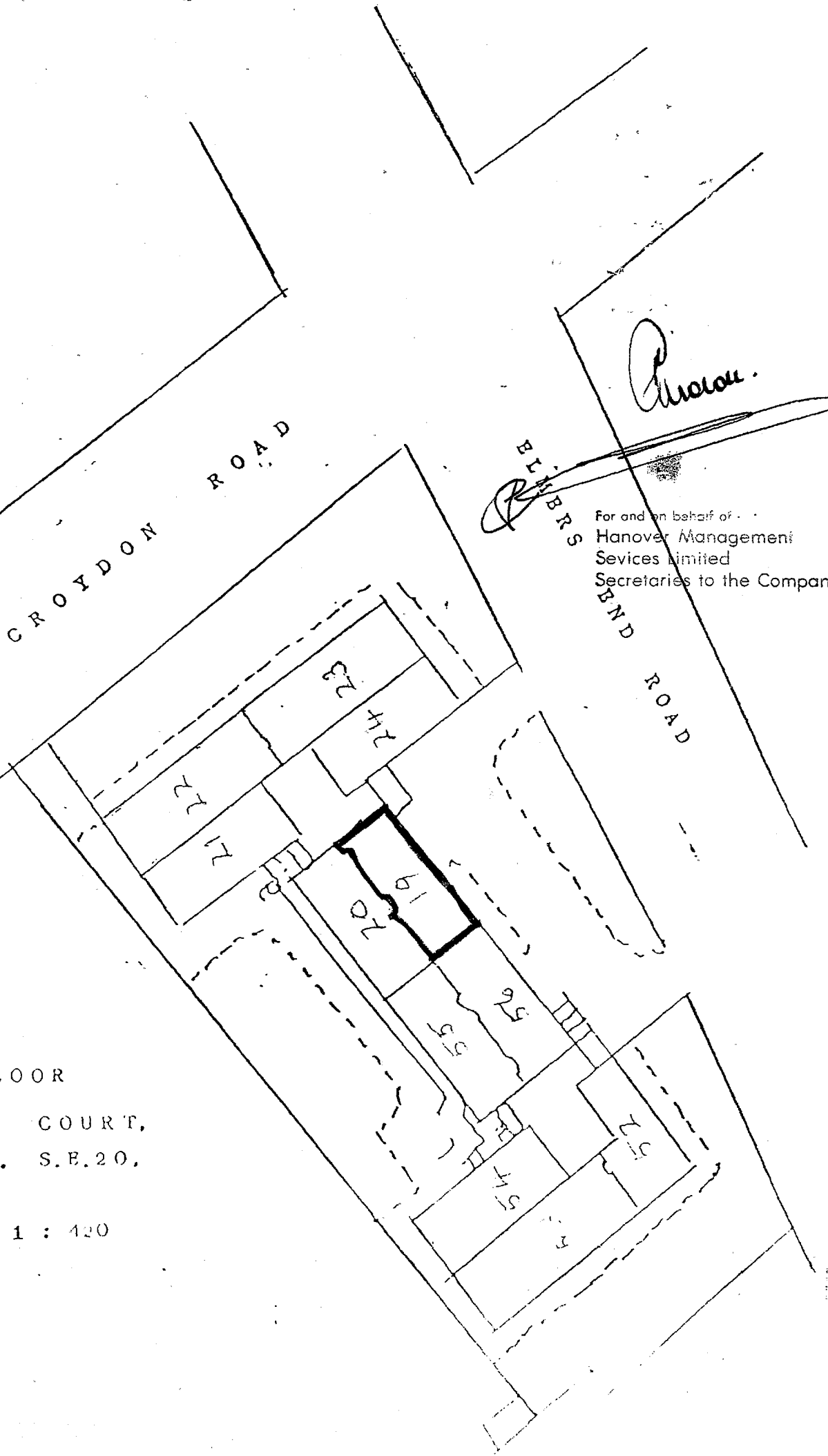


CROYDON ROAD

*Handwritten signature*  
R. B. S.

For and on behalf of  
Hanover Management  
Services Limited  
Secretaries to the Company.

ELLSBOND ROAD



FLAT 19

THIRD FLOOR

SHERBORNE COURT,  
ANBRLEY. S.E.20.

SCALE: 1 : 420

and quasi-easements enjoyed by the Lessor in respect of the Property or by the Lessees of any other flat over or in respect of the Premises including the rights of such other lessee as aforesaid of access to and entry on the Premises at all reasonable times on giving reasonable notice (except in emergency) for the purpose of performing any obligations under the covenants contained in any Lease or Underlease of any other flat for the time being subsisting (where such access and entry shall be necessary for the performance of such obligation) the person exercising such rights doing thereby as little damage to the Premises as may be reasonably possible and forthwith making good or making full compensation for any damage done

2. SUCH rights of access to and entry upon the Premises by the Lessor and the owners of the other flats as are necessary for the proper performance of their obligations hereunder or under covenants relating to other flats and similar to those herein contained or carrying out any other work to the Property the Lessor or the owner of the other flats as the case may be making good all damage caused by such entry

3. THE burden of any covenants entered into by the Lessor with the owners of other flats in similar form to those entered into by the Lessee so far as such covenants are intended to bind the Premises or the Lessee

4. FULL free and uninterrupted passage and running of gas ventilation ducts sewage soil and surface water electricity telephone cables any television aerial-lead that may from time to time be installed in the Property and other services soil and other matters in and through the pipes wires cables meters conduits drains and sewers which now are or shall at any time hereafter be fitted in under on or passing through the Premises TOGETHER WITH all necessary rights of entry at all reasonable times for the purpose of inspecting and maintenance and repair and renewal and cleaning and altering of the said pipes wires cables meters conduits drains tanks and sewers the person so entering making good all damage caused thereby

5. THE right for the Lessor at any time or times hereafter to rebuild add to develop alter reconstruct and to improve or use the Property or any part thereof or any buildings adjoining or adjacent to the Property or neighbouring land or to erect new buildings on any property so adjoining or so adjacent or so neighbouring according to such plans (whether as to height extent of otherwise) and in such manner as the Lessor shall think fit notwithstanding that the access of light or air to or any other easement for the time being appertaining to or enjoyed with or by the Flat or any part thereof may obstructed or interfered with or that temporary annoyance or disturbance may be caused thereby or that the Lessee might otherwise be entitled to object to by reason of such rebuilding alteration or use

6. THE right for the Lessor and any person or persons authorised by it to connect to any common television aerial or rediffusion service for wireless programmes internal telephone system and door porter system from time to time installed in the Premises

7. ALL rights from time to time granted to any person or corporation of entering the Premises (but on reasonable prior notice) for the purpose of inspecting repairing maintaining renewing or removing such common television aerial or other apparatus

THE SIXTH SCHEDULE above referred to

COVENANTS BY THE LESSEE WITH LESSOR

1. THE Lessee shall pay the reserved rents and Service Charge on the days and in the manner above mentioned and in the event of default shall pay interest at the rate of Four per centum per annum above Barclays Bank plc base rate for the time being from the date such sums become due until actually received by the Lessor

2. THE Lessee shall pay all existing and future rates water rates taxes assessments and outgoings whether parliamentary local or otherwise now or hereafter imposed or charged upon the Premises or any part thereof

or upon the Lessor or any owner or occupier in respect thereof and for the avoidance of doubt this shall include any charges paid by the Lessor for the supply of water to the Premises and the Property

3. FROM time to time and as often as occasion shall require during the said term at the Lessee's own expense well and substantially to renew repair uphold support maintain replace drain and cleanse and keep in repair and good decorative condition the Premises including (but without prejudice to the generality of the foregoing) ceiling plaster and laths wall plaster and lathes window sashes casements and frames and glass therein external doors floor boards and all plumbing gas sanitary heating and electricity supply services and radiators serving the Premises only (damage by any of the insured risks as hereinafter defined excepted save where the Insurance effected by the Lessor shall be vitiated in whole or in part by any act or omission of the Lessee or any person in the Premises or in the Property with the implied or express consent of the Lessee) PROVIDED ALWAYS that the Lessee shall not do any work of repair or renewal to a floor thereof without giving notice to the occupier of the flat immediately below the Premises of his intention so to do stating the details of the work intended to be done so that the occupier of such lower flat or the Lessor (as the case may be) may take such precautions as he it or they may consider necessary for the protection of the ceilings of such lower flat or the Reserved Property and if any damage shall be caused to such lower flat or to the Reserved Property (as the case may be) in the execution of any such works then the Lessee shall at his own expense make good the same to the reasonable satisfaction of the lessee or occupier of such lower flat or to the Reserved Property (as the case may be)

4. THAT all non structural internal walls separating the Premises from any other part of the Property (being party walls) shall be used repaired and maintained as such

5. THE Lessee shall in the year One thousand Nine hundred and Ninety

Two and each succeeding Seventh year of this demise and in the last three months thereof paint with two coats of good quality paint in a workmanlike manner all the wood iron and other parts of the interior of the Premises usually or which ought to be painted and shall in addition grain varnish and distemper wash stop whiten and colour all such parts as are usually or ought to be so treated and paper the parts (if any) as are usually papered with suitable paper of good quality

6. THE Lessee shall clean the windows of the Premises both inside and outside as often as may be necessary and in any event not less than once a month and shall at all times provide and maintain in good and clean condition net curtains for all windows in the Premises

7. THAT the Lessor with or without workmen and others at all reasonable times in the daytime and upon giving reasonable notice in writing may enter upon and examine the condition of the Premises and may thereupon serve upon the Lessee notice in writing specifying any repairs or works necessary to be done for which the Lessee is liable hereunder and require the Lessee to execute the same and if the Lessee has not within two calendar months after the service of such notice executed such repairs or works then the Lessor as the case may be may enter upon the Premises and execute the same and the cost thereof shall be a debt due to the Lessor from the Lessee and shall be recoverable forthwith by action

8. THE Lessee shall not make any structural alterations in the Premises as to the layout thereof without the approval in writing of the Lessor such approval not to be unreasonably withheld The Lessee shall at the Lessee's own expense obtain all licences planning permissions and other consents necessary for the lawful carrying out of such alterations and shall comply with all bye-laws regulations and conditions applicable generally or to the specific works undertaken and will keep the Lessor indemnified in respect of any breach or non-observance thereof

9. THE Lessee shall not or permit or suffer to be done in or upon the Premises anything which may be or become a nuisance or annoyance or cause



damage or inconvenience to the Lessor or the owner or occupier of any other flat or whereby any Insurance for the time being effected on the Property or any part thereof (including the Premises or other adjoining or adjacent or neighbouring premises of the Lessor) may be rendered void or voidable or whereby the rate of premium may be increased and shall pay all costs charges and expenses incurred by the Lessor in abating a nuisance in obedience to a notice served by a competent authority

10. THE Lessee shall do all such works as under any Act of Parliament or rule of law are directed or necessary to be done on or in respect of the Premises (whether by Landlord tenant or occupier) and shall keep the Lessor indemnified against all claims demands and liabilities in respect thereof

11. THE Lessee shall not do or permit or suffer to be done any act matter or thing on or in respect of the Premises which contravenes the provisions of the Town and Country Planning Acts 1947 to 1971 or any enactment amending or replacing them and shall keep the Lessor indemnified against all claims demands and liabilities in respect thereof

12. THE Lessee shall permit the Lessor and the owners of the other flats at reasonable times in the daytime and (except in the case of emergency) on reasonable notice to have access to and enter upon the Premises as often as it may be reasonably necessary for them so to do in fulfilment of their obligations hereunder or under covenants relating to other flats and similar to those herein contained the persons so entering making good all damage caused thereby

13. NEITHER the Premises nor any part thereof shall be used for any illegal or immoral purposes nor shall any trade or business be carried on there nor shall any boarders or lodgers be taken but the Lessee shall use the same for the purpose of a private residence for the occupation of one family only

14. THE Lessee shall comply with and observe any reasonable regulations notified to the Lessee in writing which the Lessor may make

to govern the use of the flats and the Reserved Property Such regulations may be restrictive of acts done on the Property detrimental to its character or amenities Any costs charges or expenses incurred by the Lessor in preparing or supplying copies of such regulations or in doing works for the improvement of the Property providing services or employing Managing or other Agents or other employees shall be deemed to have been properly incurred by the Lessor in pursuance of its obligations under the Seventh Schedule hereto notwithstanding the absence of any specific covenant by the Lessor to incur the same and the Lessee shall keep the Lessor indemnified from and against his due proportion thereof and under Clause 17 of this Schedule accordingly

15. (i) (a) NOT to assign transfer underlet or part with possession or occupation of part of the Premises

(b) not at any time to grant any underlease of the Premises as a whole without having first notified the Lessor of the names and occupations of the proposed underleases

(c) not at any time during the last Seven years of the said term to assign transfer or part with possession of the Premises as a whole without the previous consent in writing of the Lessor such consent subject to the provisions of paragraphs (ii) and (iii) of this Clause not to be unreasonably withheld

(d) not at any time to grant any underlease (for any period) of the Premises as a whole for a term which shall include the last seven years of the said term or any part of such last seven years without the previous consent in writing of the Lessor such consent subject to the provisions of paragraphs (ii) and (iii) of this Clause not be unreasonably withheld

(ii) NOT at any time during the term hereby granted to underlet or permit the Premises to be underlet at a rent lower than the

highest rent hereby reserved

(iii) TO cause to be inserted in every underlease a covenant by the underlessee with the Lessor to observe and perform all the covenants and conditions (except as to payment of rent) herein contained with a condition permitting re-entry by the Lessor in case of any breach of the said covenants or conditions except as aforesaid

(iv) NOT to assign transfer or part with possession of the whole of the Premises unless all payments of Ground Rent and Service Charge and excess Service Charge are fully paid up to the date of such assignment or transfer

(v) Upon any assignment transfer or underletting to a corporate body or a person not resident in the United Kingdom to cause the assignee transferee or underlessee to provide a guarantee from an individual resident in the United Kingdom for the performance by the Lessee of all the covenants and conditions herein contained which individual shall be first approved by the Lessor whose approval shall not be unreasonably withheld

16. THE Lessee will within Twenty Eight days next after any underlease transfer assignment charge grant of Probate or Letters of Administration affecting the term hereby granted and upon the devolution of any such term under any assent or other instrument or otherwise howsoever or by any order of the Court give to the Solicitors of the Lessor for the time being notice in writing of such underletting assignment transfer grant assent charge or order as the case may be with full particulars thereof and the name quality and place or places of abode of such underlessee or underlessees or the person or persons in whom the term hereby granted shall become vested as aforesaid and will produce to the Lessor's Managing Agents a certified copy of every such document as aforesaid and shall disclose the consideration to the Managing Agents in the event of a Transfer and will pay to the Lessor's Managing Agents a fee of TEN POUNDS

(£10.00) together with value added tax thereon or such sum as the Lessor's Managing Agents from time to time may reasonably require for the registration of the notice

17. THE Lessee shall pay and contribute to the Lessor by way of Service Charge in each year of the said term in respect of all proper costs charges and expenses incurred by the Lessor including any Bank interest or charges properly incurred in carrying out its obligations under the Seventh Schedule hereto an amount to be known as the Service Charge Contribution and in respect of every Maintenance Year the Lessee shall pay the Service Charge Contribution to the Lessor by four equal quarterly instalments on the First day of July October January and April in each year as hereinbefore provided and also shall pay a due proportion of any Service Charge Adjustment pursuant to paragraph 3 of the Eighth Schedule PROVIDED THAT in respect of the Maintenance Year current at the date hereof the Lessee shall on the execution hereof pay a due proportion of the Service Charge Contribution in respect of the period from the date hereof down to the date upon which the next instalment shall fall due

18. (a) THE Lessee shall upon any transaction or disposition to which the Lessee is a party or over which the Lessee has any control involving a change or a contract for a change in the ownership of the Premises ensure that the person becoming or contracting to become as a result of such transaction or disposition the owner of the Premises enters into a direct covenant with the Lessor in the form annexed hereto and to register the same with the Lessor's Managing Agents and pay a registration fee of TEN POUNDS (£10.00) together with value added tax thereon or such sum as the Lessor's Managing Agents from time to time may reasonably require

(b) THE Lessee shall so long as this Lease is vested in him upon any devolution or transmission of the Premises to which the Lessee is not a party and over which the Lessee has no control use the Lessee's best endeavours to ensure that the person becoming the

owner of the Premises as a result of such devolution or transmission enters into a direct covenant with the Lessor in the form annexed hereto to observe and perform the obligations on the part of the Lessee contained in this Schedule and to register the same with the Lessor's Managing Agents and pay a registration fee of TEN POUNDS (£10.00) together with value added tax thereon or such other sum as the Managing Agents may reasonably require

19. THE Lessee shall observe and perform the covenants conditions and stipulations contained in the said Charges Register so far as the same relate to the Premises and are still subsisting and capable of being enforced and will keep the Lessor fully indemnified in respect of any breach non-observance or non-performance thereof PROVIDED ALWAYS that the Lessee shall not be liable for any breach or non-observance of the same after he shall have parted with all interest in the Lease

20. THE Lessee shall not knowingly insure the Premises or any part thereof in any such way as to duplicate in whole or in part the Insurance under any Policy or Policies of Insurance taken out by the Lessor in pursuance of the covenant on the part of the Lessor contained in Clause 3 of the Ninth Schedule hereof

21. THE Lessee shall not permit any piano radio television set gramophone loud speaker or mechanical or other musical instrument of any kind to be played or used nor singing practised in the Premises so as to cause annoyance to the Lessor or the tenants and occupiers of the other flats or any of them or so as to be audible outside the Premises between the hours of Eleven p.m. and Eight a.m.

22. THE Lessee shall not leave or deposit or allow to be left or deposited on the lawns or paths adjoining the building or the Reserved Property or on any outside part of the premises any perambulator bicycle or like conveyance or any article or thing of any kind which in the opinion of the Lessor is unsightly or dangerous to the other owners of the flats and not to put up or hang or permit to be hung any clothing or

sewers drains pipes wires ducts and conduits to the extent specified in the said Schedule

- (g) "Owner" in relation to a flat means in the case of a flat let or demised (otherwise than by way of Mortgage) by the Lessor on terms similar to those herein contained the holder of the term created by that letting or demise and in the case of a flat not so let or demised the Lessor and "Ownership" in relation to a flat has a corresponding meaning
- (h) "Maintenance Year" shall mean every twelve monthly period ending on the Thirty first day of March or such other day as the Lessor may decide the whole or any part of which falls within the term of years hereby created
- (i) "the Service Charge Contribution" shall mean the sum equal to 1.32% (One point thirty two per centum) of the Service Charge Provision for the whole of the Property for each Maintenance Year (as computed in accordance with the provisions of the Eighth Schedule hereto)
- (j) "the Reserve Fund" shall mean the accumulated reserve (if any) as provided in paragraph 2(ii) of the Eighth Schedule hereto after all payments therefrom have been deducted
- (k) Words importing only the masculine gender include the feminine gender and words importing only the singular number include the plural number and vice versa and where two or more persons are included in the expression "the Lessee" covenants expressed to be made by the Lessee shall be deemed to be made by such persons jointly and severally

**NOW THIS DEED WITNESSETH** as follows:-

1. IN CONSIDERATION of the sum of TWENTY TWO THOUSAND FIVE HUNDRED POUNDS (£22,500.00) paid by the Lessee to the Lessor (the receipt of which sum the Lessor hereby acknowledges) and of the rent and covenants on the part of the Lessee hereby and herein reserved and contained the

other articles upon the outside of the Premises and not to shake or permit to be shaken or beaten any carpets dusters or other objects from the windows or doors of the Premises or the Reserved Property No mats shall be placed or left outside the entrance door of the Premises

23. THE Lessee shall not keep any animal on the Premises to which the Lessor shall object in writing and upon receiving notice in writing from the Lessor requiring him either to remove such animal or to take such steps with regard to the control thereof as the said notice shall stipulate the Lessee shall comply with the same within seven days of the date thereof

24. THE Lessee shall not reside or use or permit any other person to reside in or use the Premises unless the floors thereof (including the passages) are close covered with carpet and underfelt or (in the bathroom lavatory and kitchen only) linoleum or sound absorbing tiles except while the same shall be removed for cleaning repairing or decorating the Premises or for some temporary purpose

25. NOT to erect any wireless or television aerial on any part of the exterior of the Premises or any other part of the Property

26. THAT the Lessee will at the determination of the said terms howsoever caused peaceably yield up to the Lessor the Premises so painted and repaired cleansed maintained mended and kept as aforesaid together with all fixtures and fittings additions and improvements therein and the keys thereof in accordance with the Lessee's covenants hereinbefore contained

27. THAT the Lessee will during the six months immediately preceding the expiration or sooner determination of the said term allow the Lessor to affix and to retain without interference upon any part of the premises a notice for re-letting the same and during the said six months to permit all persons authorised by the Lessor or its Agents at reasonable times of the day upon appointment being made to view the Premises

28. THAT the Lessee will forthwith give notice to the Lessor of any

notice or order or proposal for a notice or order served under any statute order regulation or bye-law on the Lessee or any underlessee of the Premises and if so required by the Lessor will produce the same and make or join in making such applications and representations in respect thereof as the Lessor may require

29. THAT the Lessee will indemnify and keep indemnified the Lessor from and against all and every claim either from the lessees of the other flats in the Property or from any other persons arising in connection with the use and occupation of the Premises by the Lessee

30. TO pay to the Lessor on demand all costs charges and expenses (including legal costs and Surveyors' fees) which may be incurred by the Lessor in respect of the preparation and service of a Schedule of Dilapidation or under or in contemplation of any proceedings in respect of the Premises under Section 146 or 147 of the Law of Property Act 1925 or in the preparation or service of any notice thereunder respectively notwithstanding that forfeiture is avoided otherwise than by relief granted by the Court

31. TO repay to the Lessor all costs charges and expenses incurred by the Lessor in repairing renewing and reinstating any part of the Property not hereby demised or any fixtures and fittings or service media laid in connection with the Property so far as such repair renewal or reinstatement shall have been necessitated or contributed to by any act negligence or default of the Lessee or those for whom the Lessee is responsible

32. NOT to stop up darken or obstruct any windows or lights belonging to the Property or any adjoining or neighbouring building belonging to the Lessor nor knowingly permit any new window light opening doorway path passage or drain or other encroachment or easement to be made or acquired into against or upon the Premises and in case any such window light opening doorway path passage drain or other encroachment or easement shall be made or attempted to be made forthwith upon first becoming aware



thereof to give notice in writing to the Lessor and at the request and cost of the Lessor to adopt such means as may be reasonably required or deemed proper for preventing such encroachment or the acquisition of any such easement

**33. NOT** to alter the Premises externally or cut main or injure any structural part of the Property or erect or suffer to be erected any further building or addition upon the Premises or make or suffer to be made any external projection from the Premises

**34. THE** tenant shall not allow any mats or mops to be shaken outside the said Building or out of the windows or on the common parts of the demised premises and shall not throw anything out of the said windows or from the balconies or place anything on the outside window ledges or balconies or feed any bird on any part of the building or grounds

**35. NOT** to employ the staff that may be employed by the Lessor to perform any special services for the Lessee without the previous consent of the Lessor (such special services to be carried out at the risk of and to be paid for by the Lessee)

**36. TO** observe and perform the Rules and Regulations set out in the Tenth Schedule hereto

**THE SEVENTH SCHEDULE above referred to**

**COVENANTS ON THE PART OF THE LESSOR**

**1. THE** Lessor shall pay all existing and future rates taxes assessments and outgoings now or hereafter imposed on or payable in respect of the Reserved Property

**2. THE** Lessor shall keep the Reserved Property and all fixtures and fittings and carpets therein and additions thereto in a good and tenantable state of repair decoration and use including the renewal and replacement of all worn or damaged parts **PROVIDED THAT** nothing herein contained shall prejudice the Lessor's right to recover from the Lessee or any other person the amount or value of any loss or damage suffered by

or caused to the Lessor or the Reserved Property by the negligence or other wrongful act or default of the Lessee or such other persons AND PROVIDED FURTHER THAT AND IT IS HEREBY EXPRESSLY AGREED that the Lessor shall not in any way be held responsible to the Lessee by virtue of the covenants and stipulations herein contained for any damage caused by any neglect or failure to maintain the Reserved Property or any part thereof unless and until notice in writing of such neglect failure want of repair or defect as aforesaid had been given to the Lessor by or on behalf of the Lessee and the Lessor has failed to make good or remedy such neglect failure want of repair or defect as aforesaid within a reasonable time of receipt of such notice

3. THE Lessor shall before repairing any joist or beam to which is attached any ceiling of the Premises and before carrying out any repairs or works to the Reserved Property for the carrying out of which it requires access to the Premises give reasonable notice (and except in the case of extreme urgency at least Forty Eight hours notice) in writing to the Lessee The Lessor shall on the expiration of such notice be entitled to repair the said joists or beam or carry out the said repairs or works and in doing so to have any required access to the Premises but shall act carefully and reasonably doing as little damage as possible to the Premises and making good all damage done

4. TO employ and keep such staff to perform such services as the Lessor shall think necessary in or about the Property including the services of a resident porter (if any) but so that the Lessor shall not be liable to the Lessee for any act default or omission of such staff

5. TO pay or make such provision as the Lessor shall think fit for pensions annuities or retirement or disability benefits for staff on the termination of their employment or for their dependants

6. TO provide such uniforms and/or protective clothing as may be appropriate for such staff and to pay for the cleaning laundering and repair thereof and to purchase maintain and replace such materials tools

and equipment as may be necessary in connection with the provision of the services described herein

7. TO repair maintain and decorate any flat rest room or other accommodation in the Property occupied or used by resident or other staff and to charge an amount equivalent to the fair rent in respect of any flat such flat to the service including any rates taxes or other outgoings in respect thereof

8. TO keep the passenger lifts (if any) (and their equipment) and all the fixtures and fittings in the common parts of the Property (including any communal television and wireless aerials or rediffusion service and all fittings and equipment ancillary thereto) in good order and repair and replace the same as and when replacement is necessary or requisite

9. TO repair maintain and keep the boiler boiler house and all the apparatus for the provision of hot water in the Property and will renew and replace such apparatus and equipment when requisite or necessary

10. TO maintain and to supply to the Premises :-

- (a) AN adequate supply of hot water to the central heating system during the months of October to April inclusive and
- (b) AN adequate supply of hot water to the hot water taps within the Premises
- (c) A proper supply of cold water to the cold water taps in the Premises at all times

11. TO effect Insurance against the liability of the Lessor as an employer in respect of staff employed by it and to third parties and against such other risk and in such amount as the Lessor shall think fit (but not against the liability of the individual tenants and occupiers of the flats)

12. TO pay all expenses of providing maintaining repairing renewing servicing or otherwise relating to any communal television aerial or aerial relay service or wireless broadcasts or other similar apparatus

and any internal telephone system or door porter system in the Property including any fees or charges payable to any contractor person or corporation in respect of same PROVIDED THAT if at the date hereof such service is not provided the Lessor shall be under no obligation to provide the same

13. TO employ a firm of qualified Accountants to prepare and issue Certificates as to the amount of any Service Charge Contribution payable by the owners of the flats and to pay their charges therefor

14. TO employ a firm of Surveyors or Managing Agents (if considered by the Lessor to be requisite) to manage the Property for and on behalf of or in conjunction with the Lessor or to assist and advise the Lessor on its obligations hereunder and to pay their proper costs therefor and for this purpose the Landlords Surveyormay be a person connected with the Lessor or a company within the same group of companies as the Lessor

15. TO keep the halls stairs landing and passages forming part of the Reserved Property carpeted (where appropriate) cleaned and in good order and to keep adequately lighted all such parts of the Reserved Property as are normally lighted or as should be lighted and heated (and shall keep the internal or door telephone system (if any) in good order and repair) and further shall paint and keep in repair the exterior of the Property the halls stairs landings and passages forming part of the Reserved Property at least once in every Five years in the case of the exterior of the Property and at least once in every Seven years in the case of the interior of the Reserved Property

16. TO keep the gardens cultivated and tidy and the forecourt accessways forming part of the Reserved Property repaired cleaned and in good order

17. ALL legal and other professional costs incurred by the Lessor in connection with any dispute action or proceedings and the cost of doing all acts matters and things which the Lessor may reasonably deem necessary or advisable to take or do in the interest of good estate

management

THE EIGHTH SCHEDULE above referred to

COMPUTATION OF THE ANNUAL SERVICE CHARGE PROVISION

1. THE annual Service Charge Contribution in respect of each Maintenance Year shall be computed not later than the end of the third calendar month immediately following the commencement of the Maintenance Year in accordance with Clause 2 below

2. THE annual Service Charge Provision shall consist of a sum comprising :-

(i) THE expenditure estimated by the Lessor or Surveyors or Agents appointed by it for that purpose as likely to be incurred in the Maintenance Year by the Lessor for the purposes mentioned in the Seventh Schedule hereto together with

(ii) AN appropriate amount as a reserve for or towards those of the matters mentioned in the Seventh Schedule as are likely to give rise to expenditure after such Maintenance Year being matters which are likely to arise either only once during the then unexpired term of this Lease or at intervals of more than one year during such unexpired term including (without prejudice to the generality of the foregoing) such matters as the painting of the common parts of the exterior of the Property the repair of the structure thereof the repair of drains and the overhaul renewal and modernisation of any plant or machinery (the said amount to be computed in such manner as to ensure so far as is reasonably foreseeable (but without imposing any liability or responsibility on the part of the Lessor or its Surveyor or Agents appointed for the purpose) that the annual Service Charge Contribution shall not unduly fluctuate from year to year)

(iii) INTEREST (if any) on any sum or sums borrowed by the Lessor to enable it to provide any of the matters referred to in the Seventh

Schedule

3. AFTER the end of each Maintenance Year the Service Charge Provision for that year shall be adjusted by the Lessor or the Surveyor or Agent or Chartered Accountant for that purpose employed by the Lessor and the Adjustment shall be the amount by which the estimate under paragraph 2(i) of this Schedule shall have exceeded or fallen short of the actual expenditure in the Maintenance Year and the Lessee shall be allowed or shall on demand pay as the case may be against or with the next instalment of Service Charge Contribution falling due after the date of such determination 1.32 per centum (or such other proportion as shall have been substituted therefor) or such adjustment to the Service Charge Contribution

4. A Certificate signed by the Accountant employed by the Lessor showing the amount of the annual Service Charge Provision or the amount of any such adjustment thereto as aforesaid for any Maintenance Year shall be conclusive of such amount and in giving such Certificate such Accountant shall be deemed to be acting as an expert and not as an arbitrator

5. THE Lessor shall procure that there shall be open to inspection by the Lessee during normal hours during the daytime on reasonable notice in writing at the Lessor's premises for a period of Six months following the date of the Accountant's Certificate the audited accounts for the preceding Maintenance Year and the Lessor shall further supply to the Lessee a summary of such accounts

THE NINTH SCHEDULE above referred to

FURTHER COVENANTS ON THE PART OF THE LESSOR

1. (a) THE Lessor will require any person to whom it shall hereafter transfer or grant a Lease of any flat to covenant to observe and perform the covenants and conditions substantially similar to those on the part of the Lessee herein contained

(b) THE Lessor will (if so required by the Lessee in writing) enforce the covenants and conditions similar to those contained herein on the part of the Lessee entered into or to be entered into by the lessees of the other flats so far as they affect the Flat on the Lessee indemnifying the Lessor against all costs and expenses of such enforcement and giving reasonable security for such costs and expenses

2. TO maintain each flat retained by it in accordance with the Seventh Schedule hereto

3. TO insure the Property against fire and special perils and other such risks as the Lessor may from time to time consider necessary and if necessary loss of rent and keep it so insured in the name of the Lessor in an amount equal to the full replacement value and also in respect of Architects' and Surveyors' fees for rebuilding the Property and shall also take out and keep on foot in the said name a Policy of Insurance covering liability for injury to persons on the Property and shall make all payments necessary for those purposes within Seven days after the same become payable and shall produce to the Lessee on demand but not more than once a year the Policies of such Insurance thereof and the receipt for every such payment

4. AS often as any part of the Property is destroyed or damaged by fire or other risk insured against the Lessor shall rebuild and reinstate the same in accordance with the bye-laws regulations and planning or development scheme of any competent authority for the time being affecting the same and it is hereby agreed that any monies received in respect of the Insurance above provided for shall be applied so far as the same shall extend in so rebuilding or reinstating the Property

THE TENTH SCHEDULE above referred to

RULES AND REGULATIONS

1. THE Lessee shall keep all baths sinks cisterns and waste and other

internal pipes in or connected with the Flat clean and open and subject to the provisions of Section 32 of the Housing Act 1961 in proper repair and order and shall be responsible for all damage occasioned to the Flat or other flats in the Building through any breach of this rule or through the improper use or negligence of the Lessee or the family guests or servants of the Lessee and shall carry out during the tenancy any works required to the internal water pipes fittings or other apparatus to comply with any notices served by the Water Authority or the local sanitary authority

2. THE porters (or caretakers) are under no obligation to furnish attendance or other use of their services to tenants for their private convenience

3. COMPLAINTS of whatever nature and applications with regard to repairs and other matters shall be made in writing to the Lessor

4. LESSEES and occupiers using the common parts of the Building shall do so as quietly as possible and take especial care to close the entrance door and not to cause any disturbance or annoyance to the other tenants

5. THE Lessor cannot accept any responsibility for the safe custody of any luggage or other articles whether left with its servants or deposited in any storage accommodation provided nor for any loss of or damage to the same howsoever caused All such articles are so left or deposited at their owner's risk in all respects No porter or other employee of the Lessor has authority to receive or deposit any article except subject to the above conditions

6. THE Lessees and occupiers of the flats :-

- (a) SHALL each day before Eight a.m. place in the proper receptacles of their respective flats in a proper and convenient form for removal the ashes and rubbish of the previous day
- (b) SHALL clean the inside and outside of all windows of the Flat at least once in every month and keep the chimneys and flues belonging thereto swept and in clean condition



- (c) SHALL remove forthwith and clean up any litter or disorder which shall have been made by the Lessee on the staircases landings passages or balconies or on any other part of the Property
- (d) SHALL not erect any stove or pipes or cause or permit any offensive or inflammable materials to collect in the Flat or do anything which may affect or invalidate any Fire Insurance in respect of the Building or any part thereof or increase the rate of the premium
- (e) WILL not hold or allow to take place any sale in the Flat
- (f) SHALL not permit children or other persons to play upon or obstruct the staircases passages lift (if any) or landings of or the drives or approaches to the Reserved Building
- (g) SHALL furnish and keep furnished to the satisfaction of the Lessor all windows of the Flat with blinds and curtains
- (h) SHALL keep the entrance doors of the Flat shut and not leave or deposit or permit to be left or deposited any perambulators bicycles goods parcels cases refuse litter or any other thing in or upon the staircases yard passages or any other part of the Building outside the flats used in common with other tenants in the Building nor do or suffer to be done any act or thing in the Flat or any part thereof to the annoyance or injury of the Lessor or other tenants of the Property or of adjoining premises
- (i) SHALL not allow the lifts (if any) to be used by children unless they are accompanied by an adult
- (j) SHALL not carry or permit to be carried any coal upon the principal staircases or landings of the Reserved Property nor allow tradesmen or others to deliver goods except by the lift (if any) or staircase provided for that purpose
- (k) SHALL not have access to the roof of the Reserved Property
- (l) SHALL not bring into or take out of the Reserved Property any furniture or bulky articles except between the hours of Eight a.m. and Six p.m.

- (m) SHALL not at any time leave or park or permit to be left or parked in or upon the approaches private roads or passageways adjacent to or leading to the Reserved Property any motor car motor bicycle perambulator or other vehicle belonging to or used by the Lessee or occupier of the Flat or by any of their friends or visitors of the Lessee
- (n) SHALL not exercise any dog or any other animal in the gardens unless on a lead nor permit any such animal to foul the gardens approaches private roads or passageways
- (o) SHALL not allow the garden to be used for the purposes of games and shall not pick any flowers shrubs or fruit in the gardens



( The COMMON SEAL of DORRINGTON  
( DEVELOPMENTS LIMITED was  
( hereunto affixed in the  
( presence of :-

*[Handwritten Signature]*

Director

*[Handwritten Signature]*

Secretary

For and on behalf of  
Hanover Management  
Services Limited  
Secretaries to the Company.

H.M. LAND REGISTRY  
LEAS. H. L. TITLE REGISTERED  
TITLE NUMBER SGL 421766

T H I S D E E D is made the \_\_\_\_\_ day  
of \_\_\_\_\_ One thousand Nine hundred and Eighty

B E T W E E N

of \_\_\_\_\_  
(hereinafter called "the covenantor") of the one part and DORRINGTON  
DEVELOPMENTS LIMITED whose Registered Office is at 16 Hans Road London  
SW3 (hereinafter called "the Lessor") of the other part

W H E R E A S by virtue of a Transfer bearing even date herewith  
but executed immediately before these presents and made between

of the one part and the covenantor of the other part the Covenantor is  
entitled to be registered as the Registered Proprietor of the Lease  
(hereinafter called "the Lease") short particulars whereof are set out in  
the Schedule hereto.

AND W H E R E A S by virtue of Clause 13(a) or (b) of the Sixth  
Schedule of the Lease the Covenantor is required to enter into direct  
Covenants with the Lessor

NOW IT IS HEREBY WITNESSED that in pursuance thereof the  
Covenantor HEREBY COVENANTS with the Lessor to observe and perform all  
the covenants and conditions of the Lease as if he had been the original  
Lessee

IN WITNESS whereof the Covenantor has hereunto set his hand and  
seal the day and year first above written

THE SCHEDULE above referred to

<u>Property :</u>	Flat Number	Sherborne Court Croydon Road, Anerley London SE20
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LEASE DETAILS

<u>Date</u>	<u>Parties</u>	<u>Term</u>	<u>Rent</u>
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**SHERBORNE COURT  
ELMERS END ROAD ANERLEY SE20  
SERVICE CHARGE SUMMARY FOR THE YEAR TO 31ST MARCH 2006**

	2006	2005
	£	£
Electricity - common parts	1,825	1,408
Gas	23,290	18,487
Cleaning and gardening	12,737	12,874
Replacement water main	0	14,219
General repairs	12,642	15,796
Drainage works	0	0
Lifts maintenance	1,223	903
repairs	0	3,594
telephone	226	226
insurance	<u>759</u>	<u>0</u>
	2,208	4,723
Door entry system	651	560
Fire extinguisher rental	0	0
Pest control	233	0
Bank charges	261	243
Insurance	38,067	34,212
Legal & professional	235	1,150
Accountancy	370	360
Sundry	1,699	589
Managing agents fees	9,730	7,702
Insurance claims	<u>950</u>	<u>106</u>
<b>TOTAL EXPENDITURE</b>	<b>104,898</b>	<b>112,429</b>
Expenditure paid	61,529	99,654
Expenditure paid post 31/03/06	38,799	6,907
Accrued expenditure	4,570	5,868
<b>Service charges demanded</b>	<b><u>144,660</u></b>	<b><u>70,146</u></b>
<b>Surplus / ( Deficit - 2005 )</b>	<b><u>39,762</u></b>	<b><u>42,283</u></b>
<b>Surplus brought forward</b>	<b>22,909</b>	<b>64,487</b>
<b>Interest credited</b>	<b><u>493</u></b>	<b><u>705</u></b>
<b>Surplus carried forward</b>	<b><u>63,164</u></b>	<b><u>22,909</u></b>

At 31st March 2006 the amount of £29,631 was held at bank.

Phoenix House, 11 Wellesley Road, Croydon  
Tel 0870 703 9400 Fax 0870 703 9401  
DX 122993 Croydon33  
info@haywardsps.co.uk  
www.haywardsps.co.uk

APPENDIX B

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**Haywards**  
Property Services  
Residential Management

**BUDGET**  
**SHERBORNE COURT, ELMERS END ROAD, LONDON SE20**  
1st April 2006 - 31st March 2007  
Reference 1134

Description	Amount (£)
	£
Asbestos Survey	1,200.00
Insurance	39,600.00
Electricity	2,000.00
Cleaning/gardening	13,000.00
Gas	20,000.00
Heating Repairs/Service	6,000.00
Door Entry System	600.00
Water treatment	1,000.00
Pest Control	500.00
Accountancy	400.00
Bin hire	750.00
Rubbish removal	1,000.00
Sundries	500.00
Lift Maint/insurance	1,650.00
Lift Repairs	2,500.00
Lift Emergency telephone	230.00
General Repairs	12,000.00
Drain Maintenance	2,000.00
Professional Fees	4,000.00
Management fees	9,972.00
Sub total - Anticipated Expenditure	<u>118,902.00</u>
Reserve fund	30,000.00
Total anticipated expenditure	<u>148,902.00</u>

**NOTES**

This budget has been prepared as the basis for fixing a reasonable interim service charge for the year. Actual costs incurred during the year may vary but these will be shown in the audited account for the period and adjustments made accordingly.

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