

## **Farm Business Tenancy – Fixed Term**

Including information required by Schedule 1A, Land  
Registration Rules 2003 for use in lettings for more than 7  
years

- (1) Lammas Low Impact Initiatives Limited
- (2) ....

Dated

8<sup>th</sup> September 2009

### **Osborne Clarke**

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## **Provision for Notice**

### **Important**

**Before signing this Agreement the Landlord and the Tenant should give each other a written notice identifying the Holding mentioned above and confirming that they intend that the tenancy created by this Agreement is to be, and to remain until its termination, a Farm Business Tenancy as defined by Section 1 of the Agricultural Tenancies Act 1995. A copy of the notices should be kept with this Agreement.**

*The form of this Agreement is based on the RICS Farm Business Tenancy Agreement (4th Edition 2007) the copyright of which is owned by The Royal Institution of Chartered Surveyors.*

|  |   |
|--|---|
| <p><b>LR1. Date of lease</b></p>   | <p>8<sup>th</sup> September 2009</p>  |
| <p><b>LR2. Title number(s)</b></p>   | <p><b>LR2.1 Landlord's title number(s)</b><br/> <i>Title number(s) out of which this lease is granted. Leave blank if not registered.</i></p> <p><b>CYM436317</b></p> <p><b>LR2.2 Other title numbers</b><br/> <i>Existing title number(s) against which entries of matters referred to in LR9, LR10, LR11 and LR13 are to be made.</i></p> |
| <p><b>LR3. Parties to this lease</b></p> <p><i>Give full names, addresses and company's registered number, if any, of each of the parties. For Scottish companies use a SC prefix and for limited liability partnerships use an OC prefix. For foreign companies give territory in which incorporated.</i></p> | <p><b>Landlord</b></p> <p><b>Lammas Low Impact Initiatives Limited</b><br/> <b>IP30222R</b> c/o Tegfan, Tan y rhiw, St Dogmaels, Pembrokeshire, SA43 3HB</p> <p><b>Tenant</b></p> <p>.....</p> <p><b>Other parties</b><br/> <i>Specify capacity of each party, for example "management company", "guarantor", etc.</i></p>                  |
| <p><b>LR4. Property</b></p> <p><i>Where there is a letting of part of a registered title, a plan must be attached to this lease.</i></p>   | <p><b>In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.</b></p> <p>All that property known as Plot 1 situated at Tir Y Gafel Glandwr Whitland in the County of Pembrokeshire full particulars of which are contained in Schedule 1.</p>      |

|  |   |
|--|---|
| <p><b>LR5. Prescribed statements etc.</b></p> <p><i>If this lease includes a statement falling within LR5.1, insert under that sub-clause the relevant statement or refer to the clause, schedule or paragraph of a schedule in this lease which contains the statement.</i></p> | <p><b>LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.</b></p>  |
| <p><b>LR6. Term for which the Property is leased</b></p> <p><i>NOTE: The information you provide, or refer to, here will be used as part of the particulars to identify the lease under rule 6 of the Land Registration Rules 2003.</i></p>                                      | <p>The Term is as follows:</p> <p>A term of 999 years commencing on 8th September 2009. and ending on 7th September 3008.....</p>   |
| <p><b>LR7. Premium</b></p> <p><i>Specify the total premium, inclusive of any VAT where payable.</i></p>  | <p>£35,000 payable in full prior to 8th September 2009</p>  |
| <p><b>LR8. Prohibitions or restrictions on disposing of this lease</b></p>   | <p>This lease contains a provision that prohibits or restricts dispositions.</p>  |
| <p><b>LR9. Rights of acquisition etc.</b></p>  | <p><b>LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land</b></p> <p>None</p> <p><b>LR9.2 Tenant's covenant to (or offer to) surrender this lease</b></p> <p>None</p> <p><b>LR9.3 Landlord's contractual rights to acquire this lease</b></p> <p>None</p> |
| <p><b>LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property</b></p>   | <p>None</p>   |
| <p><b>LR11. Easements</b></p>  | <p><b>LR11.1 Easements granted by this lease for the benefit of the Property</b></p>  |

|  |   |
|--|---|
|  | <p><b>LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property</b></p>  |
| <p><b>LR12. Estate rentcharge burdening the Property</b></p>   | <p>None</p>   |
| <p><b>LR13. Application for standard form of restriction</b></p> <p><i>Set out the full text of the standard form of restriction and the title against which it is to be entered. If you wish to apply for more than one standard form of restriction use this clause to apply for each of them, tell us who is applying against which title and set out the full text of the restriction you are applying for.</i></p> <p><i>Standard forms of restriction are set out in Schedule 4 to the Land Registration Rules 2003.</i></p> | <p>The Parties to this lease apply to enter the following standard form of restriction against title number</p>   |
| <p><b>LR14. Declaration of trust where there is more than one person comprising the Tenant</b></p> <p><i>If the Tenant is one person, omit or delete all the alternative statements.</i></p> <p><i>If the Tenant is more than one person, complete this clause by omitting or deleting all inapplicable alternative statements.</i></p>  | <p>The Tenant is more than one person. They are to hold the Property on trust for themselves as joint tenants.</p> <p><i>OR</i></p> <p>The Tenant is more than one person. They are to hold the Property on trust for themselves as tenants in common in equal shares.</p> <p><i>OR</i></p> <p>The Tenant is more than one person. They are to hold the Property on trust</p> <p><i>Complete as necessary</i></p> |

## Particulars

### Column 1

### Column 2

|                           |   |
|---------------------------|---|
| The Landlord              | Lammas Low Impact Initiatives Limited of Tegfan, Tan y rhiw, St Dogmaels, Pembrokeshire, SA43 3HB   |
| The Tenant                | .....   |
| The Holding               | All that property known as Plot 1, Tir Y Gafel Glandwr Whitland in the County of Pembrokeshire consisting of approximately 2 acres and outlined in red on the plan attached at Schedule 1 |
| The Shared Area           | All that area between the four terrace plots consisting of approximately 21 acres and outlined in purple on the plan attached at Schedule 1.  |
| The Term                  | 999 years   |
| The First Day of the Term | 8th September 2009  |
| The Last Day of the Term  | 7 <sup>th</sup> September 3008  |
| The Premium               | £35,000   |
| The Rent                  | £1.00 per year  |
| The Rent Days             | 8 <sup>th</sup> September   |
| The First Rent Day        | 8 <sup>th</sup> September 2010  |
| The Prescribed Rate       | The base rate for the time being of Cooperative Bank Plc plus 10%   |
| Service Charge            | £999.00 per year subject to review  |



This Agreement is made on 8th September

2009

**Between:**

- (1) **Lammas Low Impact Initiatives Limited** (company number: IP3022R) whose registered office is at Tegfan, Tan y rhiw, St Dogmaels, Pembrokeshire, SA43 3HB (the "**Landlord**")
- (2) ..... (the "**Tenant**")

**1. Preliminary**

1.1 In this Agreement unless the context otherwise requires, the following definitions will apply:

|                          |   |
|--------------------------|---|
| Common Areas             | Those parts of the Settlement retained by the Landlord and to be used and enjoyed in common by the Tenant, other Residents, the Landlord and those properly authorised or permitted to do so by any of them as shaded green on the plan attached at Schedule 1 and the Common Areas include (but without limitation) the village green, the millpond, the Community Hub, Communal Woodland, Settlement Roads and Settlement Footpaths |
| Communal Woodland        | The woodland that exists on the Common Areas  |
| Community Hub            | The proposed building that will house the company office existing on the Common Areas   |
| Dwelling House           | the building to be constructed on the Holding and in which the Tenant shall reside [during the Term]  |
| Perpetuity Period        | The period from the date of this Agreement to 7th September 3008  |
| Residents                | Those people living on plots 1 – 9, Tir y Gafel, Glandwr  |
| Service Charge           | The charge levied by the Landlord for the upkeep of the Settlement which is charged with reference to the reasonable and proper Total Service Costs in any Service Charge Period and subject to variation by the Landlord   |
| Service Charge Day       | 8 <sup>th</sup> September   |
| First Service Charge Day | 8 <sup>th</sup> September 2010  |

|                            |  |
|----------------------------|--|
| Service Installations      | Drains, channels, sewers, pipes, wires, cables, aerials, water courses, gutters, soakaways and other similar installations now or later constructed during the Perpetuity Period |
| Services                   | Domestic water, renewable-electricity,   |
| Settlement                 | The Pont y Gafel low impact village, Glandwr, Whitland, Pembrokeshire, now comprised in title number <b>CYM436317</b>  |
| Settlement Footpaths       | Both Public footpaths and permissive footpaths.  |
| Settlement Management Plan | The management plan from time to time in place for the Settlement and as drawn up by the Landlord  |
| Settlement Roads           | Those trackways that exist on the Common Areas   |
| Shared Areas               | Those parts of the Settlement to be used and enjoyed in common by the Tenant and the Residents of plots 1 – 4 of Tir y Gafel and shown edged purple on the attached plan.        |

1.2 In this Agreement, unless the context otherwise requires:

- (a) expressions in Column 1 of the Table of Particulars have the meaning given to them in Column 2 of the Table;
- (b) the Landlord includes the person entitled to receive the rent payable under this Agreement;
- (c) the Tenant includes the person who has the right to occupy the Holding on the terms of this Agreement; and
- (d) the Term includes any period after the Last Day of the Term during which the Tenant is entitled to continue to occupy the Holding either by agreement or by statute, including any period during which this Agreement continues as a tenancy from year to year.

1.3 At any time when the Landlord or the Tenant is more than one person their obligations and covenants can be enforced against all of them jointly and against each of them individually.

1.4 Any reference to an Act of Parliament, statutory instrument or regulation includes a reference to that Act, instrument or regulation as amended or replaced from time to time and to any subordinate legislation or bye-law made under it.

1.5 The amounts specified in this Agreement are exclusive of VAT and wherever in this Agreement there is a covenant by the Landlord or Tenant to pay any sum which is a taxable supply, VAT shall be payable upon the issue of a valid VAT invoice.

## 2. **Letting**

2.1 The Landlord LETS the Holding to the Tenant together with the rights granted in Part I of Schedule 2 excepting and reserving to the Landlord the rights set out in Part II of Schedule 2 from the First Day of the Term for the Term unless this Agreement is ended under clause 15.1.

2.2 The Landlord reserves the Rent and any new Rent fixed under Schedule 3.

## **Obligations of the Tenant**

### 3. **Payments**

3.1 The Tenant will pay the Premium to the Landlord prior to the First Day of the Term.

3.2 The Tenant will pay the Rent (and any new Rent fixed under Schedule 3) to the Landlord in advance by equal instalments on the Rent Days with the first payment of rent (or a duly apportioned part of it) being paid on the First Rent Day.

3.3 The Tenant will pay each instalment of rent in full on the Rent Days without making any deduction of any kind (including any legal or equitable set-off).

3.4 The Tenant will pay all rates, taxes or other sums payable in respect of the Holding by the occupier (except any tax or other sum payable by the Landlord in respect of rent received or in respect of any dealing with the Landlord's interest in the Holding).

3.5 The Tenant will pay interest on any rent arrears or other money due under this Agreement at the Prescribed Rate from the date when payment should have been made until the date when payment is actually made.

3.6 The Tenant will pay the Service Charge (and any new Service Charge fixed under Schedule 9) to the Landlord in advance by equal instalments on the Service Charge Days with the first payment of Service Charge (or a duly apportioned part of it) being paid on the First Service Charge Day.

3.7 The Tenant will pay each instalment of Service Charge in full on the Service Charge Days without making any deduction of any kind (including any legal or equitable set-off).

3.8 The Tenant will pay interest on any Service Charge arrears or other money due under this Agreement at the Prescribed Rate from the date when payment should have been made until the date when payment is actually made.

### 4. **Use and management of the Holding**

4.1 (a) the Tenant will use the Holding primarily for agricultural purposes

- (b) if a particular use for any part of the Holding has been specified in Column 4 of Schedule 1 the Tenant will use that part of the Holding for that purpose only throughout the Term.
- 4.2
  - (a) for as long as he occupies the Holding the Tenant will comply with the provisions relating to good husbandry and land management set out in the Settlement Management Plan from time to time, and any additional terms relating to conservation and to the cultivation and management of the Holding contained in Schedule 8.
  - (b) the Tenant will use his best endeavours to keep the Holding free from disease or infestation by pests
  - (c) the Tenant will destroy all ragwort docks and other injurious weeds to which the Weeds Act 1959 applies from time to time growing on the Holding.
  - (d) the Tenant will not allow any livestock on the Holding to be treated in a manner likely to cause unnecessary pain or distress, and will comply with any relevant code of practice relating to animal welfare.
- 4.3
  - (a) the Tenant will not allow anything to be done or to remain on the Holding which might cause nuisance, disturbance or damage to the Landlord or the occupier of any adjoining land or to users of any road or footpath on or adjoining the Holding.
  - (b) the Tenant will not plough up or obstruct any public right of way or any private right of way lawfully enjoyed by the Landlord or any other person.
  - (c) the Tenant will not allow anything to be done on the Holding which might cause the pollution of any watercourse or any supply of water.
  - (d) the Tenant will not allow the Holding to be used for the purpose of hosting public meetings, workshops or courses without the prior written consent of the Landlord, such consent not to be unreasonably withheld or delayed.
- 4.4 The Tenant will not alter any watercourse, ditch, leat, bank or hedgerow existing on the Holding on the First day of the Term without the prior written approval of the Landlord.
- 4.5 The Tenant will comply with all Acts of Parliament, regulations, by-laws and applicable codes of practice relating to the Holding or to the conduct of the Tenant's business on the Holding.
- 4.6 The Tenant will live in the Dwelling House on the Holding (if any) at all times during the Term and will personally farm the Holding save that whilst the Dwelling House is being constructed the Tenant may reside on the Holding in temporary accommodation subject to the prior approval of both the Landlord and the local planning authority.
- 4.7 The Tenant will do nothing to harm any game deer and fish or any wildfowl and wild birds listed in Part I of the Second Schedule to the Wildlife and Countryside Act 1981 (including their nests and eggs).

- 4.8 The Tenant will take all steps necessary to preserve and continue any licences permits or consents in existence at the start of this Agreement which are of benefit to the Holding (including any concerning the usage of water) and will permit the Landlord or the Landlord's agent to inspect and take copies of all such documents.
- 4.9 The Tenant will not enter into any grant scheme or management agreement without the Landlord's consent which shall not be unreasonably withheld or delayed.
- 4.10 The Tenant will not grow any genetically modified crop or apply any sewage sludge to the Holding.
- 4.11 The Tenant shall obtain the consent in writing of the Landlord to use or store upon the Holding or upon the Common Areas any flammable chemical, liquid or gas or other flammable material, other than chemicals, liquids, gases or other material used or intended to be used for domestic purposes.

## **5. Use of the Shared Area**

- 5.1 Any use or development of the Shared Area shall either be decided in writing in consensus amongst all four terrace plots, or failing consensus, shall be decided by the Landlord at a committee meeting

## **6. Construction of the Dwelling House and other structures**

- 6.1 The Tenant shall on or before 1<sup>st</sup> August 2012 construct or cause to be constructed the Dwelling House together with all necessary works in a thorough and workman like manner and with materials of a suitable quality in accordance with:
- (a) the appropriate planning permission;
  - (b) the building regulations sufficient to comply with the building regulations; and
  - (c) the building policy and all other relevant policies in the Settlement Management Plan.
- 6.2 The Tenant will submit all plans for new buildings and any extensions or alterations to existing buildings to the Landlord for approval prior to carrying out any building work.
- 6.3 The Tenant shall construct or cause to be constructed any additional structures relevant to the Holding together with all necessary works in a thorough and workman like manner and with materials of a suitable quality in accordance with:
- (a) the appropriate planning permission;
  - (b) the building regulations sufficient to comply with the building regulations; and
  - (c) the building policy and all other relevant policies in the Settlement Management Plan.

## 7. **Repairs, alterations and insurance**

7.1 For all those parts of the Holding identified in Schedule 4 as being the responsibility of the Tenant to repair the Tenant agrees first to put those parts into a good state of repair, and then to keep them in a good state of repair.

7.2 If the Tenant fails to do any work which this Agreement requires him to do and the Landlord gives him written notice to do it the Tenant agrees:

- (a) to start the work within 2 months or immediately in the case of an emergency; and
- (b) to proceed diligently with the work until it is completed; or
- (c) if the Tenant fails to comply with the notice, to permit the Landlord to do the work and recover the reasonable cost from the Tenant.

7.3 For all those parts of the Holding identified in Schedule 4 as being the responsibility of the Landlord to repair the Tenant agrees:

- (a) to take reasonable care to avoid those parts of the Holding becoming damaged by any deliberate, reckless or negligent act or behaviour by the Tenant or any person permitted to be on the Holding by the Tenant and to put right any damage so caused as soon as reasonably possible; and
- (b) to report in writing to the Landlord any damage caused to those parts of the Holding or any need for repair to them as soon as the Tenant becomes aware of such matters.

7.4 Where Schedule 4 indicates that the repair of a particular part of the Holding is to be carried out by the Landlord subject to a contribution from the Tenant, the Tenant agrees to pay to the Landlord the specified percentage of the reasonable cost incurred by the Landlord in carrying out the work, such payment to be made on demand following completion of the work.

- (a) the Tenant will comply with the terms of all consents required for the carrying out of such work and will compensate the Landlord for any loss, damage or expense incurred by the Landlord as a result of any breach by the Tenant of his obligations under this clause.
- (b) unless the parties otherwise agree, the repair and insurance of any new building erected on the Holding by the Tenant will be the responsibility of the Tenant as if it had been so identified in Schedule 4.

## 8. **Assignment and subletting**

8.1 (a) the Tenant may not sublet or share occupation of the Holding or any part of it unless permitted to do so under sub-clauses (b) and (c) below.

- (b) the Tenant may sublet any dwelling on the Holding ONLY to any person employed in agriculture on the Holding, provided that such subletting is by

means of an assured shorthold tenancy, the statutory notice having first been duly served, for a term which will expire before the end of the Term of this Agreement.

- (c) the Tenant may sublet any building on the Holding for a use other than for agriculture provided such subletting is for a term expiring before the end of the Term of this Agreement and is on terms which exclude the application of section 24 to 28 of the Landlord and Tenant Act 1954 and the Landlord has given written consent in advance (which will not be unreasonably refused).

8.2 Residents are allowed to sell their interest in the Holding and realise a profit, so long as this Agreement, along with all its conditions remains wholly intact. However, the following provisions shall apply to any assignment of this Agreement:

- (a) the Tenant may not assign part only of the Holding; and
- (b) the Tenant may not assign the whole of the Holding without the prior written consent of the Landlord (which will not be unreasonably withheld or delayed).

## 9. **Access and information**

9.1 Subject to any restrictions imposed in the interests of public, plant or animal health, the Tenant will allow the Landlord and any person authorised by the Landlord to have access to the Holding at all reasonable times after giving reasonable notice (except in an emergency) for the purpose of:

- (a) inspecting the condition of the Holding;
- (b) carrying out any works which the Landlord is obliged or entitled to carry out under this Agreement;
- (c) carrying out any works to any property belonging to the Landlord which adjoins the Holding;
- (d) taking soil or water samples;
- (e) carrying out monitoring, assessment and research into the Holding's ecological footprint and the Settlement's progress towards the sustainability goals from time to time set out in the Settlement Management Plan; and
- (f) exercising any of the rights reserved to the Landlord in Part II of Schedule 2 of this Agreement.

In all cases the Landlord shall repair and make good any damage caused to the Holding or loss incurred by the Tenant by the exercise of the Landlord's rights of access.

9.2 Immediately on becoming aware of any such matter the Tenant must inform the Landlord in writing of any notice, order, direction or other formal document relating to the Holding or to the management of the Holding or which is likely to affect the Landlord's interest in the Holding (including any charge made under the authority of

the Agricultural Credits Act 1928) and must allow the Landlord or the Landlord's agent to make copies of all relevant documents.

- 9.3 The Tenant shall fill in to the best of his ability and return in good time to the Landlord any forms, questionnaires or other correspondence that the Landlord may reasonably require the Tenant to complete in respect of monitoring, assessment and research into the Holding's ecological footprint and the Settlement's progress towards the sustainability goals from time to time set out in the Settlement Management Plan.

## 10. **Compliance with Settlement Management Plan**

- 10.1 The Tenant will observe and perform all conditions contained in any planning permission affecting the Holding.

- 10.2 The Tenant will keep in good condition and repair any parts of the Settlement Footpaths and Service Installations which lie within the Holding.

- 10.3 The Tenant will not be permitted to run a road vehicle from the Holding unless he has first purchased a vehicle pass from the Landlord

- 10.4 The Tenant will abide by the Landlord's principles of sustainability as set out from time to time in the Settlement Management Plan and observe and perform the conditions and obligations on Residents contained therein including in particular the following, where applicable to the Holding:

- (a) the building policy;
- (b) the land management policy;
- (c) the common areas policy;
- (d) the woodland management plan;
- (e) the services policy;
- (f) visiting guidelines; and
- (g) conflict resolution procedures.

- 10.5 From 8<sup>th</sup> September 2009 until 8<sup>th</sup> September 2012 the Tenant will generate (both directly and indirectly) no more than 2190 vehicle trips per year. From 8<sup>th</sup> September 2012 onwards the Tenant will generate (both directly and indirectly) no more than 1460 vehicle trips per year. If the Tenant exceeds these targets and should the landlord be required by the Council to take mitigation measures as a result, the Tenant will be responsible for such costs incurred and required to reimburse the Landlord before the next rent day.

- 10.6 From 8<sup>th</sup> September 2014 onwards the Tenant will be required annually to meet at least 75% of their household needs from activities centred around the use of resources



grown reared or occurring naturally on the Holding. If the Tenant fails to do this and should the landlord be required by the Council to take mitigation measures as a result, the Tenant will be responsible for such costs incurred and required to reimburse the Landlord before the next rent day.

**11. Quitting the Holding**

11.1 At the end of the Term the Tenant must give up possession of the Holding to the Landlord leaving it in a condition consistent with the Tenant having complied with all of his obligations under this Agreement.

**12. Release by Landlord**

12.1 The Landlord shall be at liberty to modify waive or release all or any covenants stipulations or restrictions relating to the Holding, the Settlement or any adjoining or neighbouring land now or in the future belonging to the Landlord whether imposed or entered into before at the same time as or after the date of this Agreement and to dispose of any part of the Settlement free from any restriction or stipulation.

**13. Landlord's obligations**

13.1 For so long as the Tenant pays the Rent and complies with his obligations under this Agreement the Landlord will permit the Tenant to occupy and enjoy the Holding without any interference or disruption by the Landlord or any person acting on the Landlord's behalf or deriving title under the Landlord.

13.2 For all those parts of the Holding identified in Schedule 4 as being the responsibility of the Landlord to repair the Landlord agrees:

- (a) first to put those parts into a good state of repair, and then to keep them in a good state of repair for as long as the Tenant is entitled to occupy the Holding under this Agreement; and
- (b) where the item identified relates to the decoration or treatment of any part of the Holding the Landlord agrees to paint, redecorate or treat the relevant part of the Holding whenever necessary and in any case at intervals of not more than seven years in the case of internal items and at intervals of not more than five years in the case of external items, all such work to be carried out to a proper standard using materials of suitable quality.

13.3 Where Schedule 4 indicates that the repair of a particular part of the Holding is to be carried out by the Tenant subject to a contribution from the Landlord, the Landlord agrees to pay to the Tenant the specified percentage of the reasonable cost incurred by the Tenant in carrying out the work, such payment to be made on demand following completion of the work.

13.4 If the Landlord fails to do any work which this Agreement requires him to do and the Tenant gives him written notice to do it the Landlord agrees:

- (a) to start the work within two months or immediately in the case of an emergency; and
  - (b) to proceed diligently with the work until it is completed; or
  - (c) if the Landlord fails to comply with the notice, to permit the Tenant to do the work and recover the reasonable cost from the Landlord.
- 13.5 The Landlord agrees to keep insured any items identified in Schedule 4 as being the responsibility of the Landlord to insure. Such insurance:
- (a) shall be with a reputable Insurance Company;
  - (b) shall be against loss or damage by fire and such other risks as the Landlord may from time to time reasonably require; and
  - (c) where it relates to buildings on the Holding, and unless otherwise specified in Schedule 4, shall be for an amount equal to their full reinstatement cost (including all professional fees and the cost of any work which might be required by or by virtue of any Act of Parliament).
- 13.6 Where the Landlord is responsible for insurance the Landlord agrees:
- (a) to produce to the Tenant on demand the policy of insurance maintained by the Landlord and the receipt for the last premium payable for it;
  - (b) to reinstate any building or other item destroyed or damaged by any risk against which the Landlord was required to insure and to cause all money received in respect of such damage or destruction to be expended in carrying out the required reinstatement or replacement; and
  - (c) in case it shall be impossible or impracticable to reinstate any building or item on the Holding in accordance with sub-clause (b) above any money received under the policy of insurance shall be divided between the Landlord and the Tenant in proportion to the value at the date of the damage or destruction of their respective interests in the building or item in question.
- 13.7 Where the Landlord is responsible for insuring against loss of rent, the Rent payable by the Tenant shall be abated by a proportionate amount (to be agreed or determined under clause 16) following the destruction or damage of any building or other item on the Holding by any risk against which the Landlord is required to insure or has insured, and such abatement shall continue for a period of up to 2 years ending with the reinstatement or replacement of the building or item.
- 13.8 At the end of the Term when the Tenant quits the Holding the Landlord will pay compensation to the Tenant as provided for in Schedule 6.
- 13.9 The Landlord will provide the Services provided that:
- (a) the Tenant hereby acknowledges that, with the exception of the provision of domestic water and renewable electricity, the Services are provided to the

Tenant as a back up to the Tenant's own resources and that the Tenant shall make provision for its own irrigation water supply to the Holding;

- (b) the Landlord may at its reasonable discretion from time to time extend or vary the Services or any of them if the Landlord deems it necessary for the more efficient management of the Settlement; and
- (c) the Landlord shall not be liable to the Tenant in respect of any failure or interruption in the Services by reason of the breakdown or necessary maintenance, repair, cleaning or replacement of any Service Installations or apparatus in connection with the Services or any other cause beyond the Landlord's control.
- (d) The Landlord reserves the right to require the Tenant to pay any installation costs involved in the purchase construction and installation of that section of the water or electricity network from a central distribution point to the Holding.

13.10 The Landlord will observe and perform the conditions and obligations on the Landlord contained within the Settlement Management Plan including in particular the following, where applicable to the Landlord:

- (a) the building policy;
- (b) the land management policy;
- (c) the common areas policy;
- (d) the woodland management plan;
- (e) the services policy;
- (f) visiting guidelines; and
- (g) conflict resolution procedures.

13.11 The Landlord will maintain, repair, renew and cleanse all Service Installations serving the Holding and falling within the Common Areas.

13.12 The Landlord will keep in good and substantial repair and condition and clean, maintain, repair and renew (as appropriate) the Settlement Roads and the Settlement Footpaths where the latter fall within the Common Areas.

13.13 The Landlord will, within the framework of the Settlement Management Plan, allow the Tenant to keep a wide range of livestock and grow a wide range of crops.

#### **14. Option to repurchase part of the Holding**

14.1 The Landlord has the option at any time during the Term to purchase up to a maximum of 10% of the Holding at a price to be agreed between the parties to reflect the current agricultural values at the time of the purchase, provided that this area has no built structures upon it, and provided that the conditions leading to such a repurchase are

considered exceptional and all other practical possibilities have been explored and shown to be impractical.

14.2 If the Landlord wishes to exercise the option he will serve a written notice on the Tenant which will give a minimum of 6 months notice.

14.3 The Tenant will cooperate with the Landlord, providing all necessary documentation within 30 days of a written request.

14.4 The Landlord will pay the agreed price to the Tenant on the date of repurchase.

## 15. **Termination of this Agreement**

15.1 Either the Landlord or the Tenant may bring this Agreement to an end at the end of the Term by giving to the other at least twelve months' notice in writing expiring on the Last Day of the Term.

15.2 The Tenant may bring this Agreement to an end before the Last Day of the Term by giving to the Landlord at least twelve months' notice in writing.

15.3 If this Agreement does not end on or before the Last Day of the Term it will continue as a tenancy from year to year but either the Landlord or the Tenant may bring it to an end by giving to the other at least twelve months' notice in writing expiring on an anniversary of the Last Day of the Term.

15.4 If the Tenant fails to pay the Rent or any part of the Rent for 21 days after it becomes payable (whether formally demanded or not) or if the Tenant commits any breach of his obligations or if a receiving order is made against him or if a meeting of his creditors is called or if he is adjudicated bankrupt or if the Tenant (being a company) enters into compulsory or voluntary liquidation otherwise than for the purposes of reconstruction or amalgamation or if any distress or execution is levied on the Holding, then in any such case the Landlord shall be entitled (in addition to any other right and after first giving to the tenant one month's prior notice in writing) to re-enter the Holding or any part of it in the name of the whole and bring this Agreement to an end.

15.5 If the Tenant becomes incapable of managing the Holding because of some permanent physical or mental disability or illness, the Tenant may end this Agreement by giving to the Landlord not less than twelve months' notice in writing.

15.6 Any notice given under clause 14.1, 14.2 or 15.5 may expire at any time before the Last Day of the Term, but any notice which is to expire while this Agreement is continuing as a tenancy from year to year after the Last Day of the Term must expire at the end of a year of the tenancy.

## 16. **Resolution of disputes**

16.1 Subject to clause 16.7 below any dispute between the Landlord and the Tenant concerning their rights or obligations under this Agreement or in relation to the Holding shall be determined either by an independent expert appointed under clause

16.2 below or, if no independent expert is appointed, by an arbitrator appointed under clauses 16.3 or 16.4 below.

- 16.2 After a dispute has arisen the Landlord and the Tenant may agree in writing to refer the dispute to an independent expert whose decision shall be final and binding on them. The procedure to be adopted by the independent expert (including liability for costs) shall be determined by him or her but shall include an opportunity for the parties to state their case either orally or in writing as the independent expert may direct.
- 16.3 If the Landlord and the Tenant do not agree to refer the dispute to an independent expert either party may give to the other a notice in writing specifying the dispute and requesting that agreement be reached on the identity of an arbitrator to be appointed to determine the dispute.
- 16.4 If no arbitrator has been appointed by agreement within two months of a notice under clause 16.3 above then either the Landlord or the Tenant may apply to the President of The Royal Institution of Chartered Surveyors for the appointment of an arbitrator by him.
- 16.5 If an arbitrator has been appointed but subsequently dies or becomes incapable of acting for any reason the parties may appoint another in his place by agreement or alternatively either party may apply to the President of The Royal Institution of Chartered Surveyors for the appointment of a new arbitrator.
- 16.6 Any arbitration under this Agreement shall be conducted in accordance with the Arbitration Act 1996.
- 16.7 Clause 16.1 above will apply to all disputes between the Landlord and the Tenant except disputes falling within paragraph 2.3 of Schedule 3 (Rent Review) or paragraphs 2.6 or 5.3 of Schedule 6 (consent for improvements and compensation).

## **17. Obligations in schedules to this Lease**

The Landlord and Tenant mutually covenant to observe and perform their respective obligations and conditions in the schedules.

## **18. Additional matters**

- 18.1 The rules relating to the service of notices contained in Section 36 of the Agricultural Tenancies Act 1995 apply to any notice given under this Agreement so that any notice can be given to a person by delivering it to him or leaving it at his proper address or sending it to him at his proper address by any recorded delivery service. No notice given by fax or by other electronic means will be valid unless a copy of the notice is also sent by post or delivered to the proper address of the recipient within 7 days.
- 18.2 Either party may serve any notice (including any notice in proceedings) on the other at the address given in the Particulars or such other address as has previously been notified in writing.
- 18.3 The provisions of Schedule 5 of this Agreement shall apply in relation to entitlements, quotas and contracts as there defined.

- 18.4 (a) the buildings and other items mentioned in Schedule 7 are agreed to be unnecessary for the proper farming of the Holding and neither party is required to repair maintain or insure them. If the Landlord wishes to repair or remove them he may do so at his own expense.
- (b) if at any time either the Landlord or the Tenant considers that any building or other item provided is unnecessary for the proper farming of the Holding he may ask for it to be included in Schedule 7. If the other party does not agree, the question may be referred to an arbitrator. If the arbitrator considers that the building or other item is unnecessary for the proper farming of the Holding he will direct that it should be included in Schedule 7 and clause 18.4(a) will apply to it.
- 18.5 Each party shall bear their own costs of the preparation, approval and completion of this Agreement. The Tenant shall be responsible for submitting the Stamp Duty Land Tax return and for the payment of any Stamp Duty Land Tax payable in respect of this Agreement.
- 18.6 If this Agreement is for a term of more than seven years the Tenant shall register it under the Land Registration Act 2003, and the Landlord shall provide such information as the Tenant reasonably requires but shall not be obliged to do more than is necessary to enable the Tenant to register the Agreement with good leasehold title.
- 18.7 No person shall be entitled to rights under this Agreement by virtue of section 1 of the Contracts (Rights of Third Parties) Act 1999.
- 18.8 If either party suffers loss or is put to expense as a result of a breach of any obligation imposed by this Agreement on the other, he shall be entitled to be compensated by the other for that loss or expense.
- 18.9 This Agreement, together with the documents specifically referred to herein, contains the whole agreement between the Landlord and the Tenant concerning the Holding and no custom of the country is to give or affect any rights of either party.
- 18.10 The parties confirm that there is no Agreement for Lease to which this Agreement gives effect.

## **Schedule 1**

### **The Holding , the Shared Area and the Common Areas**

## **Schedule 2**

### **Part I**

#### **Rights granted to the Tenant**

1. The right subject to payment of the Service Charge at all times hereafter for the purpose of access to and egress from the Holding to pass and repass on foot and with or without vehicles over the Settlement Roads and on foot only over the Settlement Footpaths.
2. The right (in common with all others entitled thereto) to enter onto the Common Woodland to cut, fell and take as belonging to the Tenant a limited quantity of timber, trees, saplings, pollards and plantations at any time on the Common Woodland as specified in the woodland management plan from time to time.
3. The right (in common with all others entitled thereto) to the use and enjoyment of the Shared Areas.
4. The right, subject to the Tenant paying the Service Charge, so far as the same serve the Holding, of the taking, passage and running (as appropriate) of Services through Service Installations which are now or may within the Perpetuity Period be laid in, on, over or under the Settlement.
5. Other than any land covered by a building, the right to enter any land on the Settlement and adjoining the Holding so far as may be necessary for the purposes of inspecting, cleaning, maintaining, repairing and renewing the buildings, walls, hedges, fences and other boundary structures on the Holding and the Service Installations causing as little damage as possible and making good to the reasonable satisfaction of the registered proprietors from time to time of the adjoining land any damage caused.
6. The right, subject to payment of the Service Charge, to use the Common Areas.

### **Part II**

#### **Rights reserved by the Landlord**

The Landlord reserves the rights listed below. In all cases the Landlord may exercise the right personally or may authorise any other person to exercise them. In all cases the Landlord will repair and make good any damage caused by the exercise of his rights and will pay reasonable compensation for any loss or damage caused by the exercise of these rights.

1. The right (in common with all others entitled thereto and so far as the same serve other parts of the Settlement) to take, pass and run (as appropriate) Services through the Service Installations now or at any time within the Perpetuity Period laid in, on, over or under the Holding.
2. The right to enter, after the giving of reasonable notice and at all reasonable times (or in the case of emergency at any time without notice), upon the Holding so far as may



be necessary for the purposes of constructing, laying, altering, inspecting, cleaning, maintaining, repairing or renewing the Service Installations and for the purpose of complying with any covenant, agreement or condition entered into by the Landlord with the Tenant or any other person, causing as little damage as possible and making good to the reasonable satisfaction of the Tenant any damage caused.

3. The right to lay or construct such further installations as may be required to make connections to any Service Installations.
4. The right to use any Settlement Footpaths on the Holding to gain access to other property belonging to the Landlord.
5. The right to lay or maintain across the Holding such pipes, drains, conduits, cables, wires or other conducting media as are reasonably required for the benefit of any other land belonging to the Landlord or for the exercise of any of the rights reserved.
6. The exclusive right to grant any wayleave, contract, easement or licence to any person and the benefit of all existing and future agreements entered into by the Landlord and all rents and other money payable under them.
7. The right (subject to the provisions of any statutory powers) to take water from any stream, spring or other source of supply on or beneath the Holding provided sufficient water is left for the Tenant's reasonable use of the Holding.
8. The right to install and maintain permissive footpaths across the Shared Area along any route.
9. The right to access, inspect, maintain, repair and alter any watercourse or leat on the Holding

## Schedule 3

### Rent Review

NOTE The Rent payable by the Tenant shall be reviewed under Part 1 or Part 2 or Part 3 of this Schedule. Part 1 shall be used unless it has been struck through or deleted, in which case Part 2 shall be used unless it has been struck through or deleted in which case Part 3 shall be used.

#### Part 1: Rent review to open market value

1. In this Part of this Schedule:

the "**Review Date**" means the third anniversary of the Term Commencement Date or each subsequent third anniversary thereafter;

the "**Market Rent**" means a rent determined in accordance with paragraphs 2.2 and 3.1 below; and

"**Tenant's Improvements**" mean:

- (a) any physical improvement which is made on the Holding by the Tenant by his own effort or wholly or partly at his own expense; or
- (b) any intangible advantage obtained for the Holding by the Tenant by his own effort or wholly or partly at his own expense and which becomes attached to the Holding; or
- (c) any such physical improvement or intangible advantage made or obtained by a previous tenant of the Holding and for which the Tenant made an ingoing payment.

2.1 With effect from each Review Date the rent payable under this Agreement shall be the Market Rent for the Holding at that Review Date.

2.2 The Market Rent at each Review Date shall either be:

- (d) the amount agreed in writing by the Landlord and the Tenant at any time; or
- (e) the amount determined by a suitably qualified person acting either as an expert (whose decision shall be final) or as an arbitrator appointed by agreement between the parties at any time; or
- (f) the amount determined by a suitably qualified person acting as an arbitrator appointed by the President of The Royal Institution of Chartered Surveyors following an application made by either party at any time not earlier than six months before the Review Date.

- 2.3 If the person appointed under paragraph 2.2 above refuses to act or is incapable of acting for any reason the parties may appoint another in his place by agreement or alternatively either party may apply to the President of The Royal Institution of Chartered Surveyors for the appointment of a new arbitrator.
- 3.1 The Market Rent to be determined by the Arbitrator or expert shall be the Rent at which the Holding might reasonably be expected to be let on the open market by a willing Landlord to a willing Tenant on the Review Date taking into account (subject to paragraphs 3.2 and 3.3 below) all relevant factors including the terms of this tenancy.
- 3.2 In determining the Market Rent the Arbitrator or expert shall disregard any increase in the rental value of the Holding due to Tenant's Improvements other than:
- (a) any Tenant's Improvement provided under an obligation imposed on the Tenant by the terms of this or any previous tenancy and which arose on or before the grant of the tenancy in question;
  - (b) any Tenant's Improvement to the extent that any allowance or benefit has been made or given by the Landlord in consideration of its provision; and
  - (c) any Tenant's Improvement to the extent that the Tenant has received any compensation from the Landlord in respect of it.
- 3.3 In determining the Market Rent the Arbitrator or expert:
- (a) shall disregard any effect on the Rent of the fact that the Tenant is in occupation of the Holding; and
  - (b) shall not fix the Rent at a lower amount by reason of any dilapidation or deterioration to, or any damage to, buildings or land caused or permitted by the Tenant.
- 4.1 If, by any Review Date the Market Rent has not yet been ascertained under paragraph 2.2 above, the Tenant shall continue to pay the Rent which was payable immediately before that Review Date. Fourteen days after the Market Rent has been ascertained the Tenant shall pay to the Landlord or the Landlord shall reimburse to the Tenant as the case may be any accrued difference between the Market Rent and the rent payable immediately before the Review Date together with interest on the difference at the Prescribed Rate.
- 4.2 If, at any Review Date, legislation restricts the right of either party to require a rent review to the Market Rent then on the lifting of the restriction either party may give to the other a notice in writing calling for an additional review of the Rent payable under this Agreement with effect from such date as may be specified in the notice, being between twelve and twenty-four months after the giving of the notice, and for the purposes of this Schedule the date so specified shall be treated as if it were a Review Date.

- 4.3 The Market Rent payable from any Review Date shall be recorded in a written memorandum endorsed on or attached to this Agreement and its counterpart as soon as it has been ascertained.
- 4.4 Part 2 of the Agricultural Tenancies Act 1995 does not apply to this Agreement.

**Part 2: Rent review in accordance with Part II, Agricultural Tenancies Act 1995**

5. The Rent shall be subject to review as provided by Part II, Agricultural Tenancies Act 1995; the intervals between reviews will be not less than three years and will be ascertained in accordance with section 10(6) thereof.

**Part 3: Rent review in accordance with section 12 and Schedule 2, Agricultural Holdings Act 1986**

- 6.1 The Rent shall be subject to review as if the tenancy created by this Agreement was a tenancy of an agricultural Holding to which section 12 and Schedule 2, Agricultural Holdings Act 1986 applied.
- 6.2 Part 2 of the Agricultural Tenancies Act 1995 does not apply to this Agreement.

## Schedule 4

### Allocation of repairing and insuring responsibilities

NOTE: The Schedule should be completed to identify those parts of the Holding which it is intended the Landlord should repair or insure and those parts the Tenant should repair or insure. Alternatively the Schedule may be completed in such a way as to indicate that one party is to carry out the repairs required to a particular item with the other party agreeing to pay a specified proportion of the cost. If any part of the Holding is not identified or written in to this Schedule or where this Schedule does not allocate responsibility to either party for completing the work it will be the responsibility of the Tenant to repair and insure it.

(a) *Repair and maintenance of dwellings.*

| <b>Item</b>                                 | <b>Tenant</b> | <b>Landlord</b> |
|---|---------------|-----------------|
| Roofs including chimneys                    |               |                 |
| Exterior walls and main structural timbers  |               |                 |
| Interior walls                              |               |                 |
| Ceilings and internal plastering            |               |                 |
| Ceiling and floor joists                    |               |                 |
| Floors                                      |               |                 |
| Staircases                                  |               |                 |
| Doors                                       |               |                 |
| Windows and skylights                       |               |                 |
| Gutters and downpipes                       |               |                 |
| Baths, toilets etc.                         |               |                 |
| Electrical installations including fittings |               |                 |
| Water pipes                                 |               |                 |
| Foul drainage systems                       |               |                 |

|                                     |  |  |
|-------------------------------------|--|--|
| Boilers and heating systems         |  |  |
| Internal decorations and treatments |  |  |
| External decorations and treatments |  |  |
| Fire detection and security systems |  |  |

(b) *Repair and maintenance of other buildings and fixed equipment*

| <b>Item</b>                           | <b>Tenant</b> | <b>Landlord</b> |
|---------------------------------------|---------------|-----------------|
| Roofs including chimneys              |               |                 |
| Structural frames and walls           |               |                 |
| Cladding                              |               |                 |
| Floors                                |               |                 |
| Doors and gates                       |               |                 |
| Windows                               |               |                 |
| Staircases and fixed ladders          |               |                 |
| Gutters and downpipes                 |               |                 |
| Electrical installations and fittings |               |                 |
| Water supplies and fittings           |               |                 |
| Foul drainage facilities              |               |                 |
| Fixtures and fittings                 |               |                 |
| External decorations and treatments   |               |                 |
| Internal decorations and treatments   |               |                 |
| Timber and other infestations         |               |                 |

(c) *Repair and maintenance of external works and services*

| <b>Item</b>  | <b>Tenant</b> | <b>Landlord</b> |
|--|---------------|-----------------|
| Rainwater drainage systems - above ground            |               |                 |
| Rainwater drainage systems - below ground            |               |                 |
| Foul drainage systems - above ground                 |               |                 |
| Foul drainage systems - below ground                 |               |                 |
| Sewage disposal systems                              |               |                 |
| Slurry systems                                       |               |                 |
| Water supply systems - above ground                  |               |                 |
| Water supply systems - below ground                  |               |                 |
| Electrical supply systems                            |               |                 |
| Gas supply systems                                   |               |                 |
| Garden walls and fences                              |               |                 |
| Yard walls fences and gates                          |               |                 |
| Roads and yards                                      |               |                 |
| Cattle grids   |               |                 |
| Field gates and posts                                |               |                 |
| Bridges and culverts                                 |               |                 |
| Field drains ditches and associated works            |               |                 |
| Field boundaries                                     |               |                 |
| Watercourses reservoirs ponds and associated systems |               |                 |
| Signs and notices                                    |               |                 |

(d) *Insurance*

Unless a different basis of insurance is indicated in the table below, buildings are to be insured to their full reinstatement value (including professional fees and associated costs) and not to their modern replacement value. If a different basis of insurance is agreed for different buildings or pieces of equipment or machinery, the table should be modified to record that agreement.

| <b>Item</b>                                    | <b>Tenant</b> | <b>Landlord</b> | <b>Basis</b> |
|--|---------------|-----------------|--------------|
| Dwellings                                      |               |                 |              |
| Other buildings                                |               |                 |              |
| Landlord's fixed equipment plant and machinery |               |                 |              |
| Loss of rent for a period of 2 years           |               |                 |              |



**Schedule 5**  
**Quota provisions**

None

**Schedule 6**

**Part I – Compensation on Termination**

None

**Part II – Improvements for which Landlord's consent is hereby given**

All

## **Schedule 7**

### **Redundant buildings and fixed equipment**

The following buildings or other items of fixed equipment are agreed to be redundant in accordance with clause 18.4.

## Schedule 8

### Part I – Good husbandry

The provisions relating to good husbandry referred to in clause 4.2(a) are as follows.

1. Taking into account the terms of this Agreement, the character and situation of the Holding and all relevant circumstances, the Tenant will maintain a reasonable standard of husbandry both in terms of the system of farming and the quantity and quality of produce, and at the same time will keep the Holding in good agricultural and environmental condition to enable such a standard to be maintained in the future.
2. In considering whether the standard of husbandry achieved by the Tenant is reasonable, regard will be had to the extent to which:
  - (a) the Tenant's farming practices keep the soil, sub-soil and natural and other drainage systems in good condition having regard to the DEFRA Codes of Good Agricultural Practice;
  - (b) grassland is being kept properly mown or grazed, free from pernicious weeds and maintained at an appropriate level of fertility;
  - (c) arable land is being cropped in such a way as to maintain the land clean and in an appropriate state of cultivation and fertility;
  - (d) the Holding is properly stocked (where the system of farming practised requires the keeping of livestock) and an efficient standard of management of livestock is maintained including compliance with current farm animal welfare standards;
  - (e) the necessary steps are being taken for the protection and preservation of crops which have been harvested or lifted or which are in the process of being harvested or lifted;
  - (f) the necessary work of maintenance and repairs is being carried out; and
  - (g) the storage, use and disposal of fuel oil, effluents, manures, slurries, inorganic fertilisers and pesticides complies with the DEFRA Codes of Good Agricultural Practice for the Protection of Water, Soil and Air;
  - (h) any chemicals used on the farm minimise damage to wildlife and are handled and applied in accordance with the COSHH Regulations and the Food and Environment Act Pesticide Codes.
  - (i) watercourses, ponds, marshy areas and other wetland features are conserved and any maintenance work required is undertaken on a rotational basis in autumn and winter only and all watercourses specified in Part II of this Schedule are protected by maintaining an uncultivated strip alongside;

- (j) hedgerows are maintained in good heart and condition and trimmed as late in the year as possible in accordance with any specific provision as to height, width, frequency of cutting or other details specified in Part II of this Schedule;
- (k) care is taken to keep pesticides, fertiliser, slurry and farmyard manure away from field boundaries;
- (l) the Holding is maintained in good agricultural and environmental condition as required by the Single Payment Scheme or any other applicable Entitlement Scheme; and
- (m) any additional terms relating to conservation, cultivation or management included in Part II of this Schedule are being complied with.

**Part II – Additional terms relating to conservation, cultivation and management**

The following additional terms relating to the cultivation and management of the Holding, or to specific fields or areas of the Holding, will apply in accordance with clause 4.2(a).

## Schedule 9

### Service Charge

#### 1. Definitions

In this schedule, unless the context otherwise requires, the following words have the following meanings:

**"Account Date"** means 30<sup>th</sup> January in each year or such other date as the Landlord may stipulate and as the case may be the date of determination of the Term.

**"Account Period"** means the period from and including the commencement of the Term or an Account Date (as the case may be) up to and including the next Account Date.

**"Account Statement"** means a statement (which shall except for any manifest error be accepted by the Tenant as conclusive) certified by a qualified surveyor or accountant setting out the relevant Account Period, the Total Expenditure for that period, the Service Charge Proportion, the Advance Service Charge paid and the balance of Service Charge due from or

**"Costs"** means the aggregate cost actually or notionally incurred by the Landlord in providing the Services or managing the Settlement including (but not limited to):

- (a) rates, taxes and outgoings payable in respect of the Common Areas (or any part of it) or the Settlement as a totality;
- (b) the cost of all fuel supplies to the Common Areas or in the provision of the Services;
- (c) the cost of employing staff (whether directly or not) to provide the Services including (but not limited to) insurance, pension and welfare contributions, provision of clothing, tools, equipment and accommodation (such accommodation if within the Settlement to be valued by a qualified surveyor at a notional rent equivalent to the open market rent);
- (d) the cost of provision, maintenance and renewal of all equipment and supplies required to provide the Services;
- (e) the cost of all maintenance, rental and other contracts entered into in connection with the provision of the Services;
- (f) all contributions to roads, Service Installations, walls and other facilities available to or enjoyed by the Settlement in common with any other property;
- (g) the cost of borrowing any money to finance the Costs including all fees and interest;
- (h) the fees of all managing agents retained in connection with the provision of the Services, the management of the Settlement and the collection of Rent and

Service Charge payments (or a reasonable charge where the Landlord carries out such tasks itself);

- (i) the cost of preparing and auditing the Service Charge accounts;
- (j) the cost of obtaining professional advice required in respect of the management of the Settlement and the provision of the Services;
- (k) any tax as charged on the Costs save insofar as recoverable by the Landlord;
- (l) the cost of complying with or contesting the requirements of any Authority in relation to the Common Areas the provision of the Services or the Settlement in its totality; and/or
- (m) such provision for anticipated future expenditure in respect of the Services as the Landlord may reasonably consider appropriate.
- (n) inspection maintenance and repair of the Settlement (including replacement where reasonably necessary);
- (o) cleaning and lighting of the Settlement (including replacement where reasonably necessary);
- (p) provision and maintenance of all decorative features of the Common Areas (including landscaped areas and planting);
- (q) provision and maintenance of any facilities for the amenity of the Settlement including (but not limited to) fire safety, security and surveillance systems and services which are either required as a matter of legal obligation or considered appropriate by the Landlord in the interest of maintaining the highest standards of estate management;
- (r) compliance with the lawful requirements or recommendations of any Authority or any insurer;
- (s) insurance of the Common Areas and such other insurance in relation to the management of the Settlement or the Landlord may consider prudent.

**"Due Proportion"** means such proportion as is conclusively certified by the Landlord or the Landlord's surveyor as representing the due proportion of the Costs reasonably attributable to the Holding.

## 2. Provision of the Services

2.1 Subject to payment by the Tenant of the Service Charge the Landlord will use all reasonable endeavours to provide the Services but the Landlord will not be liable to the Tenant in respect of:

- (a) any failure or interruption in any of the Services by reason of necessary repair, maintenance or replacement of any installations or apparatus or their damage or destruction or by reason of mechanical or other defect or breakdown or frost or

other inclement conditions or shortage of fuel materials or labour or any other cause beyond the control of the Landlord but the Landlord will use all reasonable endeavours to restore any such Services as soon as practicable; and

(b) any act omission or negligence of any person undertaking the Services or any of them on behalf of the Landlord.

2.2 The Landlord may withhold, add to, extend, vary or alter the Services or any of them from time to time so long as in doing so the Landlord complies with the principles of good estate management and acts reasonably in all the circumstances.

2.3 If at any time during the Term the property comprising the Settlement is increased or decreased on a permanent basis or the benefit of any of the Services is extended on a like basis to any adjoining or neighbouring property or if some other event occurs as a result of which the Service Charge is no longer appropriate to the Holding the Service Charge will be varied with effect from the beginning of the Account Period following such event in such a manner as is determined to be fair and reasonable in the light of the event in question by the Landlord's surveyor or its managing agents whose decision will be final.

#### **2.4 Level of the Service Charge**

For the first Account Period the Service Charge shall be £999.00. and thereafter during each successive Account Period the Service Charge will be reviewed by the Landlord and may be increased or reduced at the Landlord's absolute discretion PROVIDED THAT the Service Charge shall at all times be sufficient to meet the Due Proportion.

### **3. Statement of Annual Expenditure**

3.1 As soon as practicable after each Account Date the Landlord will submit to the Tenant an Account Statement for the Account Period ending on the relevant Account Date.

3.2 If the Account Statement shall show a balance of Service Charge due from the Tenant for the Account Period the Tenant shall pay such balance to the Landlord within 14 days of receipt of the Account Statement.

3.3 If the Account Statement shall show that a refund is due to the Tenant that refund shall be set off against the Advance Service Charge for the next Account Period or any other sums due to the Landlord under the terms of this Lease.

### **4. Exceptional expenditure**

4.1 If during any Account Period the Landlord intends to incur or actually incurs heavy or exceptional expenditure which forms part of the Costs, the Landlord will be entitled to recover from the Tenant the Service Charge in respect of the whole of that expenditure on the following Rent Day.

4.2 If funds collected by way of advance payments towards Costs prove insufficient to meet an immediate liability (and there is no reserve fund available or which may be applied to meet the liability) the Landlord will be entitled to advance monies (or borrow monies for that purpose from reputable banks) at commercially competitive



rates of interest and the interest payable on the advance or the borrowing will be recoverable as an item of the Costs.

- 4.3 Where the Landlord carries out major works of repair, maintenance and decoration or replaces major items of plant or machinery it may at its discretion apportion the relevant expenditure to the Cost over more than one Account Period.

## **5. Sinking fund**

- 5.1 The Landlord may include as an item of the Costs for any Account Period an amount which the Landlord reasonably determines is appropriate to build up and maintain a sinking fund in accordance with the principles of good estate management.
- 5.2 Any such sinking fund may be established for the renewal and replacement of plant, machinery and equipment in the Settlement.
- 5.3 The Landlord will keep the sinking fund in a separate trust account until and to the extent that it may be required for disbursement then or in the then immediate future in payment of the costs and expenses of the renewal and replacement of such plant, machinery and equipment.
- 5.4 Interest earned upon such account (less any tax payable) is to be credited to the account at regular rests in each year.
- 5.5 Until actual disbursement the relevant monies are to be held by the Landlord for the benefit of the tenants and occupiers of the Settlement as a class.

## **6. Continuation**

The provisions of this Schedule shall continue to have effect after the End of the Term but only in respect of Service Charge expenditure incurred in relation to the Term.

In witness this Deed has been executed and delivered on the date appearing at the head of page 1.

**Executed as a Deed by** )  
**LAMMAS Low Impact** )  
**Initiatives Limited** )  
acting by a director and its )  
secretary or two directors: )

Director

Director/Secretary

**Executed as a Deed by** )  
..... )  
in the presence of: )

*Witness*

*Witness's occupation*

*Witness's address*