

PLEASE INDEX AS

OTHER DOCUMENTS UPDATES

FILE No. TP/99/0733

JAN. FEB. MCH. APL. MAY. JUNE JUL. AUG. SEPT. OCT. NOV. DEC

PART	1	PART	9
PART	2	PART	10
PART	3	PART	11
PART	4	PART	12
PART	5	PART	13
PART	6	PART	14
PART	7	PART	15
PART	8	PART	16

THIS LEASE made the day of One thousand nine hundred and ninety

BETWEEN:-

- (1) [KENNET PROPERTIES LIMITED/THAMES WATER DEVELOPMENTS LIMITED] whose registered office is at Gainsborough House Manor Farm Road Reading Berkshire RG2 0JN (hereinafter called "the Landlord" which expression shall include the person from time to time entitled to the reversion expectant on the term hereby granted)

- (2) CHLTC LIMITED whose registered office is at 9 Aubrey Walk, London, W8 7JH (hereinafter called "the Tenant")

CONTENTS:-

<u>CLAUSE</u>	<u>HEADINGS</u>
1.	Interpretation
2.	Demise Term Rent
3.	Tenant's Covenants
3.1	Rent and other payments
3.2	Outgoings
3.3	Insurance charge
3.4	Repair
3.5	Decoration
3.6	Insurance of plate glass
3.7	Cleaning of windows
3.8	Cleaning of demised premises
3.9	Compliance with legislation
3.10	Yielding up
3.11	Entry by landlord
3.12	Entry by landlord on tenant's default
3.13	Expense of making good dilapidations and serving notices
3.14	Cost of party works
3.15	Alterations
3.16	Signs
3.17	Nuisance overloading etc
3.18	Use of address of demised premises
3.19	Name of demised premises
3.20	Use of demised premises
3.21	Planning acts
3.22	Production of notices
3.23	Alienation
3.24	Encroachments
3.25	Invalidation of insurance
3.26	Duplication of insurance
3.27	Disclosure to insurers
3.28	Increased cost of insurance and void insurance
3.29	Cost of licences etc
3.30	Indemnities
3.31	Plans documents and information
3.32	Interest
3.33	Value added tax
3.34	Obligations affecting landlord's title
4.	Landlord's covenants
4.1	Insurance
4.2	Reinstatement of insured damage
4.3	Quiet enjoyment
5.	Provisos
5.1	Forfeiture
5.2	Suspension of Rent
5.3	Compensation under Landlord and Tenant Act 1954
5.4	Form of licences etc
5.5	Waiver of right to forfeit
5.6	Implied easements and other rights
5.7	Arbitration
5.8	Representations
5.9	Service of notices
5.10	Value added tax
6.	
SCHEDULE 1.	
PART I	Description of demised premises
PART II	Rights granted to tenant
PART III	Rights excepted to landlord
PART IV	Matters subject to and with the benefit of which the demised premises are demised

SCHEDULE 2. Rent Review Provisions

SCHEDULE 3.

PART I Insurances maintained by the landlord

PART II Provisions as to payment of insurance charge

WITNESSETH as follows:-

1. INTERPRETATION

In this Lease:

1.1 The following expressions have unless the context otherwise requires the following meanings and cognate expressions are to be construed accordingly:-

"Conducting Media" means sewers drains pipes wires cables ventilation ducts heating ducts and other conducting media and operational equipment of the Landlord including any fixings louvres cowls and other covers and includes any apparatus (not being tenant's or trade fixtures) connected to any Conducting Media for enabling use to be made of the Conducting Media or of any water soil gas electricity heating ventilation air-conditioning or other effluvia passing through Conducting Media;

"Demised Premises" means the and premises area of land and buildings described in Part I of Schedule 1 and all additions and alterations thereto and all Landlord's fixtures from time to time annexed thereto;

"Election" means the election exercisable by the Landlord pursuant to paragraph 2 of Schedule 10 of the VAT Act 1994 in respect of the Demised Premises

"Insurance Charge" means the cost to the Landlord of effecting and maintaining the insurances specified in Part I of Schedule 3, such cost in each case to be ascertained in accordance with the provisions of Part II of Schedule 3;

"Insured Risks" means the risk of loss damage or destruction by fire lightning storm tempest flood explosion earthquake (fire and shock) impact from vehicles aircraft other devices and articles dropped therefrom riot civil commotion malicious damage bursting or overflowing of water tanks apparatus or pipes

discharge from sprinklers and such other risks as the Landlord may from time to time in its reasonable discretion insure against pursuant to the Landlord's *covenant in that behalf hereinafter contained*;

"Irrecoverable VAT" means VAT incurred by the Landlord to the extent that such VAT is not available for credit pursuant to the provisions of Section 24-26 of the VAT Act 1994 in the prescribed accounting period in which that VAT was incurred;

"Landlord's Surveyor" means such firm of surveyors or surveyor (who may be a qualified employee or officer of the Landlord) as the Landlord may from time to time appoint;

"Legislation" means all Acts of Parliament (including without prejudice to the generality of the foregoing the Planning Acts) already and subsequently passed and all orders regulations and bye-laws made pursuant to any Act of Parliament or otherwise having the force of law;

"Loss of Rent Period" means a period of three years;

"Permitted Use" means use as tennis courts and clubhouse only

"Plan" means the plan annexed hereto;

"Planning Acts" means the Town and Country Planning Act 1990 and all Legislation from time to in force relating to Town and Country Planning;

"Perpetuity Period" means the period of 80 years starting on the date of this Lease which shall be the perpetuity period of this Lease;

"Prescribed Rate" means interest of a rate of 3 per cent above the base rate from time to time of National Westminster Bank plc or such other bank (being a member of the Committee of London and Scottish Bankers) as the Landlord may from time to time nominate in writing

4 - JCS

IN THE READING COUNTY COURT

No. of Matter RG4 00108

THAMES WATER UTILITIES

First Applicant

- and -

CHLTC LIMITED

Second Applicant



In the matter of Section 38(4) of the Landlord and Tenant Act 1954 (as amended by Section 5 of the Law of Property Act 1969) and in the matter of the proposed lease of Tennis Courts and 9 Aubrey Walk Campden Hill London

We, the above named applicants, jointly apply to the Court for an Order that the Court authorize an agreement in the terms of clause 6 of the draft lease attached hereto (the Lease) excluding in relating to the Lease the provisions of Sections 24 to 28 of the Landlord and Tenant Act 1954. The grounds upon which we claim to be entitled to this Order are:-

1. The First Applicant and the Second Applicant have been separately legally advised.
2. The premises are part of Campden Hill Reservoir and consist of the top surface of the reservoir which is covered in and a building adjacent.
3. The Second Applicant's occupation of that part has to be consistent with the operational requirements of the First Applicant. Accordingly, the Lease is terminable on six months notice by the First Applicant and contains a clause under which the First Applicant can exclude the Second Applicant from the whole or part of the premises for a period that is requisite for operational reasons.
4. The exclusion of security of tenure was taken into account in assessing the rent.
5. The parties have agreed to the Reading County Court having jurisdiction in this matter.

It is not intended to serve any person with notice of this application.

Dated 17 January 1994

Clarks

Thomas & Hamlin

CLARKS solicitors for the First Applicant whose address for service is Great Western House, Station Road, Reading, RG1 1SX

TROWERS & HAMLINS solicitors for the Second Applicant whose address for service is 6 New Square Lincoln's Inn London WC2A 3RP

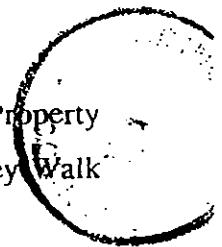
1/21/94

RG4 00108

IN THE READING COUNTY COURT

No. of Matter

In the matter of the Landlord and Tenant Act 1954 as amended by the Law of Property Act 1969. And in the matter of a proposed lease of Tennis Courts and 9 Aubrey Walk Campden Hill London



UPON THE JOINT APPLICATION of Thames Water Utilities and CHLTC Limited and it appearing that the Applicants jointly apply for the relief sought by this application and by their respective solicitors having consented in writing to this Order:-

IT IS ORDERED pursuant to Section 38 of the Landlord and Tenant Act 1954 (as amended by the Law of Property Act 1969) that the Applicants be at liberty to enter into an agreement excluding the provisions of Sections 24 to 28 of the Landlord and Tenant Act 1954 in relation to the tenancy of the premises intended to be granted by the first named Applicant to the second named Applicant such agreement to be in the terms contained in the intended Lease a draft copy of which is attached to this Order and signed by the Registrar

Dated the 21 JANUARY 1994

DISTRICT JUDGES
P. KEOGH
B. G. MEREDITH
G. BURGESS
B. E. F. CATLIN
C. A. SONNEX

.....
District Judge

Expert not
Arbitrator

(6) The Surveyor shall act as an expert and not as an arbitrator. He shall consider any estimate and statement of reasons submitted to him within the specified period but shall not be in any way limited or fettered thereby and shall determine the New Rent in accordance with his own judgment.

Decision

(7) The Surveyor shall give notice in writing of his decision to the Landlord and to the Tenant within two months of his appointment or within such extended period as the Landlord shall agree.

Upward
Review Only

(8) If the Surveyor comes to the conclusion that the current market rental of the Demised Premises is equal to or less than the Base Rent he shall by his decision determine that the New Rent is of the same amount as the Base Rent

Failure of
Surveyor

(9) If the Surveyor shall fail to determine the New Rent and give notice thereof within the time and in the manner hereinbefore provided or if he shall relinquish his appointment or die or if it shall become apparent that for any reason he will be unable to complete his duties hereunder the Landlord may apply to the said President for a substitute to be appointed in his place which procedure may be repeated as many times as necessary.

Decision

(10) The decision of the Surveyor shall be final.

Effective
Date

(11) The Tenant shall pay the Base Rent on each date appointed by this Lease for payment of rent until notice of the amount of the New Rent has been given to the Tenant. On the first day for payment of rent after the New Rent has been determined the Tenant shall pay the appropriate instalment of the New Rent together with by way of additional rent a sum equal to the difference between the New Rent and the Base Rent with interest thereon at a

rate equal to the base rate for the time being of Lloyds Bank PLC.

Fees

(12) The fees of the Royal Institution of Chartered Surveyors or other professional body as aforesaid and of the Surveyor shall be paid by the Landlord and the Tenant in equal shares.

THE COMMONWEALTH of THAMES WATER)
UTILITIES LIMITED was hereunto)
affixed in the presence of:-)

Director

Secretary

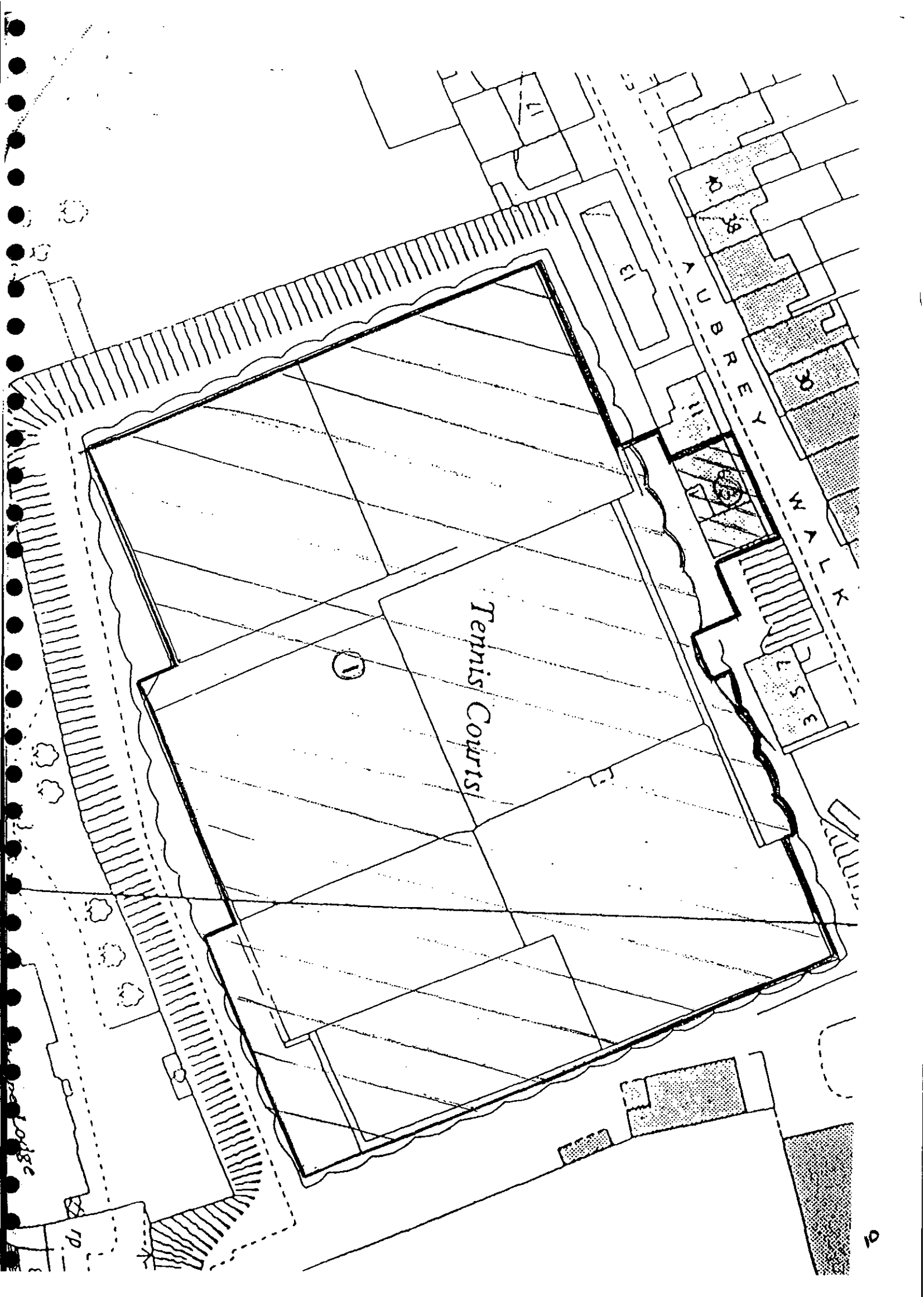
THE COMMONWEALTH of CHLTC LIMITED)
was hereunto affixed in the)
presence of:-)

Director

Jugala S. Tewhalla

Secretary

H. Chawla



Tennis Courts

1

38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

KALK
BREY

L
S
E

Lodge

10

10

as well after as between judgement interest at or by reference to such rate to be calculated on a day to day basis.

"Reinstatement Value"

means the full cost of rebuilding or reinstating the Demised Premises together with architects' surveyors' engineers' and other professional fees and expenses the cost of shoring up debris removal demolition site clearance and any works required by Legislation and any other incidental expenses in connection with rebuilding or reinstatement due allowance being made for increases in costs fees and expenses during the period from the date of damage or destruction until the estimated date of completion of rebuilding and reinstatement

"VAT"

means Value Added Tax or any similar tax from time to time payable whether in substitution for or addition to Value Added Tax;

"Yearly Rent"

means a rent of Fifty Thousand Pounds (£50,000.00) per annum or such other rent as may from time to time be substituted therefor pursuant to the provisions of Schedule 2.

- 1.2 Where two or more persons constitute a party to this Lease covenants by that party herein contained or implied shall be deemed to be made by those persons jointly and severally.
- 1.3 References to any right of the Landlord to enter or have access to the Demised Premises shall be construed as extending to any superior lessor or mortgagee for the time being and to all persons authorised by the Landlord and to any such superior lessor or mortgagee and shall include agents professional advisers contractors workmen of and authorised by the Landlord or any superior lessor or mortgagee with all necessary tools plant equipment appliances and materials.
- 1.4 References to "Demised Premises" in the absence of any provision to the contrary include any part thereof.

- 1.5 Any covenant by or regulation requiring the Tenant not to do an act or thing shall be deemed to include an obligation on the part of the Tenant to ensure that any such act or thing is not done by any person under its control.
- 1.6 The term "parties" or "party" shall mean the Landlord and/or the Tenant.
- 1.7 Any reference to a specific statute includes any statutory extension or modification or re-enactment of such statute and any regulations or orders made thereunder and any general reference to "statute" or "statutes" include any regulations or orders made thereunder.
- 1.8 Reference to "the tenancy" and "the term" shall be deemed to be references both to the term of years hereby demised and to any extension or continuation thereof whether by the provisions of the Landlord & Tenant Act 1954 or any similar legislation from time to time in force or otherwise which tenancy shall be deemed to have commenced on the date of commencement of the said term hereinafter stipulated.
- 1.9 The expression "termination" in relation to the tenancy means termination in any manner whether by effluxion of time notice forfeiture surrender or otherwise and the expression "terminating" bears a corresponding meaning.
- 1.10 The index marginal notes and headings to the clauses sub-clauses and schedules and parts of schedules of this Lease are inserted for ease of reference only and shall not affect the construction of this Lease.

2. DEMISE TERM RENT

The Landlord hereby demises unto the Tenant ALL THOSE the Demised Premises TOGETHER WITH the matters described in Part II of Schedule I EXCEPTING AND RESERVING unto the Landlord and those deriving title from the Landlord the rights described in Part III of Schedule I TO HOLD the same unto the Tenant SUBJECT to the matters described in Part IV of Schedule I for the term of THIRTY-THREE (33)YEARS commencing on the [] day of []One thousand nine hundred and ninety-[] YIELDING AND PAYING therefor the following rents :-

- 2.1 From the date hereof the Yearly Rent which Yearly Rent shall be paid by equal quarterly instalments in advance on the usual quarter days save that the first instalment shall be a proportionate payment in respect of the period commencing on the date

hereof and ending on the quarter day next after the date hereof and shall be paid on the execution hereof.

2.2 Secondly the Insurance Charge in accordance with Clause 3.3.

2.3 Thirdly any VAT payable on the Yearly Rent, the Insurance Rent

3. TENANT'S COVENANTS

The Tenant hereby covenants with the Landlord:-

3.1 RENT AND OTHER PAYMENTS

To pay the rents hereby reserved on the days and in the manner aforesaid.

3.2 OUTGOINGS

3.2.1 To pay all rates taxes levies duties charges assessments impositions and outgoing s whether of an existing or novel kind now or at any time hereafter during the term levied imposed or charged exclusively in respect of the Demised Premises or any part thereof or the owner or occupier in respect of the Demised Premises and a fair proportion (as reasonably determined by the Landlord's Surveyor) of any such rates taxes assessments impositions and outgoing s levied imposed or charged on the Demised Premises in common with other premises.

3.2.2 To pay to the suppliers of and to indemnify the Landlord against all charges for electricity gas telephone water and other services consumed or used at or in relation to the Demised Premises (including all standing charges and meter rents).

3.3 INSURANCE CHARGE

To pay by way of additional rent the Insurance Charge in accordance with the provisions of Part II of Schedule 3.

3.4 REPAIR

3.4.1 To put and keep the Demised Premises in good and substantial repair and condition and if necessary from time to time to reinstate or rebuild the Demised Premises (damage or destruction due to any of the Insured Risks excepted unless and to the extent that any of the insurance money in respect thereof shall have been rendered irrecoverable by any act default or omission of the Tenant or any person deriving title from the Tenant or any servant agent

licensee or invitee of the Tenant) and to repay to the Landlord on demand all reasonable and proper expenses from time to time reasonably and properly incurred by the Landlord in repairing or reinstating any Conducting Media not comprised in the Demised Premises but which exclusively serve the Demised Premises.

3.4.2 Without prejudice to the generality of the Tenant's obligations under the immediately preceding sub-clause to keep all machinery and equipment forming part of the Demised Premises properly maintained and in good working order

3.5 DECORATION

3.5.1 Forthwith and in every fifth year of the tenancy and also in the last three months of the tenancy howsoever terminating in a workmanlike manner to prepare and paint with at least two coats of good quality paint of a colour approved by the Landlord (if different from that then in existence) all parts of the exterior of the Demised Premises previously or usually painted and clean and where appropriate repoint and treat with the like protective and decorative finishes as shall have previously been applied or otherwise with such protective and decorative finishes approved by the Landlord (if different from that then in existence) as are necessary for their proper maintenance all other parts of the exterior of the Demised Premises.

3.5.2 Forthwith and in every seventh year of the tenancy and also in the last three months of the tenancy howsoever terminating in a workmanlike manner to prepare and paint with at least two coats of good quality paint all parts of the interior of the Demised Premises previously or usually painted and clean and where appropriate treat with the like protective and decorative finishes as shall have previously been applied or otherwise with such protective and decorative finishes as are necessary for their proper maintenance all other parts of the interior of the Demised Premises provided that the painting and treatment to be carried out in the last three months of the tenancy shall be in colours and with finishes approved for that purpose by the Landlord.

3.6 INSURANCE OF PLATE GLASS

To insure and keep insured all plate glass (if any) comprised in the Demised Premises

from time to time against damage or destruction in a sum at least equal to the cost of replacing the same in the joint names of the Landlord and the Tenant and such other names if any as the Landlord may from time to time require with such insurance office as the Landlord may from time to time approve and to pay all premiums necessary for the above purpose as the same shall become due and payable and to produce to the Landlord or its agents on demand the policy or policies of such insurance and the receipt for each such payment and if any such plate glass shall be damaged or destroyed forthwith to replace the same and all monies received by virtue of any such insurance shall be applied solely towards the cost of replacing the said plate glass and if such insurance money is insufficient for such purposes to make up any deficiency PROVIDED ALWAYS that if the Tenant shall at any time fail to maintain such insurance the Landlord may do all things necessary to effect and maintain such insurance and any monies expended by the Landlord for that purpose shall be payable by the Tenant on demand and shall be recoverable from the Tenant as rent in arrear.

3.7 CLEANING OF WINDOWS

To clean the glass of all windows comprised in the Demised Premises both inside and out as often as may be necessary.

3.8 CLEANING OF DEMISED PREMISES

To keep the Demised Premises in a clean and tidy condition and regularly to remove therefrom all waste refuse or offensive materials and articles and not to deposit any such materials or articles upon the Demised Premises otherwise than in suitable receptacles provided by the Tenant for such purposes.

3.9 COMPLIANCE WITH LEGISLATION

To comply in all respects with all requirements of all Legislation and of all competent authorities as to the condition of the Demised Premises and the user thereof and the activities carried on thereat (including the exercise of any rights granted by this Lease) and any works or alterations executed or required to be executed thereon or in respect thereof (or in any other way affecting the Demised Premises or any such rights) and to keep the Landlord indemnified against all actions proceedings claims or demands which may be brought or made by reason of any such requirements not having been duly complied with and if as a result of any such requirements the Landlord shall carry out any works or alterations to the Demised Premises the Tenant shall repay to the

enjoyed by any adjoining or neighbouring premises belonging to the Landlord

2. The right to the passage of soil water gas electricity telephones and other effluvia and services through any Conducting Media comprised in the Demised Premises from and to any adjoining or neighbouring premises served thereby.
3. The right to carry out any works upon or otherwise deal with any adjoining or neighbouring premises in such manner as the Landlord may think fit notwithstanding any interference with any right of light or air or other easement enjoyed by the Demised Premises or any nuisance or inconvenience caused to the occupier thereof.
4. The right to build on to gain access and carry out works upon connect with or otherwise take into use any wall or fence bounding the Demised Premises and any Conducting Media comprised in or serving the Demised Premises subject to giving reasonable prior written notice to the Tenant and forthwith making good to the reasonable satisfaction of the Tenant all damage caused and making all reasonable endeavours (subject to the Landlord not being put to additional material cost or expense) to minimise the inconvenience caused.
5. The right of the Landlord to use inspect maintain cleanse repair conduct manage renew and enlarge the water mains sewers drains apparatus or other Conducting Media or apparatus works or property of the Landlord at present laid or constructed in on under or over the Demised Premises subject to giving reasonable prior written notice to the Tenant (save in the case of emergency as to which the Landlord's Surveyor shall be the sole judge when no notice shall be required) and forthwith making good to the reasonable satisfaction of the Tenant all damage caused and making reasonable endeavours (subject to the Landlord not being put to additional material cost or expense) to minimise the inconvenience caused.
6. The right of the Landlord to place lay construct use inspect maintain cleanse repair conduct manage renew and enlarge in on under or over the Demised Premises such additional water mains sewers drains or other Conducting Media apparatus or works as the Landlord may require to place lay and construct in on under or over the Demised Premises subject to giving reasonable prior written notice to the Tenant and forthwith making good to the reasonable satisfaction of the Tenant all damage caused.

7. The right for the Landlord its servants agents and persons authorised by them upon fourteen days prior written notice (save in the case of an emergency as to which the Landlord's Surveyor shall be the sole judge when no notice shall be required) to enter upon the Demised Premises with or without workmen vehicles apparatus and implements for the purpose of exercising the rights set out in paragraphs 5 and 6 above of this clause subject to the Landlord and those authorised by it causing as little damage or inconvenience as possible but (subject as aforesaid) without the tenant making any claim for compensation or other demand in respect of any loss damage injury disturbance or inconvenience howsoever caused which the Tenant may suffer as a result of the exercise of the rights aforesaid or this right except that the Landlord shall be responsible for loss damage and injury caused to the Tenant's property only as a result of the negligence of the Landlord its servants agents and contractors.

Part IV

Matters subject to and with the benefit
of which the Demised Premises are demised

1. All covenants conditions restrictions and stipulations contained in the deeds and documents of title [to be inserted prior to grant of lease]

SCHEDULE 2

1. Definitions

For the purpose of this Schedule the terms defined in this paragraph 1 shall unless the context otherwise requires have the meanings specified.

- 1.1 "the Base Figure" means the Index figure for the month preceding the first Rent Review Date
- 1.2 "the Increase" means the amount (if any) by which the Index for the month preceding the Relevant Review Date exceeds the Base Figure.
- 1.3 "the Index" means the "All Items" Index figure of the Index of Retail Prices published by the Department of Employment or any successor Ministry or Department
- 1.4 "the Review Dates" means the penultimate day of the fifth year of the term hereby granted and every fifth anniversary thereof and "Relevant Review Date" shall be construed accordingly
- 1.5 "Review Period" means a period beginning on any Review Date and ending on or before the next Review Date

2. Ascertaining the Rent

2.1 The Rent

From the first Review Date the Yearly Rent is to be One Hundred Thousand Pounds (£100,000) and thereafter during each successive Review Period the Yearly Rent is to be revised rent that is ascertained in accordance with this Schedule

2.2 The Revised Rent

The Yearly Rent for any Review Period after the second Review Date is to be One Hundred Thousand Pounds (£100,000) plus the amount that bears the same proportion to One Hundred Thousand Pounds (£100,000) as the Increase bears to the Base Figure

2.3 Changes in the Index

If the reference base used to compile the Index changes after the date of this Lease the figure taken to be shown in the Index after the change is to be the figure that would have been shown in the Index if the reference base current at the date of the Lease had been retained.

2.4 Arbitration

If it become impossible to calculate the Yearly Rent for any Review Period by reference to the Index because of any change in the methods used to compile the Index after the date of this Lease or for any other reason whatsoever or if a dispute or question arises between the parties as to the amount of the Yearly Rent for any Review Period or the construction or effect of this Schedule then the Year rent for that Review Period was a disputed manner is to be determined by an Arbitrator to be appointed either by agreement between the parties or in the absence of agreement by the President for the time being of the Royal Institution of Chartered Surveyors or any period authorised by him to make appointments on his behalf on the application of either the Landlord or the Tenant And this shall be deemed to be a submission to arbitration within the meaning of the Arbitration Act 1996 and the Arbitrator shall have full power to determine on such dates as he considers appropriate what the increase in the Index would have been had it continued on the basis assumed for the operation of this rent review and in view of the information assumed to be available for it And if that determination is also impossible the Arbitrator shall determine a reasonable rent for the Demised Premises on such dates as he considers appropriate having regard to the purpose and intent of the provisions of this Lease for the review of the Yearly Rent

2.5 Notice of Rent Payable

The Landlord shall before each Review Date give notice to the Tenant of the amount of the Yearly Rent for the next Review Period.

2.6 Memoranda

Whether the Yearly Rent has been ascertained in accordance with this Schedule memoranda to that effect shall be signed by or on behalf of the Landlord and the Tenant and annexed to this Lease and its counterpart and the Landlord and the Tenant shall bear their own costs in respect of this

SCHEDULE 3

PART I

Insurances to be Maintained by the Landlord

1. Insurance throughout the term with reputable insurers against:-
 - 1.1 loss of the rents payable hereunder due to damage or destruction of the Demised Premises caused by any of the Insured Risks in an amount representing the Landlord's Surveyor's reasonable estimate from time to time of the rents payable in respect of the Demised Premises for the Loss of Rent Period; and
 - 1.2 damage or destruction of the Demised Premises by any of the Insured Risks in a sum equal to the Landlord's or the Landlord's Surveyors estimate from time to time of the reinstatement value from time to time of the Demised Premises. subject to such excesses exclusions or limitations as such insurers may from time to time require or impose insofar as these are usual in the insurance market.

PART II

Provisions as to payment of the Insurance Charge

1. The Tenant shall pay to the Landlord within 14 days on demand the gross premium and other expenses from time to time reasonably and properly required to effect or maintain the insurance specified in Part I of this Schedule and of all fees and expenses reasonably and properly incurred by the Landlord in obtaining valuations and advice as to the appropriate level of cover or otherwise relating to such insurance and any Irrecoverable VAT in respect of such premium and expenses credit being given to the Tenant for any payments on account paid by the Tenant under the following paragraph.
2. If so required by the Landlord the Tenant shall on account of the amount payable under the preceding paragraph pay to the Landlord on the quarter day preceding the date on which the Landlord proposes effecting or renewing the insurance specified in Part I of this Schedule the Landlord's or Landlord's Surveyor's estimate of the amount that will be payable by the Tenant pursuant to paragraph 1 in respect of gross premium and other expenses required for effecting or renewing such insurance and Irrecoverable VAT in respect thereof.
3. Whenever any claim is made by the Landlord under the insurance stipulated in Part I of this Schedule the Tenant shall pay to the Landlord within 14 days of demand by way of additional rent

the whole of any amounts which fall to be borne by the Landlord in respect of such claim under any excess provisions contained in the policy of such insurance.

4. The Landlord may retain for the Landlord's own benefit any commissions or discounts received or obtained by the Landlord on or based on the gross premium and other expenses which would otherwise be paid or incurred or suffered by the Landlord in effecting or maintaining such insurance.

Heather/Lease/Aubrey

Landlord on demand the reasonable and proper expenses thereby reasonably and properly incurred by the Landlord or a fair proportion thereof as determined by the Landlord's Surveyor whose decision shall be final.

3.10 YIELDING UP

At the termination of the tenancy to yield up the Demised Premises and all fixtures therein in such repair and condition as is required by the covenants on the part of the Tenant herein contained and unless the Landlord otherwise requires remove all alterations and additions whatsoever to the Demised Premises including any work in connection with any fitting out of the Demised Premises by the Tenant and any signs or fascias fixed to the Demised Premises and make good all damage done by such removal to the satisfaction of the Landlord PROVIDED THAT:

3.10.1 the Tenant may before such termination remove all tenant's or trade fixtures but shall make good any damage thereby caused to the Demised Premises to the Landlord's reasonable satisfaction:

3.10.2 if after the termination of the tenancy there shall be left on the Demised Premises any tenant's or trade fixtures or any chattels or refuse the Landlord may dispose of the same and the Tenant shall pay to the Landlord within 14 days of written demand the costs of such disposal.

3.11 ENTRY BY LANDLORD

To permit the Landlord and those authorised by it to enter upon the Demised Premises or any part thereof and to remain on the same for any of the following purposes:

3.11.1 inspecting the Demised Premises;

3.11.2 taking schedules of the condition thereof;

3.11.3 taking any measurement or making a valuation of the Demised Premises;

3.11.4 within the 12 months prior to the termination of the term taking inventories of the Landlord's fixtures and of other things to be yielded up on termination of the term;

3.11.5 repairing inspecting altering adding to rebuilding or replacing any Conducting Media comprised in on or under the Demised Premises which serve or are capable of being passed on through or under the

- Demised Premises to serve other premises;
- 3.11.6 preparing any schedule of works drawings specifications or estimates required by the Landlord prior to or in contemplation of the exercise by the Landlord of any rights under this Lease;
- 3.11.7 to do anything which the Landlord considers necessary or desirable for the performance by the Landlord of the covenants on its part hereinafter contained;
- 3.11.8 in connection with any impending or intended step under the Landlord and Tenant Act 1954;
- 3.11.9 exercising without interruption or interference any of the rights reserved or granted to it by virtue of the provisions of this Lease.

ALWAYS PROVIDED that the Landlord shall give reasonable prior written notice to the Tenant (except when in the Landlord's sole discretion there is a case of emergency) and to comply with any reasonable requirements of the Tenant and use all reasonable endeavours to minimise the disruption to the Tenant's use of the Demised Premises and make forthwith good any damage caused to the Demised Premises or to the Tenants fixtures and fittings in them to the reasonable satisfaction of the Tenant.

3.12 ENTRY BY LANDLORD ON TENANT'S DEFAULT

- 3.12.1 To permit the Landlord and those authorised by it to enter upon the Demised Premises in order to carry out any works to which this sub-clause applies and which the Tenant has failed to carry out within two months after service upon the Tenant of a notice requiring the same to be carried out.
- 3.12.2 The works to which this sub-clause applies are:-
- 3.12.2.1 the carrying out and completion in the manner required by this Lease of any repairs or other works which the Tenant is obliged to carry out by the terms of this Lease;
- 3.12.2.2 the removal of any alterations additions or other works carried out or commenced on the Demised Premises without all necessary licences consents permissions and approvals of the Landlord the Local Planning

Authority and any other authority or person having been obtained; and
3.12.2.3 the removal or (at the Landlord's option) the completion in a good and workmanlike manner in accordance with the terms of this Lease and of such licences consents permissions and approvals of any alterations additions or other works which have not been so completed.

3.13 EXPENSE OF MAKING GOOD DILAPIDATIONS AND SERVING NOTICES

To pay to the Landlord within 14 days on demand all reasonable and proper expenses (including Solicitors' Surveyors' Architects' and other professional fees) reasonably and properly incurred by the Landlord in connection with:

- 3.13.1 the carrying out of any works to which the immediately preceding sub-clause applies;
- 3.13.2 the preparation and service of any notice under section 146 or section 147 of the Law of Property Act 1925 notwithstanding that forfeiture is avoided otherwise than by relief granted by the Court;
- 3.13.3 the preparation and service at any time during or within 2 months of the termination of the tenancy of any schedule of dilapidations; or
- 3.13.4 the recovery or attempted recovery of any rent or other sums due from the Tenant.

3.14 COST OF PARTY WORKS

To pay within 14 days of demand to the Landlord or to whomsoever it may direct a fair proportion of the reasonable and proper costs (including Surveyors' Managing Agents' Architects' and other professional fees) reasonably and properly incurred in repairing maintaining and replacing all party walls fences and gutters and other party structures and all Conducting Media which serve the Demised Premises in common with other premises.

3.15 ALTERATIONS

- 3.15.1 Not to make any alteration or addition to the structure or the exterior of the Demised Premises without the prior written consent of the Landlord which consent shall be at the absolute discretion of the Landlord
- 3.15.2 Not to make any alteration or addition to the internal arrangement of the Demised Premises or the Conducting Media comprised in or

serving the Demised Premises without the prior written consent of the Landlord which consent may not be unreasonably withheld or delayed

3.15.3 Not to carry out any excavation works or to dig any holes or trenches whatsoever or clean or otherwise tamper with any ditches on the Demised Premises or on any adjoining land.

3.16 SIGNS

Not to display upon the exterior of the Demised Premises any lettering inscription advertisement board sign notice placard bill pole flag or similar device without the prior written consent of the Landlord EXCEPT THAT this sub-clause shall not prevent the Lessee from displaying a non-illuminated sign no larger than [100cm x 50cm] indicating the Lessees name and address.

3.17 NUISANCE, OVERLOADING ETC.

Not to use or permit to be used the Demised Premises or any part thereof for any illegal or immoral purpose or in a manner which in the opinion of the Landlord will depreciate the value of the Landlord's interest in the Demised Premises or which may become a nuisance annoyance or disturbance to the Landlord any superior landlord or the owner or occupier of any neighbouring premises and not to permit any person to reside or sleep at the Demised Premises and not to bring upon the Demised Premises anything of an explosive or inflammable nature or which may overload any part of the Demised Premises.

3.18 USE OF ADDRESS OF DEMISED PREMISES

Not to use or permit to be used the address of the Demised Premises in any advertisement or in any other manner which in the opinion of the Landlord (which for the period of five years after the date of this Lease the Tenant agrees to accept without dispute) (and thereafter which in the reasonable opinion of the Landlord) is or may be detrimental to the reputation of the Demised Premises.

3.19 NAME OF DEMISED PREMISES

Not for any purpose whatsoever to use or permit others to use as the name of the Demises Premises any name other than that given to the Demised Premises by the Landlord or a name approved in writing by the Landlord (which for the period of five years after the date of this Lease the Tenant agrees to accept without dispute) (and thereafter such approval to be subject to the Landlord not unreasonably withholding its

approval.)

3.20 USE OF DEMISED PREMISES

At all times during the term to use the Demises Premises for the Permitted Use only.

3.21 PLANNING ACTS

In relation to the Planning Acts:-

3.21.1 Not to make any application under the Planning Acts for permission to carry out any development (as defined by the Planning Acts) or for the approval of anything in connection therewith unless the Tenant shall previously have obtained all consents licences and approvals of the Landlord required under this Lease for the carrying out of such development.

3.21.2 Not to make any such application except in such form and for such duration whether limited or unlimited as the Landlord may approve in writing

3.21.3 If the Landlord so directs to apply to the relevant planning authority to determine whether any relevant proposal requires permission under the Planning Acts.

3.21.4 Not to enter into any agreement with any competent authority regulating the development or use of the Demised Premises without the Landlords consent.

3.21.5 Not to implement any planning permission or approval unless the same has been submitted to and approved by the Landlord.

3.21.6 In the event of the Tenant carrying out any works in implementation of any planning permission or approval so approved to carry out and complete all works required to implement the same in a good and workmanlike manner in accordance with the terms of such permission or approval and in accordance with any other obligations imposed by the Landlord in any licence deed or other document issued by the Landlord pursuant to Clause 3.15 permitting such works.

3.21.7 To make or secure to the reasonable satisfaction of the Secretary of State or other competent authority appointed for the purpose any payment that may be required for any planning permission or approval

which may be granted and so to do for the full term of the permission or approval and similarly to make or secure any payment that may be required in respect of any development or the continuance or retention of any development being a permission or approval implemented or development carried out or continued or retained at any time during the currency of the tenancy.

3.22 PRODUCTION OF NOTICES

As soon as reasonably practical after the receipt of the same by the Tenant to give full particulars to the Landlord's Surveyor of any notice or order or proposal for a notice or order given issued or made to or on the Tenant by any competent authority pursuant to Legislation and if so required by the Landlord's Surveyor to produce such notice order or proposal to them and without delay to take all necessary steps to comply with any such notice or proposal where the Tenant is obliged to comply pursuant to the terms of the Lease and at the request of the Landlord's Surveyor and at the joint cost of the Landlord to make or join with the Landlord in making such objections or representations against or in respect of any such notice order or proposal as they or any of them shall deem expedient.

3.23 ALIENATION

3.23.1 Not to assign underlet part with the possession of or permit any other person to occupy the whole or any part of the Demised Premises.

3.23.2 Without prejudice to the provisos of the immediately preceding sub-clause the Tenant may

3.23.2.1 Part with or share occupation of the Demised Premises or any part thereof with a holding or subsidiary company of the Tenant or a subsidiary company of the holding company (the expression "holding company" and "subsidiary company" having the meanings ascribed to them by Section 736 of the Companies Act 1985 provided that a tenancy shall not be created and that such occupation shall cease upon cesser of any such relationship) and

3.23.2.2 With the Landlord's prior written consent (such consent not to be unreasonably withheld or delayed) enter into an arrangement under which the Tenant permits third parties to sell goods or provide services

to members and their guests from specified parts of the Demised Premises which is not an underlease or tenancy of any description ("a Franchise") where:

- (a) the Franchise is personal to the parties to it and can not bind any other parties and
- (b) the parts of the Demised Premises concerned are limited to the bar/catering area

3.24 ENCROACHMENTS

Not to permit any person to encroach upon or to acquire any right of light air way water or drainage or other easement over the Demised Premises but forthwith upon being made aware of the same to inform the Landlord of any such encroachment or of any act or thing which might result in the acquisition of any right or easement over the Demised Premises and to do all acts and things which may be necessary or expedient to prevent such encroachment or the acquisition of any such right or easement provided that if the Tenant shall fail to do such acts and things as aforesaid the Landlord shall have power to enter upon the Demised Premises for the purposes of doing the same and any reasonable and proper expenses which the Landlord thereby reasonably and properly incurs shall be paid by the Tenant to the Landlord with 14 days of demand.

3.25 INVALIDATION OF INSURANCE

3.25.1 Not to do or omit or cause any act matter or thing which might invalidate the insurance of the Demised Premises or whereby any payment thereunder may be refused in whole or part or render the insurance monies in whole or part irrecoverable.

3.25.2 Immediately to comply to the satisfaction of the Landlord's insurers with their requirements for protection of the Demised Premises of which notice shall have been given to the Tenant whether those requirements relate to the Demised Premises to the use thereof or to anything in or on the Demised Premises.

3.26 DUPLICATION OF INSURANCE

Not to effect or maintain or contribute towards the maintenance of any insurance on or in respect of the Demised Premises in duplication of any insurance effected and

maintained by the Landlord PROVIDED ALWAYS that without prejudice to the foregoing and any right of action or remedy in respect of any breach thereof if at any time the Tenant shall be entitled to the benefit of any such insurance on the Demised Premises to pay or procure to be paid to the Landlord all moneys received by virtue of such insurance and to hold the benefit of such policy and moneys payable thereunder in trust for the Landlord to be applied towards rebuilding or reinstating the Demised Premises.

3.27 DISCLOSURE TO INSURERS

Forthwith to give written notice to the Landlord of the occurrence of any damage or destruction of the Demised Premises by any of the Insured Risks.

3.28 INCREASED COST OF INSURANCE AND VOID INSURANCE

3.28.1 In the event of the premiums payable for the insurance of the Demised Premises or any neighbouring premises being increased by reason of any act default or omission of the Tenant to pay within 14 working days to the Landlord or to whomsoever the Landlord shall direct the amount of such increase.

3.28.2 In the event of the Demised Premises being destroyed or damaged by any of the Insured Risks and the insurance money under any such insurance against the same being wholly or partly irrecoverable by reason solely or in part of any act default or omission of the Tenant or any person deriving title from the Tenant or any servant agent licensee or invitee of the Tenant or any such person the Tenant shall from time to time within 14 days on demand by or on behalf of the Landlord pay to the Landlord whichever is the lower of :a) the whole or (as the case may require) the irrecoverable portion of the cost (including professional and other fees and expenses together with any irrecoverable VAT thereon) of completely rebuilding and reinstating the same and b) an amount equivalent to the amount of the insurance money that is irrecoverable together with in each case (in the event of such sums not being paid within 14 working days of demand therefore) interest thereon at the Prescribed Rate calculated to the date of payment from the date of such demand.

3.29 COST OF LICENCES ETC.

To pay the reasonable and proper costs and disbursements (including stamp duties) of the Landlord's Solicitors and Surveyors in connection with any Deed or other thing hereby required to be executed or done at the Tenant's expense or any licence consent or approval applied for by the Tenant relating to the Demised Premises or the provisions of this Lease whether or not the same shall be executed done or given together with any Irrecoverable VAT thereon.

3.30 INDEMNITIES

To indemnify the Landlord from and against all actions claims liabilities costs and expenses thereby arising occasioned to the Landlord by reason of or in consequence of any breach or non observance of the Tenant's covenants hereunder.

3.31 PLANS, DOCUMENTS AND INFORMATION

If called upon to do so to supply at the cost of the Landlord copies to the Landlord or the Landlord's Surveyor of all plans documents and other evidence as the Landlord may reasonably require in order to satisfy itself that the provisions of this Lease have been complied with.

3.32 INTEREST

Without prejudice to or derogation from any other right remedy or power whatsoever available to the Landlord if so required by the Landlord to pay to the Landlord interest at the Prescribed Rate upon any sum due to the Landlord from the Tenant hereunder but not paid within 14 days of the Tenant receiving a legitimate demand for the same.

3.33 VALUE ADDED TAX

3.33.1 To pay VAT on all supplies including the grant of this Lease received by the Tenant under or in connection with this Lease whether payable as a result of the making of the Election or otherwise.

3.33.2 To pay to the Landlord an amount equivalent to any Irrecoverable VAT on supplies received by the Landlord which the Tenant shall be liable to pay under the terms of this Lease.

3.33.3 All references in this Lease to amounts (including rent) payable by the Tenant to the Landlord are references to such amounts exclusive of VAT.

3.34 OBLIGATIONS AFFECTING LANDLORD'S TITLE

3.34.1 To observe and perform all obligations imposed upon the Landlord in respect of the Demised Premises arising from the matters specified in Part IV of Schedule I.

3.34.2 To indemnify and keep indemnified the Landlord from and against any actions proceedings claims damages costs and expenses or losses arising from any breach non-observance or non-performance of such covenants and conditions.

4. LANDLORD'S COVENANTS

Subject to the Tenant paying the rents hereby reserved and observing and performing the covenants on its part and the conditions herein contained the Landlord hereby covenants with the Tenant

4.1 INSURANCE

To effect and maintain the insurances specified in Part I of Schedule 3.

4.2 REINSTATEMENT OF INSURED DAMAGE

In the event of the Demised Premises being destroyed or damaged by any of the Insured Risks (and provided that the Landlord's insurance has not been vitiated or payment thereunder refused in whole or part as a result of any act default or omission on the part of the Tenant or any person deriving title from the Tenant or any servant agent licensee or invitee of the Tenant or any such person unless the Tenant has complied with clause 3.28.2 to use all reasonable endeavours to procure that any necessary permissions licences and approvals under any Legislation are obtained to enable the Landlord to rebuild reinstate replace or make good the Demised Premises (but not necessarily by a facsimile replacement or reinstatement provided that such rebuilding contains the same number of tennis courts internal area and facilities) and as soon as such permissions licences and approvals have been obtained and provided the same remain unrevoked and subject to all necessary labour and materials being available to pay out (or procure such payment out) of all moneys received in respect of such insurance (other than for loss of any rents) in rebuilding reinstating replacing and making good the Demised Premises as aforesaid making good from its own resources any shortfall between the cost of reinstatement and the insurance moneys received

PROVIDED THAT if for any reason other than the fault of the Landlord it is not possible to rebuild reinstate replace or make good the Demised Premises all insurance moneys shall belong to the Landlord absolutely and the Tenant shall have no interest therein and clause 5.2.2 shall apply.

4.3 QUIET ENJOYMENT

That the Tenant shall peaceably hold and enjoy the Demised Premises throughout the said term without any lawful interruption by the Landlord or any person lawfully claiming under through or in trust for the Landlord or by title paramount

5. PROVISOS

PROVIDED ALWAYS AND IT IS EXPRESSLY AGREED as follows:-

5.1 FORFEITURE

If the rents hereby reserved or any part thereof shall be in arrear for 21 days after the same shall have become due (whether legally demanded or not) (and for the purposes of this Clause any rents paid by the Tenant by bankers standing order or credit transfer shall be deemed for all purposes hereof not to have been received by the Landlord until the same shall have been received by the Landlord's bank) or in the event of any breach of any of the Tenant's covenants herein contained or if the Tenant (or any guarantor for the Tenant) (being a company) shall enter into liquidation (other than a voluntary members liquidation when solvent for the purposes of reconstruction or amalgamation forthwith carried into effect) whether voluntarily or compulsorily or if the Tenant (or any guarantor) shall for any reason be removed from the register of companies or be unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 or if a petition shall be presented for the appointment of an administrator or a receiver (whether or not an administrative receiver) or manager shall be appointed of the whole or any part of its or their respective undertakings or an administration order shall be made or if there shall be convened a meeting of creditors or members to consider a voluntary arrangement or any other scheme or composition with the Tenant's creditors or if the Tenant or such guarantor (not being a company) shall become bankrupt have a bankruptcy order made against it or them or a petition for such order shall be presented or if an interim receiver is appointed of the property of the Tenant (or such guarantor) or if the Tenant (or such guarantor) shall enter into any arrangement or composition for the benefit of its or their respective creditors or if the Tenant [or any guarantor for the

Tenant] shall suffer any distress or execution to be levied on their respective goods then in any of the said cases it shall be lawful for the Landlord or any person on its behalf at any time thereafter to re-enter upon the Demised Premises or any part thereof in the name of the whole and thenceforth peaceably to hold and enjoy the same as if this Lease had not been made and thereupon this demise shall absolutely determine except for the Tenant's obligations under the sub-clause headed INDEMNITIES but without prejudice to any right of action of either party in respect of any breach of the covenants herein contained.

5.2 SUSPENSION OF RENT

If the Demised Premises or any part thereof shall be so destroyed or damaged by any of the Insured Risks as to render the Demised Premises or some part thereof unfit for or incapable of occupation and use for the Permitted Use or incapable of reasonable access by the Tenant then (and save to the extent that any of the insurance money in respect of loss of rent shall have been rendered irrecoverable by the act or default of the Tenant or any other person deriving title from the Tenant or any licensee or invitee of the Tenant or any such other person) the rents hereby reserved or a fair proportion thereof according to the extent of the damage shall be suspended and cease to be payable until the same shall have been reinstated and the Demised Premises are fit for occupation and use and capable of reasonable access or until the expiration of a period from the date of such destruction or damage equal to the Loss of Rent Period whichever shall be the earlier PROVIDED

5.2.1 that any dispute as to the amount which ceases to be payable shall be determined by an independent surveyor (acting as expert) appointed in default of agreement between the parties by the President of the Royal Institution of Chartered Surveyors on the application of either party.

5.2.2 if the Demised Premises are not fit for occupation and use and capable of reasonable access 2 years 9 months after damage or destruction then the Tenant may terminate this Lease by serving 3 months written notice on the Landlord and at the expiry of such notice the Lease shall terminate without prejudice to the rights of either party in respect of any antecedent breach by the other.

5.3 COMPENSATION UNDER LANDLORD AND TENANT ACT 1954

Subject to the provisions of sub-section (2) of Section 38 of the Landlord and Tenant

Act 1954 neither the Tenant nor any person deriving title from the Tenant to the whole or any part of the Demised Premises shall be entitled on quitting the Demised Premises to any compensation under Section 37 of the said Act.

5.4 FORM OF LICENCES ETC.

Any consent permission licence or approval purporting to be given by the Landlord to the Tenant in relation to this Lease or the Demised Premises whether or not the same be required to be obtained by the Tenant by any of the covenants or conditions herein contained shall be ineffective unless the same be given either:-

5.4.1 by Deed; or

5.4.2 by writing under the hand of the Landlord or some duly authorised officer or agent of the Landlord.

5.5 WAIVER OF RIGHT TO FORFEIT

That no demand for or acceptance or receipt of any part of the Yearly Rent or any payment on account thereof or the grant of any licence hereunder shall operate as a waiver by the Landlord of any right which the Landlord may have to forfeit this Lease by reason of any breach of covenant or condition by the Tenant notwithstanding that the Landlord may know or be deemed to know of such breach at the date of such demand acceptance receipt or grant.

5.6 IMPLIED EASEMENTS AND OTHER RIGHTS

Nothing herein contained shall operate to grant by implication or otherwise any estate right or easement not hereby expressly granted by the Landlord.

5.7 ARBITRATION

Where in this Lease provision is made for the appointment of some person to act as an expert or arbitrator to determine a matter of difference between the Landlord and the Tenant and such provision proves ineffective to secure such appointment then the difference in question shall if the Landlord so requires be settled by a single arbitrator under the Arbitration Act 1996.

5.8 REPRESENTATIONS

The Tenant acknowledges that this Lease has not been entered into in reliance wholly or partly on any statement or representation made by or on behalf of the Landlord except any such statement or representation that is expressly set out in this Lease.

5.9 SERVICE OF NOTICES

5.9.1 The provisions of Section 196 of the Law of Property Act 1925 as amended by the Recorded Delivery Service Act 1962 shall apply to any notices served pursuant to or in connection with this Lease as if such notices were notices required or authorised under the said Acts.

5.9.2 The reference in such section to a registered letter shall also include a pre-paid first class ordinary letter.

5.9.3 If the Tenant (or any guarantor) shall comprise more than one person the service of any such notice demand request or other communication on any one of such persons shall constitute good service on all of them.

5.10 VALUE ADDED TAX

5.10.1 The Landlord may but is not obliged to exercise the Election so as to secure that supplies made under the Lease are or are treated as standard-rated supplies for VAT purposes.

6. If the Tenant wishes to take a further lease of Demised Premises from the end of the contractual term of this Lease and shall give the Landlord not less than 6 months written notice of that wish then the Landlord shall grant to the Tenant a further lease ("the New Lease") for a further term of thirty three (33) years commencing the day following the determination of the contractual term on the same terms and conditions as this Lease except that:

6.1 the Yearly Rent payable at the commencement of the term of the New Lease shall be the same as the Yearly Rent payable at the determination of this Lease

6.2 the "Review Dates" shall be the penultimate day of the third year of the term granted by the New Lease and every fifth anniversary of thereof and "Relevant Review Date" shall be construed accordingly.

6.3 the "Base Figure" specified in Schedule 2 of the New Lease shall be the Index figure for the month preceding the last Review Date during the contractual term of this Lease

6.4 Paragraph 2.1 of Schedule 2 of the New Lease shall read as follows:

"Until the first Review Date the Yearly Rent is to be [insert figure calculated in accordance with subclause 6.1 of this clause] and thereafter during each successive

Review Period the Yearly Rent is to be the revised rent that is ascertained in accordance with this Schedule”.

6.5 In paragraph 2.2 Schedule 2 in the New Lease the reference to £100,000 shall be replaced by a reference to the figure calculated in accordance with subclause 6.1 of this clause.

6.6 this clause 6 shall be omitted from the New Lease and the following clause included in this place:

“If The Tenant wishes to take a further lease of Demised Premises from the end of the contractual term of this Lease and shall give the Landlord not less than 6 months written notice of that wish then the Landlord shall grant to the Tenant a further lease (“the New Lease”) for a further term of thirty three (33) years commencing on the day following the determination of the contractual term on the same terms and conditions as this Lease except that:

6.1 the Yearly Rent payable at the commencement of the term of the New Lease shall be the same as the Yearly Rent payable at the determination of this Lease.

6.2 the “Review Dates” shall be the penultimate day of the fourth year of the term granted by the New Lease and every fifth anniversary of thereof and “Relevant Review Date” shall be construed accordingly

6.3 the “Base Figure” specified in Schedule 2 of the New Lease shall be the Index figure for the month preceding the last Review Date during the contractual term of this Lease

6.4 Paragraph 2.1 of Schedule 2 of the New Lease shall read as follows:

“Until the first Review Date the Yearly Rent is to be [insert figure calculated in accordance with Subclause 6.1 of this clause] and thereafter during each successive Review Period the Yearly rent is to be the revised rent that is ascertained in accordance with this Schedule”

6.5 In paragraph 2.2 of Schedule 2 in the New Lease the reference shall be to the figure calculated in accordance with Subclause 6.1 of this clause.

6.6 this clause 6 shall be omitted from the New Lease.

6.7 For the avoidance of doubt nothing in this Clause 6 shall be construed as creating a perpetually renewable Lease”

6.7 For the avoidance of doubt nothing in this Clause 6 shall be construed as creating a perpetually renewable Lease

IN WITNESS whereof the parties have signed or sealed this Deed as indicated below and it has been delivered on the day and year first above written.

SCHEDULE 1

Part I

Description of the Demised Premises

The premises known as tennis courts and clubhouse at Aubrey Walk Campden Hill London and for identification purposes shown edged red on the Plan

Part II

Rights granted to the Tenant

1. Any necessary right of pedestrian access to and from the Demised Premises to the publicly adopted highway along such routes as the Landlord may in its absolute discretion specify.
2. The right (if necessary) of escape in the case of emergency only along such route as may be specified from time to time by the Landlord SUBJECT TO the Tenant making good all damage caused.
3. The right (if necessary) of access to the Demised Premises from the adjoining land including the basement thereof (if appropriate) with all necessary equipment subject to the Tenant giving the Landlord at least 14 days prior written notice (except in case of emergency) for the purposes of maintenance and repair subject to the Tenant acting reasonably at all times and making good any damage caused.
4. Any necessary right of subjacent and lateral support.
5. The right to the passage of soil water gas electricity telephones and other effluvia and services through any Conducting Media (if any) comprised in the adjoining or neighbouring premises from and to the Demised Premises.

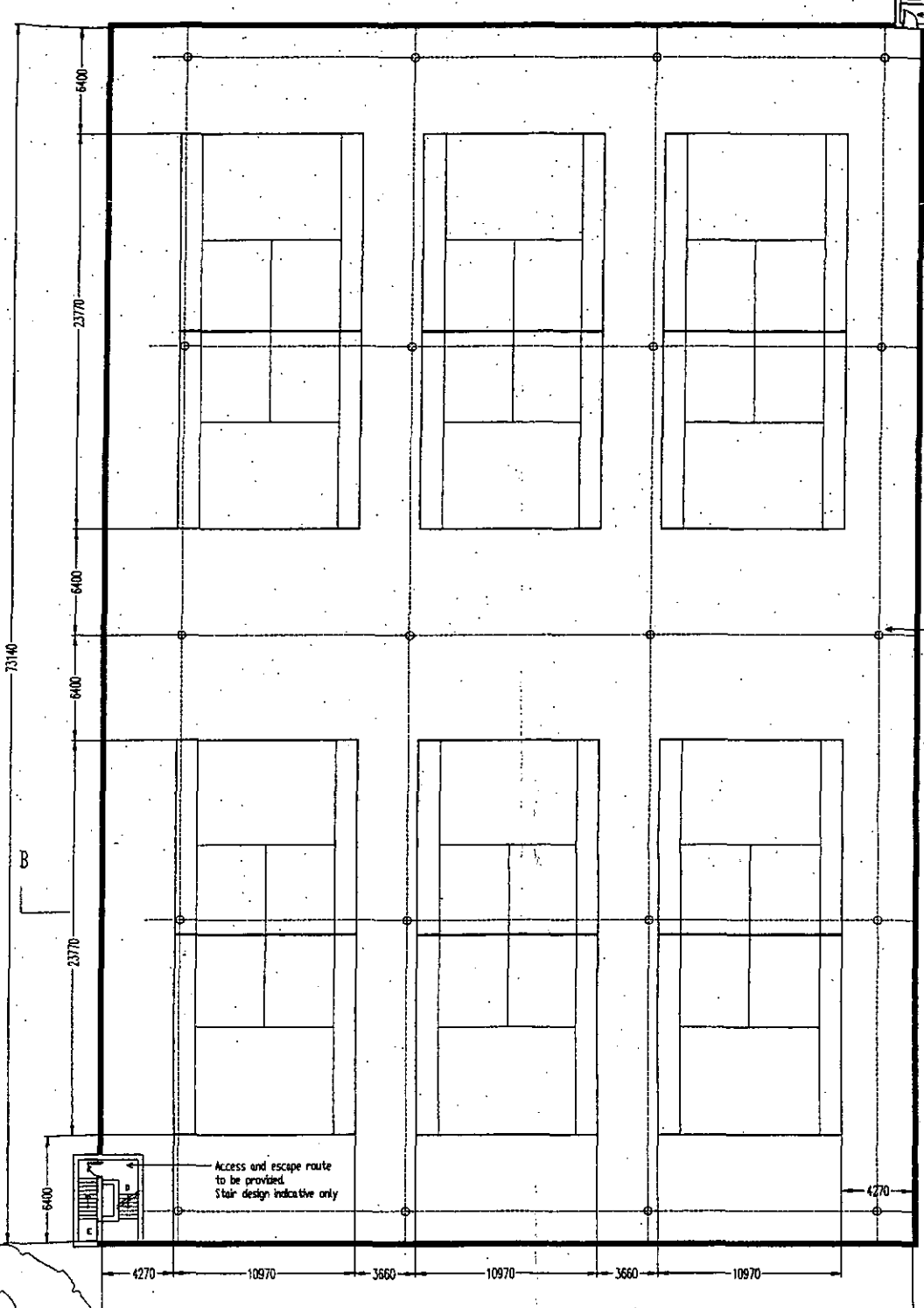
Part III

Rights excepted to the Landlord

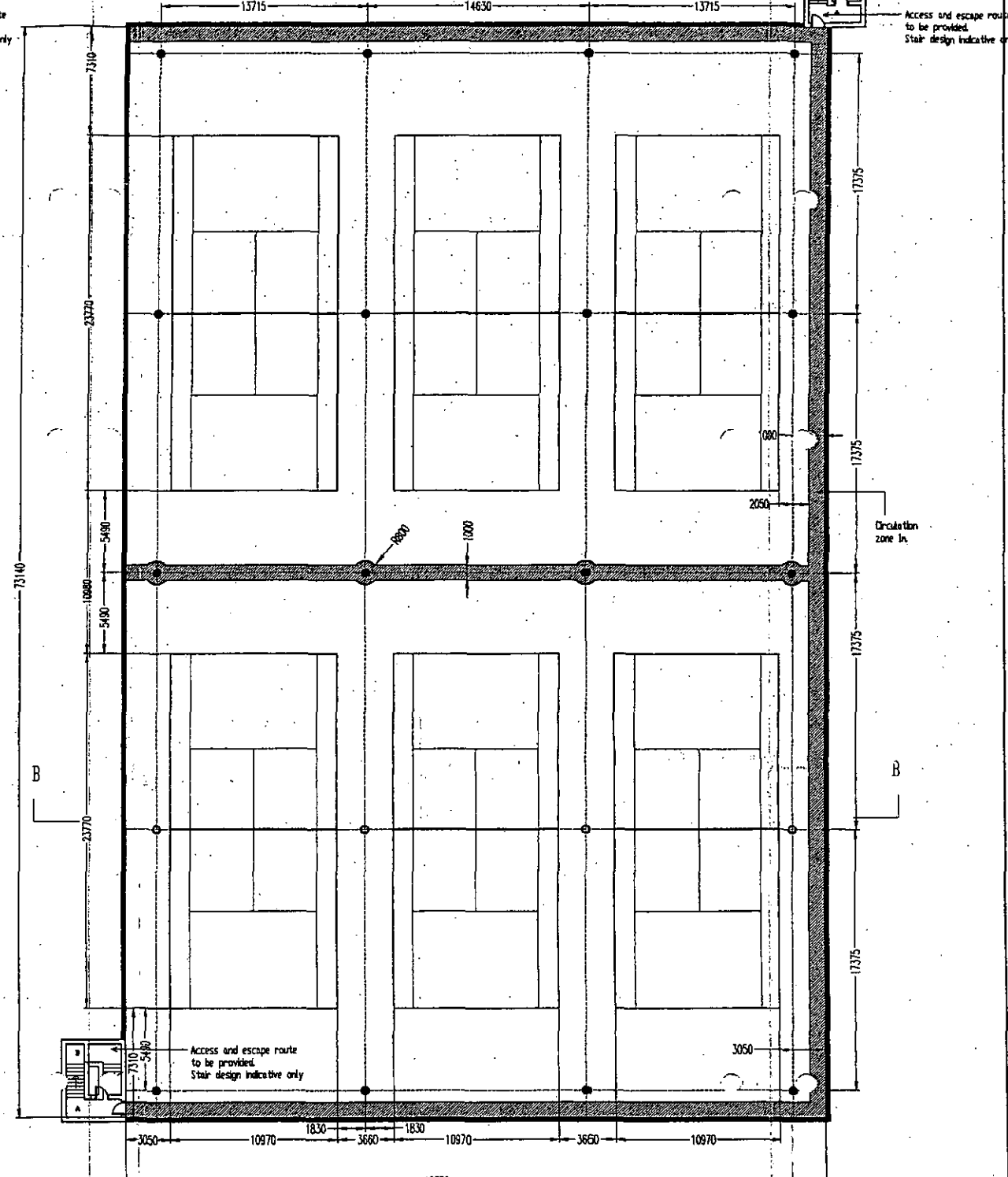
1. All rights of light and air and other easements over the Demised Premises belonging to or

Slabs

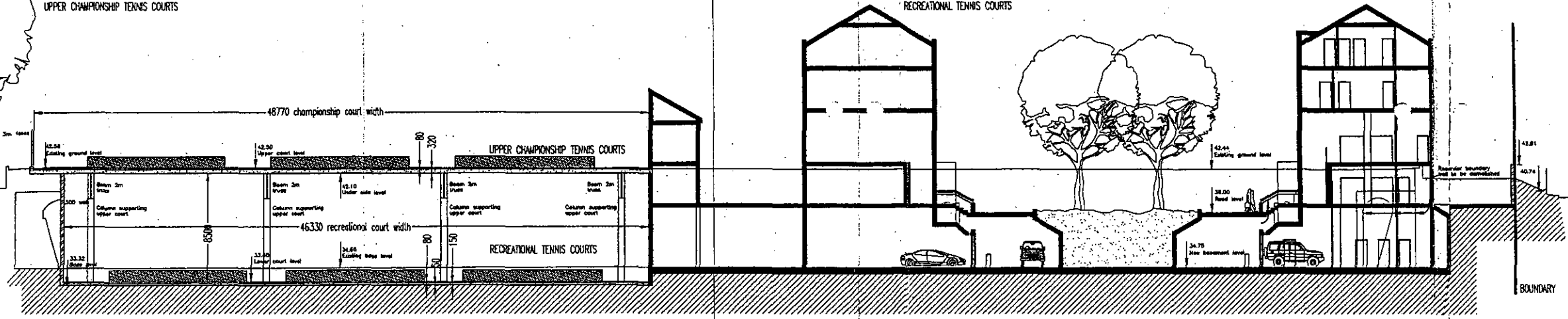
Contractors are not to scale dimensions from this drawing



UPPER CHAMPIONSHIP TENNIS COURTS



RECREATIONAL TENNIS COURTS



SECTION B-B

REVISIONS
A: Court dims updated: 28/7/98



BROADWAY MALYAN ARCHITECTS
Broadway Malyan Chartered Architects
Weybridge: Woburn Hill, Addlestone Weybridge, Surrey KT15 2QA Telephone 01932 845599 Fax 01932 856206
London: 85 Tottenham Court Road London W1P 9HD Telephone 0171 580 5999 Fax 0171 580 8464
Reading: Ilex House, 10 High Street Theale, Reading, Berkshire RG7 5AN Telephone 01189 323456 Fax 01189 932461
Southampton: 8 Southampton Street Southampton, Hampshire SO15 2ED Telephone 01703 330808 Fax 01703 330986

Aubrey Walk 36
St James Homes
Campden Hill Tennis Club
Court Plan/Section

Scale	Date	Drawn
1:200	July 98	AC
Job No	Drawing No	Revision
7650	P006	A
Original size 100mm		Broadway Malyan © Copyright

**Site at
Former Thames Reservoirs and
Water Tower House,
Campden Hill Road, W8**

RBKC Ref:

DPS/DCC/TP/99/0733

DPS/DCC/TP/98/2129

D.E.T.R. Ref:

APP/K5600/A/99/1022704

APP/K5600/E/99/1016054

Proof of Evidence

Philip Hughes

20th July 1999

Public Inquiry

THE ROYAL
BOROUGH OF



KENSINGTON
AND CHELSEA

25

ROYAL BOROUGH OF KENSINGTON AND CHELSEA

PROOF OF EVIDENCE OF PHILIP GEORGE HUGHES

Philip Hughes will say:

I am a Bachelor of Arts (Honours) in Philosophy, Politics and Economics, and a Master of Philosophy in Town Planning. I am a full Member of the Royal Town Planning Institute. I have been employed by the Royal Borough for over ten years and currently hold the position of Principal Planning Officer in the Policy Team.

My duties include managing the Unitary Development Plan (UDP), with a particular responsibility for housing issues and the Housing Chapter in the UDP.

CAMPDEN HILL RESERVOIR, W8

1.0 INTRODUCTION

- 1.0 This proof of evidence amplifies and interprets the Council's affordable housing policies referred to in the Council's Pre-Inquiry Statement and committee report, and makes reference to relevant legislation and Government guidance.

2.0 GOVERNMENT LEGISLATION, POLICY AND GUIDANCE

- 2.1 Town and Country Planning Act 1990 (as amended by the Planning and Compensation Act 1991). Section 54A states:

"Where, in making any determination under the Planning Acts, regard is to be had to the development plan, the determination shall be made in accordance with the plan unless material considerations indicate otherwise".

- 2.2 **Planning Policy Guidance 1 (PPG1), General Policy and Principles, February 1997**

Emphasis on the development plan is reiterated in paragraph 40 in which the Government states its commitment to a plan-led system of development control.

2.3 **Planning Policy Guidance 3 (PPG3), Housing, March 1992**

Paragraph 38 states that a community's need for affordable housing is a material planning consideration which may properly be taken into account in formulating development plan policies. It also allows local planning authorities to negotiate with developers for the inclusion of an element of affordable housing on suitable sites.

2.4 **Revised PPG3 for consultation (March 1999)**

This guidance is the latest statement by the Government on national policy guidance for housing. It reiterates and consolidates the Government's approach to the provision of affordable housing. Paragraph 11 promotes the creation of mixed communities through different types of housing and tenures. Paragraph 13 restates that the need for affordable housing is a material planning consideration. Paragraph 15 re-affirms the Government's policy on planning and affordable housing as set out in Circular 6/98 and states a presumption that affordable housing should be provided as part of a proposed development on a suitable site. Failure to do so without exceptional circumstances could justify the refusal of planning permission.

2.5 **Circular 6/98: Planning and Affordable Housing**

2.5.1 Paragraph 3 states that this advice supplements PPG3 by amplifying the Government's preferred approach to planning and affordable housing. It aims to provide a clearer framework for preparing plan policies, and practical advice to local planning authorities on how they should encourage the supply

of affordable housing in appropriate circumstances through negotiation with developers and others. It is intended to:

- help local planning authorities to adopt a realistic and consistent approach to preparing plan policies and handling planning applications involving affordable housing;
- encourage a cooperative approach to preparing affordable housing policies, which ensures that the views of all those involved in delivering affordable housing are taken into account;
- clarify that affordable housing policies should be based on a clear and up-to-date assessment of local need for affordable housing;
- ensure that affordable housing delivered through the planning system is likely to be attractive to lenders of private finance.

2.5.2 Paragraph 10 (i)(b) states:

“In preparing plan policies for affordable housing, and in assessing the suitability of sites to be identified in the plan and any sites that may come forward not allocated in the plan, the following criteria should be taken into account:

(i) site size, suitability and the economics of provision:

- **it will be inappropriate to seek any affordable housing on some sites. In practice the policy should only be applied to suitable sites, namely :**

(a)

(b) in Inner London, housing developments of 15 or more dwellings, or residential sites of 0.5 of a hectare or more, irrespective of the number of dwellings.

(c)

- the proximity of local services and facilities and access to public transport

- whether there will be particular costs associated with development of the site: and

- whether the provision of affordable housing would prejudice the realisation of other planning objectives that need to be given priority in development of the site.”

2.5.3 Paragraph 21 emphasises the need to provide affordable housing as part of a proposed development.

“... where a requirement for an element of affordable housing is appropriate, it should be provided as part of the proposed development. The release of a site, where a local planning authority has decided that an element of affordable housing should be pursued, without ensuring the provision of that housing on the land in question, may undermine the objectives of the policy.”

2.5.4 Paragraph 24 makes an explicit reference to its own content as a material consideration in the determination of development proposals:

“..Where a local planning authority considers, having regard to the policy in this Circular, that certain sites are suitable for inclusion of an element of affordable housing and an applicant does not make such provision *as part of the proposed development*, such a failure could justify the refusal of planning permission.”

3.0 PLANNING POLICIES

The Site

3.1 The appeal site has been included in the Council's UDP Schedule of Major Sites with Development Opportunities (Alterations Version). The sites included in the Schedule are selected in response to the level of development interest expressed, as indicated by the submission of planning applications, pre-application meetings and enquiries. The Schedule lists those land uses considered to be appropriate for the site. In this instance “residential including affordable housing, tennis courts and open space” are identified in the UDP Alterations. This description reflects the existing uses on the site plus affordable housing.

3.2 The uses listed in the Schedule are considered acceptable in principle. These land uses as described would allow for the provision of new and additional residential accommodation on the site in conjunction with tennis courts and open space. The Schedule does not indicate the proportions of each land use and the mechanism to decide the acceptable proportions for each use must always be a planning application. The Council would accept the

redevelopment of Water Tower House plus part of Aubrey Walk. The requirement for affordable housing is subject to the Council's objections to the appropriateness of the appeal proposals and the scale of development. These issues are dealt with by Dennis McCoy. If an alternative proposal was considered acceptable and provided a minimum net increase of 15 dwellings on the site, the Council would negotiate for the provision of a proportion of affordable housing on the site in line with UDP policy.

3.3 **The Council's Unitary Development Plan (UDP)**

This was adopted with effect from 28 August 1995. The UDP is now the development plan for the Royal Borough, for the purposes of section 54A of the Town and Country Planning Act 1990.

3.4 The Overall Aim of the Council's Unitary Development Plan (UDP) set out in Chapter 2 is:

**“TO MAINTAIN AND ENHANCE THE CHARACTER AND
FUNCTION OF THE ROYAL BOROUGH AS A RESIDENTIAL
AREA AND TO ENSURE ITS CONTINUING ROLE WITHIN
THE METROPOLITAN AREA AS AN ATTRACTIVE PLACE
IN WHICH TO LIVE AND WORK.”**

3.5 Housing policies are set out in Chapter 3 of the UDP. Policy H22 states:

“TO SEEK WHERE APPROPRIATE THE INCLUSION AND RETENTION OF A SIGNIFICANT PROPORTION OF AFFORDABLE RESIDENTIAL UNITS ON RESIDENTIAL DEVELOPMENT SITES OF OVER 0.05 HECTARES (0.12 ACRES) IN SIZE.”

3.6 **UDP Alterations**

The Council has reviewed its development plan and proposed a set of Alterations to the UDP to keep it up to date and relevant in line with Government policy. The UDP Alterations were approved for consultation by the Council's Planning and Conservation Committee on 19 April 1999. The UDP Alterations have been the subject of consultation with statutory bodies in line with Government guidance (PPG12, Development Plans and Regional Guidance [Annex E], February 1992). This consultation took place between 30 April and 11 June 1999. The UDP Alterations will be deposited for public consultation over the summer of 1999. The alterations to the UDP may be used for development control purposes and they will increasingly acquire weight as a material consideration further into the consultation process.

3.7 The weight attached to the altered policies in the UDP will depend on the circumstances of each individual policy. In the case of the Council's affordable housing policies, they reflect the provisions of recent government

advice (Circular 6/98) and are suitable for development control purposes. In the recent statutory consultation exercise, no adverse comments on the Council's affordable housing policies were received from any of the consultees, including the Government Office for London.

3.8 The Council's new approach to the provision of affordable housing using the planning system was discussed at the Planning and Conservation Committee on 11 January 1999 (Appendix 9). The report outlined the emerging policy of the Council and the importance of Circular 6/98 in the assessment and determination of residential development proposals. This new approach was subsequently reflected in the UDP Alterations which were approved by the Planning and Conservation Committee on 19 April 1999.

3.9 The Council's proposed affordable housing policies now reflect the advice contained in Circular 6/98: Planning and Affordable Housing. Altered Policy H22 states:

**“TO NEGOTIATE THE PROVISION AND RETENTION
OF A SIGNIFICANT PROPORTION OF AFFORDABLE
HOUSING ON SITES SUITABLE FOR RESIDENTIAL
USE WITH A CAPACITY OF 15 DWELLINGS OR
MORE.”**

3.6 The relevant paragraphs which explain the Council's new approach to the provision of affordable housing in the Borough in the form of a sequential test are 5.10 b, c, d and e as follows:

"5.10b It is likely that the use of planning powers will continue to be a key mechanism for providing the majority of all identified affordable housing programmes in Kensington and Chelsea, especially if RSLs, such as housing associations, can no longer compete effectively in the local housing market for sites and properties. The supply of adequate finance is necessary but not sufficient for development to proceed. The main resource issue is an inadequate supply of land for development. Therefore, where a requirement for an element of affordable housing is appropriate, it should be provided on-site as part of the proposed development.

5.10c When a residential proposal (which is acceptable in principle) is affected by the Council's affordable housing policy (i.e. the site is considered to have a suitable dwelling capacity) a minimum proportion of one third of the housing should be affordable. There are three ways that this requirement can be fulfilled:

- (a) provision of affordable housing on site (this is the strongly preferred option); or
- (b) provision of affordable housing on an alternative site supplied by the developer within the Borough; or
- (c) payment to provide affordable housing elsewhere in the Borough.

5.10d Where provision on-site or on an alternative site is proposed, this can be achieved by the developer, RSL or both. The preferred approach is the provision of affordable housing on-site, included within the facilitating private development. Where it can be demonstrated by the developer that this is not possible (for example, because the proposal is a conversion of an existing building and joint management cannot be arranged), an alternative site will be sought for the provision of affordable housing. If the alternative site route is followed, an amount equivalent to 33% of affordable housing on the "donor" site will be sought plus the equivalent amount which would have been provided on the "recipient" site, subject to further detailed assessment and compliance with planning policies. Finally, it is only where this is also considered unachievable that an in-lieu payment to secure affordable housing elsewhere in the Borough will be negotiated.

The payment should reflect the high land values in the Borough and the cost of providing a significant amount of affordable housing.

5.10e The Council will expect residential development on sites with a capacity of 15 dwellings or more to contribute a significant proportion of dwellings (see Glossary for definition) on the site to the stock of affordable housing. The capacity of a site will be assessed against its size, a dwelling mix which reflects the demographic profile of the Borough and UDP residential density policies. Larger sites which involve phased or piecemeal development will also be expected to contribute to the provision of affordable housing in line with UDP policies. Land available for development in the Borough is very scarce and suitable sites will be subject to the policy to provide affordable housing in line with Government Guidance. Proposals for such suitable sites which do not provide a satisfactory amount of affordable housing will be resisted by the Council.”

4.0 PLANNING CONSIDERATIONS

Land Availability

- 4.1 Housing Supply: Kensington & Chelsea is a densely built-up inner-city borough. There are constraints placed on the ability to develop housing due to the Borough's historic character and limited supply of low value redundant uses and properties. However, the Borough has made progress in meeting the minimum housing dwelling provision identified in Strategic Guidance for London Planning Authorities (RPG3, Table 4.1). The figure of 7,750 included in this guidance is for the period 1992 - 2006 and amounts to 517 dwellings per annum. Appendix 20 provides information on residential completions since 1992. The average annual completion rate for Kensington and Chelsea from 1992 to 1998 is 474 dwellings. This is not a large shortfall and there is still 7 years left in which to meet the housing target. It is dangerous to ascribe too much importance to completion rates over a relatively short period of time.