

SCHEDULE

SERVICE CHARGE

1. SERVICES AND SERVICE CHARGE

- 1.1 Subject to paragraph 1.4 and paragraph 1.5 the Adjoining Owner shall in accordance with the principles of good estate management use reasonable endeavours to provide the Services provided that the Adjoining Owner shall use all reasonable endeavours to provide those Services noted at paragraph 2.1.1 so far as they relate to those parts of the Common Areas comprising roads and footpaths, drains and sewers within the Science Central Site which have not been adopted for maintenance at the public expense.

1.2 Service Charge

- 1.2.1 The Service Charge for the Property shall be calculated by the Adjoining Owner as being such proportion of the Service Costs as the owner of the Adjoining Land shall reasonably apportion to the Property taking into account (inter alia)

(a) the proportion which the Gross Internal Area of any building or buildings on the Property bears to the total Gross Internal Area of the buildings on the Science Central Site; and

(b) the availability to benefit from and use the Services by occupiers of the Property

1.2.2 Service Charge

- (a) Notwithstanding paragraph 1.2.1 of this schedule the Service Charge payable by the Transferee in respect of the Services:

(i) from and including the date of this transfer shall be capped at an initial sum of £3.30 per square metre of the Gross Internal Area of the buildings from time to time constructed on the Property (the Service Charge Cap);

(ii) from and including the first anniversary of the date of this transfer shall be as determined by paragraph 1.2.2(b) below.

- (b) The Service Charge Cap shall be Index Linked on the first anniversary of the date of this transfer and each subsequent anniversary and shall cease to apply on the later of the date being the fifth anniversary of the date of this transfer and the date on which 50% of the Gross Internal Area of the non-residential floor space of the Science Central Site as envisaged by the 2016 Faulkner Brown Masterplan has been developed and is ready for occupation.

1.3 The Adjoining Owner shall give the Transferee:

- 1.3.1 prompt notice of any likely significant variation of the actual Service Costs from the budgeted Service Costs of which the Adjoining Owner becomes aware;

- 1.3.2 a schedule showing the apportionment of the Service Costs for each Plot Owner on the Science Central Site.

1.4 The Adjoining Owner shall not be required under this paragraph 2:

- 1.4.1 to carry out any works as part of the Services if the need for those works has arisen by reason of any damage or destruction by a risk against which the Adjoining Owner is not obliged to insure.

- 1.5 The Adjoining Owner shall not be liable for any interruption in, or disruption to, the provision of any of the Services for any reason that is outside the reasonable control of the Adjoining Owner but must take reasonable steps to restore the Service as soon as reasonably practicable.
- 1.6 The procedure and obligations of the parties relating to the operation of the Service Charge are as follows:
- 1.6.1 at least one month before the start of each Service Charge Year, the Adjoining Owner shall prepare and send to the Transferee a budget for the Service Costs for that Service Charge Year together with details of the calculation of the Transferee's proportion of the Service Costs shown in the budget;
 - 1.6.2 the Transferee shall pay its proportion of the budgeted Service Costs for each Service Charge Year in four equal instalments in advance on each of the Service Charge Payment Dates;
 - 1.6.3 in relation to the Service Charge Year current at the Commencement Date:
 - (a) the Transferee's obligations to pay a proportion of the budgeted Service Costs and to pay the actual Service Charge shall be limited to an apportioned part of those amounts, such apportioned part to be calculated on a daily basis for the period from the Commencement Date to the end of the Service Charge Year; and
 - (b) the Transferee shall pay its apportioned contribution towards the budgeted Service Costs in equal instalments on the Commencement Date and the remaining Service Charge Payment Days during the period from the Commencement Date until the end of the Service Charge Year;
 - 1.6.4 as soon as reasonably practicable and no later than four months after the end of each Service Charge Year, the Adjoining Owner shall prepare and send to the Transferee a certificate (Service Charge Certificate) which:
 - (a) shows the Service Costs for that Service Charge Year;
 - (b) is certified as representing a true and accurate record of the Service Costs and that the Service Charge has been calculated in accordance with the provisions of this transfer and, where practicable, in accordance with the provisions of the Service Charge Code;
 - 1.6.5 if any cost is omitted from the calculation of the Service Charge in any Service Charge Year, the Adjoining Owner shall be entitled to include it in the budget for the Service Charge and the Service Costs in any following Service Charge Year;
 - 1.6.6 the person giving the Service Charge Certificate shall be appropriately qualified, and shall have experience in dealing with service charges;
 - 1.6.7 subject to paragraph 1.6.6 and except in the case of manifest error, the Service Charge Certificate shall be conclusive as to all matters of fact to which it refers;
 - 1.6.8 the Adjoining Owner shall allow the Transferee a reasonable period in which to raise enquiries in respect of the Service Charge Certificate, shall respond promptly and efficiently to any reasonable enquiries raised by the Transferee and shall make available on request for inspection by the Transferee, or provide the Transferee with copies of, all relevant paperwork and any supporting documentation;
 - 1.6.9 if in respect of any Service Charge Year, the Service Charge shown in the budget is less than the Service Charge, the Transferee shall pay the difference immediately upon the expiry of the period specified in paragraph 1.6.4. If in respect of any Service Charge Year, the Service Charge shown in the budget is more than the Service Charge, the Adjoining Owner of the Retained Land shall credit any such surplus against the Service Charge for the following Service Charge Year.

2. SERVICES

2.1 The **Services** are:

- 2.1.1 cleaning, maintaining, repairing, renewing (where necessary) replacing and where the Adjoining Owner reasonably considers appropriate altering the Common Areas;
- 2.1.2 lighting the Common Areas including (without prejudice to the generality of the foregoing) lighting all roads and footpaths until such time (if any) that the same are adopted for maintenance at the public expense;
- 2.1.3 effecting and maintaining insurance of the Common Areas against loss or damage by such insured risks as the Adjoining Owner (acting reasonably) shall decide to insure against together with public liability insurance;
- 2.1.4 providing (other than initial provision), operating, inspecting, testing, servicing, repairing, maintaining and where necessary modifying renewing or replacing any plant machinery apparatus and equipment;
- 2.1.5 providing, maintaining, repairing, renewing and (where necessary) replacing all entrance exit and directional signage bollards and street furniture in respect of roads and footpaths within the Common Areas which have not been adopted for maintenance at the public expense;
- 2.1.6 cleaning, maintaining, repairing and replacing refuse bins on the Common Areas and the removal of leaves, litter and snow from the Common Areas;
- 2.1.7 cleaning, maintaining, repairing and replacing signage for the Common Areas;
- 2.1.8 maintaining the landscaped and grassed areas of the Common Areas and keeping the same planted cultivated and free from weeds;
- 2.1.9 any other service or amenity that the Adjoining Owner may in its reasonable discretion (acting in accordance with the principles of good estate management) provide for the benefit of the owners tenants and occupiers of the Science Central Site;
- 2.1.10 the carrying out of any works to the Common Areas which are required to comply with any laws relating to the Common Areas, their use and any works carried out at them;
- 2.1.11 the provision of security in respect of the Common Areas;
- 2.1.12 the provision and maintenance of any operational accommodation utilised by the Adjoining Owner for the purposes of managing or administering the Common Areas;
- 2.1.13 the administration and management of the Common Areas.

3. SERVICE COSTS

3.1 Subject to paragraph 5 the **Service Costs** are the total of:

- 3.1.1 all of the reasonable and properly incurred costs of:
 - (a) providing the Services;
 - (b) the supply and removal of electricity, sewage and other utilities to and from the Common Areas;
 - (c) complying with the recommendations and requirements of the insurers of the Common Areas (insofar as those recommendations and requirements relate to the Common Areas);

- (d) complying with all laws relating to the Common Areas, their use and any works carried out to them, relating to the use of all service media, machinery and equipment at or serving the Common Areas and relating to any materials kept at or disposed of from the Common Areas;
- (e) taking any steps (including proceedings) that the Adjoining Owner considers necessary to prevent or remove any encroachment over the Common Parts or to prevent the acquisition of any right over the Common Areas or to remove any obstruction to the flow of light or air to the Common Areas; and
- (f) borrowing to fund major expenditure on any Service which is infrequent or of an unusual nature;
- (g) managing and administering the provision of the Services, the calculation of the Service Costs or the administration of the Service Charge including the costs of any managing agents or other persons employed in relation to the Services, Service Costs or the Service Charge provided that the costs of any managing agent shall not exceed 10% of the Service Costs.

due allowance being given in the calculation of the Service Costs for any monies recovered from claims made against third parties or recovered under insurance policies effected by the Adjoining Owner pursuant to this schedule

- 3.1.2 all rates, taxes, assessments, charges and impositions payable in respect of the Common Areas, their use and any works carried out on them;
- 3.1.3 the reasonable and proper cost of complying with any of the Adjoining Owner's obligations contained in this paragraph 3; and
- 3.1.4 any VAT payable in respect of any of the items mentioned above except to the extent that the owner of the Retained Land obtains credit for such VAT under the Value Added Tax Act 1994.

4. TRANSFeree'S OBLIGATIONS IN RELATION TO COMMON AREAS

The Transferee covenants that it and all those deriving title under it including but not limited to its tenants and licences shall:

- 4.1 not cause a nuisance in relation to the Common Areas;
- 4.2 not to park vehicles on or otherwise obstruct any part of the Common Areas;
- 4.3 observe and perform the reasonable regulations issued from time to time by the Adjoining Owner in respect of the Common Areas and their use;
- 4.4 procure that any lease granted in respect of any part of the Property contains a covenant on the part of the tenant to observe and perform the provisions of this schedule insofar as the obligations relate to the premises thereby demised.

5. SERVICE CHARGE EXCLUSIONS

The Service Costs will not include the following costs:

- 5.1 Costs which individual Plot Owners are expressly responsible for pursuant to other legal obligations;
- 5.2 Costs incurred in connection with original construction works of Common Areas;
- 5.3 Costs of enforcing covenants against other Plot Owners / occupiers; and
- 5.4 Costs associated with any energy centre to be provided to serve the Science Central Site.

6. ESTATE MANAGEMENT COMPANY

To the extent that the Adjoining Owner creates a separate estate management company to manage and own Common Areas, the Transferee will be entitled to an interest or shareholding in that management company such interest or shareholding being allocated on a just and equitable basis applied consistently to other owners of plots within the Science Central Site.