

THIS UNDERLEASE is made in duplicate the 6th day of September Two Thousand and Nineteen **BETWEEN GIBRALTAR LAND (HOLDINGS) LIMITED** a Company incorporated in Gibraltar pursuant to the provisions of the Companies Act whose registered office is situate at 206-210 Main Street, Gibraltar (hereinafter called "the Lessor" which expression shall include the reversioner for the time being immediately expectant on the term hereby created) of the first part **EUROPA WALKS ESTATE MANAGEMENT LIMITED** a Company incorporated in Gibraltar under the Companies Act with Registered Office situate at Suite 5, 39 Irish Town, Gibraltar (hereinafter called "the Management Company") of the second part and **GIBRALTAR PROPERTIES LIMITED** a Company incorporated in Gibraltar under the Companies Act with registered office situate at 206-210 Main Street, Gibraltar (hereinafter called "the Lessee" which expression shall where the context so admits include the Lessee's successors in title and assigns) of the third part.

WHEREAS:

1. In this Deed unless the context otherwise requires:
 - (a) "Houses" means the houses or other single residential dwellings forming part of the Property (as hereinafter defined) and "House" has a corresponding meaning.
 - (b) "Government" means the Government of Gibraltar.
 - (c) "Head Lease" means a Deed of Lease relating to the Property (as hereinafter defined) dated the 27th day of August 2019 and made between (1) the Superior Lessor (as hereinafter defined) in its capacity as head lessor and (2) the Lessor in its capacity as head lessee.
 - (d) "Lessee" shall include any person deriving title under the Lessee and where the Lessee consists of more than one person the Lessee's covenants shall be deemed to be joint and several.
 - (e) "Lessor" shall include the person for the time being entitled to the reversion immediately expectant upon the termination of the Term and shall include the entities deriving title under the Lessor.
 - (f) "Mortgagee" means any bank or approved financial institution to which the Premises have been mortgaged or are to be mortgaged.
 - (g) "Mortgage" means a mortgage of the Premises (as hereinafter defined) in favour of a Mortgagee.

- (h) "Owner" in relation to a House means the holder of the residue of a term of 150 years (less seven days) created by any demise made by the Lessor in respect of any part of the Property (as hereinafter defined) and "Owners" and "Ownership" have a corresponding meaning.
 - (i) "Premises" means all those premises hereby demised as more particularly described in the Third Schedule hereto.
 - (j) "Property" means the property described in the First Schedule hereto together with the buildings now or hereafter erected thereon.
 - (k) "Reserved Property" means that part of the Property more particularly described in the Second Schedule hereto.
 - (l) "Service Charge" means the annual service charge to be paid by the Lessee as provided in Clauses 12 and 13 of the Sixth Schedule hereto.
 - (m) "Superior Lessor" means His Excellency the Governor of Gibraltar for and on behalf of Her Majesty the Queen.
 - (n) "Surveyor" means the company Land Property Services Limited whose principal place of business is at Suite 6B, Leanse Place, 50 Town Range, Gibraltar or such other person or entity as may be appointed from time to time by Government acting as agent for Government for the purposes of this Underlease.
 - (o) "Term" means a term of One Hundred and Fifty years (less seven days) from the 1st day of August 2019.
2. The Lessor holds the Property for a term of One Hundred and Fifty years from the 1st day of August 2019 under the Head Lease.
 3. The Lessor intends to offer to dispose of each of the Houses by way of underlease substantially in the form of this Underlease with such variation only as the circumstances may require.
 4. It is intended that upon any transaction by which the Lessor parts with the Ownership of any House the person becoming the Owner of that House shall enter into a covenant with the Lessor and the Management Company to observe and perform in relation to that House covenants conditions and stipulations in similar terms to those set out in the Sixth Schedule and the Ninth Schedule hereto to the intent that the Lessor and/or the Management Company and/or any Owner may enforce the observance and performance thereof by any Owner.

5. The Lessor has agreed with the Lessee for the grant to the Lessee of an underlease of the Premises for the consideration at the rent and on the terms and conditions hereinafter appearing.
6. The Management Company shall be made a party to any assignment of the Premises.

NOW THIS DEED WITNESSETH as follows:

1. In consideration of the rent covenants and conditions on the part of the Lessee herein reserved and contained the Lessor **HEREBY DEMISES** unto the Lessee **ALL THOSE** the Premises **TOGETHER** with the rights set out in the Fourth Schedule hereto **TO HOLD** the same **UNTO** the Lessee for the Term **PAYING** therefore during the Term the yearly rents reserved by the Eighth Schedule hereto in advance on the 1st day of January in each year without any deduction the first of such payments being a proportionate payment to be made on the execution hereof **EXCEPT AND RESERVING** as mentioned in the Second Schedule hereto **SUBJECT** to the rights set out in the Fifth Schedule (which so far as not already affecting the Lessor or the Management Company's estate in the Premises are hereby excepted and reserved from this demise) and **SUBJECT ALSO** to the covenants and the restrictive covenants set out in the Sixth Schedule and the Ninth Schedule hereto and to the covenants on the part of the Lessee hereinafter contained.
2. The Lessor **HEREBY COVENANTS** with the Lessee that the Lessor will require every person to whom it shall hereafter lease other parts of the Property to enter into similar covenants as are herein contained.
3. The Lessor covenants with the Lessee that the Lessor will observe and perform the covenants and other provisions contained in the Head Lease (save in so far as those covenants are to be performed and observed by the Lessee) and will save and keep indemnified the Lessee against all claims and damages and losses arising from any breach thereof save to the extent that the Lessee shall be the cause of any such breach.
4. The Lessor and the Management Company respectively covenant with the Lessee that they will enforce (if necessary by taking legal proceedings) the performance and observance by any Owner of other parts of the Property of the covenants and conditions contained in the underlease or underleases relating to such other parts of the Property.
5. The Management Company **HEREBY COVENANTS** with the Lessor and the Lessee to pay the yearly rents and perform and observe the covenants and conditions contained under the Head Lease and also to perform and observe the services set out in the Seventh Schedule

hereto and pay all moneys payable in respect of such matters referred to in the Seventh Schedule hereto.

6. The Management Company hereby covenants with the Lessee that as often as any part of the Property is destroyed or damaged by fire or any other cause covered by the Building insurance arranged for the Property the Management Company shall rebuild and reinstate the same in accordance with the bye-laws regulations and planning or development schemes of any competent authority for the time being affecting the same and it is hereby agreed that any moneys received in respect of the said Building insurance shall be applied so far as the same shall extend in so rebuilding or reinstating the Property and in the event of the Property or any part thereof being destroyed by fire or any other risk then (unless the insurance of the Property shall have been vitiated by reason of the act or default of the Lessee's servants agents or visitors) the rents and Service Charge hereby reserved or a fair and just proportion of the same according to the extent of the damage sustained shall until the Property shall have been rebuilt or reinstated and made fit for occupation and use be suspended and cease to be payable.
7. The Management Company shall before undertaking any structural repairs and before carrying out any repairs or works to the Reserved Property for the carrying out of which it requires access to the Premises give reasonable notice (and except in cases of emergency at least forty-eight hours' notice) in writing to the Lessee. The Management Company shall on giving such notice be entitled to effect such works of repair and in doing so to have any required access to the Premises but shall act carefully and reasonably doing as little damage as possible to the Premises and forthwith making good all damage done.
8. The Lessee hereby covenants with the Lessor as follows:
 - (i) that the Lessee shall throughout the Term observe and perform the covenants and obligations on the part of the Lessee set out in the Sixth Schedule and the Ninth Schedule hereto;
 - (ii) that immediately upon the execution hereof the Lessee shall become a member of the Management Company subject in all respects to its Memorandum and Articles of Association;
 - (iii) the Lessee by execution of these presents confirms his knowledge and understanding that the Management Company has binding and legal commitments and that it shall join in and be a party to all and any assignments of any underlease of any house, garage, parking or store within the Property and shall cause its common seal to be attached to the assignment(s) promptly and without any objection whatsoever.
9. The Lessee paying the rent hereby reserved and performing and observing the covenants on the part of the Lessee herein contained shall

peaceably hold and enjoy the Premises for the Term hereby demised without any interruption by the Lessor or the Management Company or any person lawfully claiming under or in trust for them.

10. If the rent hereby reserved or any part thereof is unpaid for twenty-one days of it becoming payable (whether formally demanded or not) or if any of the covenants on the part of the Lessee herein contained are not observed and performed then and in any such case it shall be lawful for the Lessor or any person or persons authorised by it in that behalf at any time thereafter to re-enter the Premises or any part thereof in the name of the whole and thereupon the Term hereby created shall absolutely determine but without prejudice to any other right of action or remedy of the Lessor or the Management Company in respect of any breach of the covenants on the part of the Lessee hereinafter contained **PROVIDED HOWEVER** that if there shall be in existence a Mortgage over the Premises at the time that the Lessor complains of the existence of any breach of the covenants in this Underlease contained the right of forfeiture hereinbefore conferred shall only be exercisable in accordance with the following:

- (i) The Lessor shall give notice in writing to the Mortgagee of the existence of a breach or breaches of covenant hereunder specifying and particularising the covenant or covenants in question and the alleged breach or breaches and stating whether it is the intention of the Lessor to effect a forfeiture of the Premises and allowing the Mortgagee twenty-one days in which to elect to remedy within a further three months the breaches complained of or to enforce its security (whether by foreclosure sale or otherwise) and if the Mortgagee shall so elect and remedy the said breach or breaches the right of forfeiture shall not be exercisable;
- (ii) If the Mortgagee shall not elect as provided for in the preceding sub-clause or shall notify the Lessor that it has no objection to the exercise of the right of forfeiture the Lessor may proceed to effect a forfeiture (subject to such right to seek relief therefrom as may be available to any party having an interest in the Premises);
- (iii) All notices or other communications under or in respect or in pursuance of this clause shall be in writing and shall be served delivered or transmitted to the Lessor at its registered office and to the Mortgagee at the address in Gibraltar of the Mortgagee appearing in the Mortgage instrument and in the case of notice physically served or delivered or transmitted by telex or facsimile reproduction effected on a business day during office hours such notice shall be deemed to be served delivered or transmitted on such same day and if served delivered or transmitted on a holiday or after office hours shall be deemed to have been served delivered or transmitted on the next business day following.

PROVIDED FURTHER that in the event that the Lessor shall forfeit the Premises it shall hold the Premises upon trust to sell an underleasehold interest therein for a term equivalent to the unexpired residue of the Term and subject to the same rent covenants and obligations exceptions and reservations as are contained in this Underlease for the best price reasonably obtainable and to account for the proceeds of sale thereof after deducting its own reasonable costs and expenses of effecting such forfeiture whether or not a Mortgagee has an interest in the Premises.

11. (i) The Superior Lessor may, without obtaining the consent from or paying any compensation to the Lessee, at any time give consent to a third party to deal with any adjoining property, including the consent to the erection, alteration, rebuilding of any buildings whatsoever whether or not such works affect or diminish the light or air which may now or at any time be enjoyed by the Lessee.

(ii) The Lessee hereby agrees and acknowledges that the Lessee will not acquire any rights of light in relation to the Property and will not seek to enforce any such rights.

12. Any notice by the Lessor to the Lessee under this Underlease shall be deemed to be sufficiently served if it is sent by registered post addressed to the Lessee by name at the Premises and any notice by the Lessee to the Lessor shall be deemed to be sufficiently served if it is sent by registered post to the registered office of the Lessor.

IN WITNESS whereof the Lessor the Management Company and the Lessee have caused their respective Common Seals to be hereunto affixed the day and year first above written.

THE FIRST SCHEDULE **"The Property"**

ALL THAT piece or parcel of land with the buildings and supporting structures erected thereon known as Europa Walks Estate situate at 5 Bleak House Road, Gibraltar and being Crown Property No. 1590 in the General Plan of the City of Gibraltar all as more particularly all as more particularly described in the Head Lease.

THE SECOND SCHEDULE **"The Reserved Property"**

FIRSTLY ALL THOSE passages, communal light fittings, halls, staircases, landings, communal areas and all other parts of the Houses and land forming part of the Property which are used in common by two or more Owners or

which have not been specifically demised to an Owner except as provided for under paragraph 27 of the Sixth Schedule of this Underlease **SECONDLY ALL THOSE** the structural parts of the Houses including the foundations external walls party walls roofs rafters beams and the external faces of such of the external walls as bound the Houses and **THIRDLY** all cisterns tanks sewers drains (up to the public sewer) pipes wires ducts and conduits not used solely for the purpose of one of the Houses only.

THE THIRD SCHEDULE **"The Premises"**

ALL THAT House and patio and/or garden (where applicable) forming part of the Property and being one of the Houses and known as 16 South Walk, Europa Walks Estate, Gibraltar **ALL OF WHICH** house and patio and/or garden (where applicable) is for the purposes of identification only delineated in red on the plan marked "A" annexed hereto **TOGETHER WITH** all that car parking space more particularly shaded in red on the plan marked "B" annexed hereto for the purposes of identification only **TOGETHER** with the ceilings floors and internal walls of the said House but not the roof slab or roof joists to which the ceilings are attached **TOGETHER** with all windows cisterns tanks sewers drains pipes wires ducts and conduits used solely for the purpose of the said house but no other **EXCEPT AND RESERVING** from the demise the main structural parts of the said house including (by way of exception and reservation) the roof foundations party walls and external parts thereof but not the windows or external doors of the said house or the interior faces of such of the external walls as bound the said house.

THE FOURTH SCHEDULE **Rights included in the demise**

1. The rights in common with the Lessor, the Management Company and the Owners of all other parts of the Property and all persons authorised by them in that behalf and all others having the like right to use all such parts of the Reserved Property and to use the entrances, stairways, landings, hallways, passages, patios, forecourts, terraces and communal areas therein **EXCEPT** such parts of the Reserved Property as may be demised by the Lessor (or its successors-in-title) from time to time to any individual lessees of the Property in accordance with paragraph 27 of the Sixth Schedule of this Underlease.
2. The rights of passage and running of electricity water and soil from and to the Premises through the sewers drains pipes wires and conduits forming part of the Reserved Property.
3. The benefit of any covenants entered into by other Owners of other houses with the Lessor and the Management Company so far as such covenants are intended to benefit the Premises or the Lessee and so far as the benefit thereof can in law accrue to the Premises or the Lessee.

4. All rights of shelter and support and without prejudice to clause 11 of this Underlease other easements and all quasi easements rights and benefits (but without prejudice to those expressly granted to the Lessee by this Underlease) of a similar nature now enjoyed or intended to be enjoyed by the Premises.
5. Such rights of access to and entry upon the Reserved Property and other Houses as are necessary for the proper performance of the Lessee's obligations hereunder.
6. **PROVIDED HOWEVER** that all the foregoing easements rights and privileges are subject to and conditional upon the Lessee observing the covenants and conditions herein contained and upon contributing and paying the Service Charge referred to in paragraph 12 and 13 of Part I of the Sixth Schedule hereto.

THE FIFTH SCHEDULE
Rights to which the demise is subject

1. There are reserved out of this Underlease all rights of light air support and other easements and all quasi easements rights and benefits of a similar nature (but without prejudice to those expressly granted to the Lessee by this Underlease) now or in the future enjoyed or intended to be enjoyed by the Premises.
2. Such rights of access to and entry upon the Premises by the Lessor or the Management Company and the Owners of other houses and all persons authorised by them in that behalf as are necessary for the proper performance of their obligations hereunder or under covenants relating to other houses and similar to those herein contained.
3. The burden of any covenants entered into by the Lessor or the Management Company with the Owners of other Houses so far as such covenants are intended to bind the Premises or the Lessee.
4. The rights excepted or reserved in the Head Lease or subject to which the Head Lease was granted so far as such rights affect the Premises or the Lessee.

THE SIXTH SCHEDULE
PART I
Covenants and conditions entered into and undertaken by the Lessee with the Lessor and the Management Company

1. The Lessee shall pay the reserved rents in the days and in the manner above mentioned.

2. The Lessee shall pay all existing and future rates taxes assessments and outgoings now or hereafter imposed or charged upon the Premises or any part thereof or upon the Lessor or the Management Company or any Owner or occupier in respect thereof.
3. The Lessee shall to the reasonable satisfaction in all respects of the Lessor and the Management Company put the Premises in repair within a period of not more than 6 months from the date of this Underlease and shall thereafter keep the Premises and all parts thereof and all fixtures and fittings therein and all additions thereto in a good and tenatable state of repair decoration and condition throughout the continuance of this demise including the renewal and replacement of all worn or damaged parts and shall maintain and uphold and whenever necessary for whatever reason subject to the provisions of paragraphs 2 and 3 of the Seventh Schedule rebuild reconstruct and replace the same.
4. All party walls shall be used repaired and maintained by the Lessee as such.
5. The Lessee shall clean the windows inside and out as often as may be necessary but in any event not less than once in every calendar month.
6. The Lessee shall permit the Lessor and/or the Management Company and/or the Owners with or without workmen and others at reasonable times upon appointment (except in cases of emergency) to enter upon the Premises in fulfilment of their obligations hereunder and to examine the condition of the Premises and the Lessor and/or Management Company may thereupon serve the Lessee notice in writing specifying any repairs or works necessary to be done for which the Lessee is liable hereunder and require the Lessee forthwith to execute the same and if the Lessee does not within two months after the service of such notice proceed diligently with the execution of such repairs or works then the Lessor and/or the Management Company may enter upon the Premises and execute the same and the cost thereof shall be a debt due to the Lessor and/or the Management Company from the Lessee and shall be recoverable forthwith by action.
7. The Lessee shall not do or permit or suffer to be done in or upon the Premises anything which may be or become a nuisance or annoyance or cause damage or inconvenience to the Lessor and/or Management Company or to the owner or occupier of any other house or other part of the property or any neighbouring property and shall pay all costs charges and expenses incurred by the Lessor and/or the Management Company in abating a nuisance in obedience to a notice served by a competent authority.
8. The Lessee shall not do or permit or suffer to be done anything whereby any insurance for the time being effected on the Property or any part thereof (including the Premises) may be rendered void or the premium in respect thereof be increased.

9. The Lessee shall do all such works as under any Act or rule of law are directed or necessary to be done on or in respect of the Premises for which the Lessee is liable (whether as landlord tenant or occupier) and shall keep the Lessor and/or the Management Company indemnified against all claims demands and liabilities in respect thereof.
10. The Lessee shall not do or permit or suffer to be done any act matter or thing on or in respect of the Premises which contravenes the provisions of the Public Health Act or any of the Building Rules and Bye-Laws made thereunder or any enactment amending or replacing it and shall keep the Lessor and/or the Management Company indemnified against all claims demands and liabilities in respect thereof.
11. The Lessee shall comply with and observe any reasonable regulations which the Management Company may (consistent with the provisions of this Deed) make to govern the use of the Premises and the Reserved Property and shall not do or permit or suffer to be done anything which may result in the non-observance of or non-compliance with such regulations. Such regulations may inter-alia be restrictive of acts done on the Property detrimental to its character or amenities. Any reasonable costs charges or expenses incurred by the Management Company in preparing or supplying copies of such regulations or in doing works for the maintenance of the Property and providing services or employees agents or sub-contractors shall be deemed to have been properly incurred by the Management Company for the benefit of all lessees of the Property in pursuance of its obligations under the Seventh Schedule hereto notwithstanding the absence of any specific covenant by the Management Company to incur the same and the Lessee shall keep the Lessor indemnified from and against his due proportion thereof under paragraph 13 of this Schedule accordingly **PROVIDED NEVERTHELESS** that the Management Company shall use its best endeavours to maintain the charge for the said service at the best reasonable figure consistent with due performance and observance of the obligations herein.
12. The Lessee shall pay to the Management Company the Service Charge (as hereinafter provided) being the proportions referred to in paragraph 13 (as may be varied from time to time by the Management Company taking into account any additional built up areas which may be added to any individual house by an Owner) of the total costs charges payments and expenses incurred by the Management Company in carrying out its obligations under the Seventh Schedule hereto.
13. The Lessee shall by equal half yearly payments in advance on the first day of January and the first day of July in each year (or on such other dates as the Management Company may determine from time to time) during the continuance of this demise pay to the Management Company on account of the payment of the Service Charge a percentage of the costs charges and any other expenses incurred by the Management

Company in carrying out its obligations under the Eighth Schedule hereto which percentage is to be calculated in accordance with the total built up area of the Premises in accordance with the Tenth Schedule hereto and where applicable a sum to be determined by the Management Company in respect of the car parking space the first such payment being due on the date hereof which said payment is to be apportioned if necessary.

14. The Lessee shall upon any transaction or disposition (other than by way of mortgage) to which the Lessee is a party or over which the Lessee has any control involving a change or a contract for a change in the ownership of the Premises ensure that the person becoming or contracting to become as a result of such transaction or disposition the owner of the Premises becomes a member of the Management Company and enters into direct covenants with the Lessor and the Management Company to observe and perform the obligations on the part of the Lessee contained in this Schedule and the Ninth Schedule and in particular this paragraph.
15. The Lessee shall not use or permit to cause or suffer either the Premises or any part thereof to be used for any illegal or immoral purpose.
16. The Lessee shall from time to time during the Term pay all costs charges and expenses incurred by the Lessor, the Management Company and Superior Lessor in abating any nuisance at the Premises in obedience to a notice served by a local authority.
17. The Lessee shall pay all costs charges and expenses (including solicitor's costs and surveyor's fees) incurred by the Lessor or the Management Company for the purpose of and incidental to the preparation and service of any notice arising out of any breach or non-performance of any of the covenants on the part of the Lessee herein contained notwithstanding that forfeiture for such breach shall be avoidable otherwise than by relief granted by the Court.
18. The Lessee shall not without the previous written consent of the Lessor make any alteration or addition affecting the external elevation or structure of the Premises or make any structural or external alterations or change the existing design elevation or appearance or the external decorative scheme of the Premises.
19. The Lessee shall not exhibit on the outside or in the window of the Premises or any other part of the Property any name plate, placard or announcement of any description other than a name plate on the door.
20. The Lessee shall not do or permit to be done upon or in connection with the Premises or the Property anything which shall be or tend to be a nuisance annoyance or disturbance or cause of damage to the Lessor the Management Company or the Superior Lessor or other owners or occupiers or any of them or to any neighbouring adjoining or adjacent

owners or occupiers thereof or whereby any regulations which maybe made by the Management Company are not complied with.

21. The Lessee shall on the expiration or sooner termination of the Term peaceably yield up unto the Lessor the Premises in a good and tenantable state of repair and condition in accordance with the covenants by the Lessee herein contained together with all additions and improvements thereto and all landlords fixtures and fittings of every kind now put in or upon the Premises or which during the Term may be affixed or fastened to or upon the same all of which shall or at the sooner expiration or determination of the Term be left complete with all appurtenances thereof and in proper working order and condition.
22. The Lessee shall perform and observe the covenants on the part of the Lessee to be performed and observed in accordance with the terms of the Head Lease so far as same relate to the Premises and shall keep the Lessor indemnified against all claims damages costs and expenses in relation to its obligations thereunder.
23. Except in the case of the Original Lessee the Lessee shall not:
 - (a) assign the Premises (except by way of mortgage to a Mortgagee) without the previous consent in writing of the Surveyor which consent shall not be unreasonably withheld or delayed **PROVIDED** that the Lessee shall prior to any permitted assignment produce to the Lessor and the Management Company or their respective agents a tripartite deed of assignment with the Lessor and the Management Company as a party and containing the covenants with the Lessor and the Management Company as required by paragraph 14 hereof;
 - (b) sub-let or licence the Premises or any part thereof the same being expressly prohibited other than by way of mortgage or charge to a Mortgagee **PROVIDED THAT** the Surveyor may waive this covenant on such terms and conditions as the Surveyor may prescribe upon being satisfied that there exist genuine and compelling family circumstances in the case of the Lessee that justify such a waiver and **PROVIDED FURTHER** that any permitted sub-underletting complies with the provisions of paragraph 25 of this schedule (herein referred to as "permitted sub-underletting");
 - (c) assign sub-let share part with the possession or hold as agent or in trust for any person part only of the Premises save in the case of a Company or entity which is directly or indirectly wholly owned by the Government of Gibraltar or in which the Government of Gibraltar has directly or indirectly a majority of shares or interest; and
 - (d) assign part only of the Premises.

24. Without prejudice to the generality of the provisions of paragraph 23 hereof the Lessee covenants to perform and observe the following covenants:

- (i) Except in the case of Gibraltar Properties Limited (hereinafter referred to in this Schedule as "the Original Lessee") within the first 15 years from the date first hereinbefore written the Lessee shall be a person who has resided in Gibraltar for a minimum period of 3 consecutive years prior to his ownership of the Premises;
- (ii) Except for the Original Lessee and as may be permitted by paragraph 23(a) and 23 (b) of this Schedule no company incorporated in Gibraltar or elsewhere or any corporation shall be a lessee of the Premises.

25. The Lessee shall:

- (a) upon any permitted sub-underletting of the Premises (other than to a Mortgagee who shall undertake that on the enforcement of its security it shall procure from a purchaser a covenant in favour of the Management Company to perform and observe the covenants in this Underlease contained on the part of the Lessee) before so doing and before giving possession or the right of occupation to the intended sub-underlessee execute and deliver to the Management Company a Deed to be prepared at the cost of the Management Company containing a covenant by the intended sub-underlessee intended to have possession or to be in occupation directly with the Management Company to perform and observe during the term granted to the sub-underlessee the covenants contained herein (including this present covenant) in the form contained in Part II of this Schedule;
- (b) on the grant of any permitted sub-underlease and at all times thereafter to enforce the performance and observance of the covenants conditions and stipulations on the part of the sub-underlessee therein contained.

PROVIDED that nothing in this paragraph contained shall excuse the Lessee from its obligations towards the Management Company and that such obligations shall in the event of a sub-underletting bind the Lessee and the sub-underlessee both jointly and severally **PROVIDED FURTHER** that the Management Company shall if practicable notify the Lessee of any action which it contemplates taking against such sub-underlessee in possession or occupation of the Premises.

26. In the event of a sale of the Premises by the Lessor or Management Company following forfeiture of the Premises at a time where there exists a Mortgage of the Premises or by a Mortgagee or by a Court of competent jurisdiction at the suit of a Mortgagee or otherwise in the

course of enforcement of a Mortgage the Lessor the Management Company Mortgagee or Officer of the Court as the case may be may Deal with the Premises subject otherwise to the provisions of this Schedule not only in favour of persons who meet the requirements of paragraph 24 of this Schedule but also such other person as the Surveyor may in his absolute discretion permit.

27. The Lessee **HEREBY COVENANTS** agrees and accepts that the Lessor (and its successors-in-title) may at its discretion demise any parts of the Reserved Property made up of passages, landings, communal areas, pavements and paved areas, open areas, and garden/landscaped areas to any individual lessees of the Property so that any such passages, landings, communal areas, pavements and paved areas, open areas, and garden/landscaped areas may be included within and added to any underlease for any part of the Property immediately adjoining such passages, landings, communal areas, pavements and paved areas, open areas, and garden/landscaped areas.

SIXTH SCHEDULE PART II

THIS DEED is made in duplicate the@..... day of@..... Two Thousand and@..... **BETWEEN**@..... (hereinafter called "the Management Company") of the one part and@..... (hereinafter called "the Sub-Underlessee") of the other part.

WHEREAS:

1. By an Underlease made in duplicate on the@..... day of@..... 20.....@..... between Gibraltar Land (Holdings) Limited of the first part the Management Company of the second part and Gibraltar Properties Limited (hereinafter called "GRP") of the third part Gibraltar Land (Holdings) Limited demised unto GRP **ALL THOSE** premises (hereinafter called "the Premises") in the Property defined in the said Underlease on payment of the rents and performance of the covenants conditions and stipulations therein contained.
2. By a Deed of Assignment made on the@..... day of@..... 20.....@..... between GRP of the first part the Management Company of the second part and@..... of@....., Gibraltar (hereinafter called "the Lessee") of the third part GRP assigned **ALL THOSE** the Premises to the Lessee for the unexpired residue of the Term subject to the performance of the covenants conditions and stipulations in the Underlease contained.
3. The Underlease contains a covenant that the Lessee shall upon any permitted sub-underletting or parting with possession or occupation of the Premises cause the underlessee to enter into a covenant with the Management Company in the form hereof.

4. The Lessee being desirous of granting a sub-underlease/sub-tenancy/personal licence to occupy the Premises to the Sub-Underlessee has caused the Sub-Underlessee to enter into this covenant with the Management Company.

NOW THIS DEED WITNESSETH as follows:

1. The Sub-Underlessee hereby covenants with the Management Company that he will be bound by and observe and comply with:
 - (a) The Lessee's obligations in the Underlease more particularly set out in the Schedule hereto; and
 - (b) The Rules of the Management Company made under paragraph 11 of Part I of the Sixth Schedule of the Underlease.
2. The Sub-Underlessee hereby acknowledges that he is fully aware of the terms of the Underlease and of the said Rules of the Management Company.
3. The Sub-Underlessee's obligations to the Management Company shall exist jointly and severally with those of the Lessee.

IN WITNESS WHEREOF etc ...

THE SCHEDULE
Sub-Underlessee's Obligations

1. Those in Part 1 of Schedule 6 at paragraphs 3,4, 5, 6, 7, 8, 9, 10,11, 12, 14 – 20, 22 - 25 inclusive.
2. All those in Schedule 9.

Signed, sealed, etc ...

THE SEVENTH SCHEDULE
Covenants on the part of the Management Company

1. The Management Company shall pay all existing and future rates taxes assessments and outgoings now or hereafter imposed on or payable in respect of the Reserved Property from the commencement of the Term.
2. The Management Company shall insure the Property and keep it insured in an insurance office of repute to an amount equal to the full replacement value thereof against loss or damage by fire explosion aircraft and articles dropped therefrom, architect's and surveyor's fees and all other risks covered under the terms of a fully Comprehensive Policy including insurance in respect of the lifts and any other risks as

the Management Company may deem necessary and shall also take out a policy of insurance in an insurance office of repute covering liability for injury to persons on the Property and shall make all payments necessary for those purposes within seven days after the same become payable and shall produce to the Lessee on demand the Policies of such insurance and the receipts for every such payment.

3. As often as any part of the Property is destroyed or damaged by fire or any other cause covered by the aforementioned insurance the Management Company shall rebuild and reinstate the same in accordance with the bye-laws regulations and planning or development schemes of any competent authority for the time being affecting the same and it is hereby agreed that any moneys received in respect of the insurance above specified shall be applied so far as the same shall extend in so rebuilding or reinstating the Property and in the event of the Property or any part thereof being destroyed by fire or any other risk as aforesaid then in such case (unless the insurance of the Property shall have been vitiated by reason of the act or default of the Lessee's servants agents or visitors) the rents and Service Charge hereby reserved or a fair and just proportion of the same according to the extent of the damage sustained shall until the Property shall have been rebuilt or reinstated and made fit for occupation and use be suspended and cease to be payable.
4. The Management Company shall keep the Reserved Property and all fixtures and fittings therein and additions thereto in a good and tenantable state of repair decoration and condition including the renewal and replacement of worn or damaged parts **PROVIDED** that nothing herein contained shall prejudice the Management Company's right to recover from the Lessee or any other person the amount or value of any loss or damage suffered by or caused to the Management Company or the Reserved Property by the negligence or other wrongful act or default of the Lessee or such other person.
5. The Management Company shall before undertaking any structural repairs and before carrying out any repairs or works to the Reserved Property for the carrying out of which it requires access to the Premises give reasonable notice (and except in cases of emergency at least forty-eight hours' notice) in writing to the Lessee. The Management Company shall on giving such notice be entitled to effect such works of repair and in doing so to have any required access to the Premises but shall act carefully and reasonably doing as little damage as possible to the Premises and forthwith making good all damage done.
6. The Management Company shall keep the roads car parking spaces footpaths passages lamp-posts and communal areas and all other parts forming part of the Reserved Property properly cleaned and in good order and shall keep adequately lighted all such parts of the Reserved Property as are normally lit or as should be lit.

7. The Management Company shall pay the rent reserved by the Head Lease and shall perform and observe all the covenants on the Lessee's part therein contained so far as neither the Lessee nor any other owner is liable for such performance under the covenants on his part contained in this or a similar lease.
8. The Management Company shall keep proper books of accounts of all costs charges and expenses incurred by it in carrying out its obligations under this Schedule and an account shall be taken on the Thirty-first day of December next and on the Thirty-first day of December in every subsequent year during the continuance of this Underlease and at the termination of this Underlease of the amount of the said costs charges and expenses incurred since the commencement of this Underlease or the date of the last preceding account as the case may be.
9. The account taken in pursuance of the last preceding paragraph shall be prepared and audited by an independent and competent accountant registered under the Auditor's Registration Act who shall certify the total amount of the said costs charges and expenses (including the audit fee of the said account) for the period to which the account relates.
10. The Management Company shall within two months of the date to which the account provided for in paragraph 8 of this Schedule is taken serve on the Lessee a notice in writing stating the said total amounts certified in accordance with the last preceding paragraph.
11. The Management Company shall make available (at the expense of any lessee requiring the same) to the lessees and their professional advisers all information and documents necessary or desirable to enable such lessees or their advisers to ascertain and satisfy themselves at their own expense of the manner in which the books and accounts of the Management Company are kept and made up and of the matters in respect of which the Management Company incurs expenditure.
12. The Management Company shall do all other acts and things for the proper management administration and maintenance of the Reserved Property including (but without imposing any obligation on the Management Company so to do) the employment of managers, caretakers and porters as the Management Company in its sole discretion shall think fit including accountants, auditors, solicitors and estate agents.
13. The Management Company shall be a party to any assignment of the Premises.

THE EIGHTH SCHEDULE
Rent Payable and Provisions for the Review of Rent

1. The yearly rent hereinbefore reserved for the period from the 1st day of August 2019 and for the next three years of the term following shall be a proportion of the rent payable under the Head Lease such proportion being equivalent to the percentage allocated to the Premises in the Tenth Schedule hereto and as may be varied from time to time by the Lessor taking into account any additional built up areas which may be added to any individual house by an Owner.
2. At the end of the initial three-year period, and during each of the successive three years next following the rent shall be increased by applying a percentage increase equal to the percentage by which the Gibraltar Index of Retail Prices shall have increased during each successive three-year review period.
3. For the purpose of this Underlease the Gibraltar Index of Retail Prices (all items) shall mean the Index prepared by the Government of Gibraltar from time to time to show movements in prices of commodities and services or in the cost of living in Gibraltar or such other Index as may be designated by the Government in place of that Index.

THE NINTH SCHEDULE
**Restrictive and other covenants entered into and undertaken by the Lessee
with the Lessor and the Management Company**

1. The Lessee shall not use the Premises except as a private residential House in one occupation only by the Lessee and his family only and the car parking space for the parking of the Lessee's motor vehicle.
2. The Lessee shall not keep or permit or suffer to be kept in the Premises or any part of the Property any material of a dangerous and combustible or explosive nature and shall not carry on in the Premises any trade or business whatsoever.
3. The Lessee shall not place or suspend or suffer to be placed or suspended any excessive weight on or from the floors ceilings or walls of the Premises or set up in or about the Premises any machinery engine or other apparatus other than the usual domestic appliances.
4. The Lessee shall not (except with the written consent of the Lessor and/or the Management Company and under the supervision of their respective agents and to their satisfaction) erect upon or affix to the Premises or any part thereof any machinery or mechanical or scientific or electrical apparatus and with such consent only if properly fitted with an approved suppressor against electrical interference to other apparatus.

5. The Lessee shall not place leave or cause to be placed or left any furniture cycle perambulator toy box parcel bottle or other things nor any refuse or rubbish in any entrance landing passage stairway or other common part of the Property nor to throw or allow to be thrown anything whatsoever nor any refuse or rubbish out of any window of the Premises.
6. The Lessee shall not stop stand or park in any part of the Property any motor vehicle of the Lessee other than in bays or spaces clearly marked for parking and then only in accordance with any conditions or regulations that the Lessor and/or the Management Company may make regarding the use of the same.
7. The Lessee shall not make or suffer any unreasonable noise or do or cause or permit to be done anything whatsoever in the Premises so as to be a nuisance or cause annoyance to any of the lessees or owners lessees or occupiers of adjacent or neighbouring buildings.
8. The Lessee shall not insert any rags dirt rubbish refuse or other substance into or leave in the sinks baths lavatories cisterns or any pipe in the Premises nor shall any obstruction or blockage be caused therein in any other manner whatsoever.
9. The Lessee shall not allow any person or child to loiter or play in or about any common part of the Property.
10. The Lessee shall not hang or place or expose any clothes or other article outside the Premises except within such designated areas provided and no mat or other article shall be shaken out of any window or door thereof.
11. The Lessee shall comply with all further or other reasonable rules and regulations made at any time and from time to time by the Management company in addition to or substitution for the foregoing rules and regulations or any of them which the Management Company may deem necessary or expedient for the safety care or cleanliness of the Property or any part thereof or for securing the comfort and convenience of all lessees in the Property **PROVIDED ALWAYS** that no such further or other rules or regulations may be made hereunder which shall subject the Lessee to any unusual or unreasonable burden.
12. The Lessee shall not erect or suffer to be erected any poles masts aerials or other apparatus outside the Premises (whether in connection with radio or television or otherwise) without the consent in writing of the Management Company first had and obtained.
13. The Lessee shall not build set up or maintain or suffer to be built set up or maintained on or in the Premises any building or erection other than or in addition to the structure now forming part thereof or make any

alteration in the plan or elevation of the Premises or in the services or matters relating thereto or in any party or other wall or make or maintain or suffer to be made or maintained any addition thereto either in height or projection place or attach or maintain any structure whatsoever on or to any part of the Premises or make or suffer to be made any material change or addition whatsoever in or to the use of the Premises or any building or buildings or erection forming part thereof.

14. Where the Premises includes a car parking space or garage the Lessee shall not assign sub-let share licence or part with the possession of the said car parking space or garage separately from the rest of the Premises.

THE TENTH SCHEDULE
Percentages of Service Charges payable in respect of each House

Address	Approximate built up area (square metres)	Number of bedrooms	Percentage of total built up area
1 East Walk	74	2	0.822
2 East Walk	108	4	1.200
3 East Walk	74	2	0.822
4 East Walk	74	2	0.822
5 East Walk	74	2	0.822
6 East Walk	74	2	0.822
7 East Walk	108	4	1.200
8 East Walk	108	4	1.200
9 East Walk	108	4	1.200
10 East Walk	81	3	0.904
11 East Walk	81	3	0.904
12 East Walk	108	4	1.200
13 East Walk	74	2	0.822
14 East Walk	74	2	0.822
15 East Walk	81	3	0.904
16 East Walk	81	3	0.904
17 East Walk	74	2	0.822
18 East Walk	81	3	0.904
19 East Walk	74	2	0.822
20 East Walk	108	4	1.200
21 East Walk	81	3	0.904
22 East Walk	74	2	0.822
23 East Walk	108	4	1.200
24 East Walk	74	2	0.822
25 East Walk	81	3	0.904

26 East Walk	81	3	0.904
1 Shrine Walk	81	3	0.904
2 Shrine Walk	81	3	0.904
3 Shrine Walk	108	4	1.200
4 Shrine Walk	74	2	0.822
5 Shrine Walk	108	4	1.200
6 Shrine Walk	74	2	0.822
7 Shrine Walk	74	2	0.822
8 Shrine Walk	74	2	0.822
9 Shrine Walk	74	2	0.822
10 Shrine Walk	108	4	1.200
11 Shrine Walk	81	3	0.904
12 Shrine Walk	108	4	1.200
13 Shrine Walk	81	3	0.904
14 Shrine Walk	108	4	1.200
15 Shrine Walk	81	3	0.904
16 Shrine Walk	74	2	0.822
17 Shrine Walk	81	3	0.904
18 Shrine Walk	108	4	1.200
19 Shrine Walk	81	3	0.904
20 Shrine Walk	108	4	1.200
21 Shrine Walk	74	2	0.822
22 Shrine Walk	74	2	0.822
23 Shrine Walk	108	4	1.200
24 Shrine Walk	74	2	0.822
25 Shrine Walk	74	2	0.822
26 Shrine Walk	74	2	0.822
27 Shrine Walk	81	3	0.904
28 Shrine Walk	81	3	0.904
29 Shrine Walk	108	4	1.200
30 Shrine Walk	81	3	0.904
31 Shrine Walk	74	2	0.822
32 Shrine Walk	108	4	1.200
1 South Walk	81	3	0.904
2 South Walk	81	3	0.904
3 South Walk	81	3	0.904
4 South Walk	108	4	1.200
5 South Walk	74	2	0.822
6 South Walk	74	2	0.822
7 South Walk	81	3	0.904
8 South Walk	81	3	0.904
9 South Walk	108	4	1.200
10 South Walk	108	4	1.200

11 South Walk	81	3	0.904
12 South Walk	108	4	1.200
13 South Walk	81	3	0.904
14 South Walk	74	2	0.822
15 South Walk	108	4	1.200
16 South Walk	108	4	1.200
17 South Walk	74	2	0.822
18 South Walk	74	2	0.822
19 South Walk	74	2	0.822
20 South Walk	74	2	0.822
21 South Walk	108	4	1.200
22 South Walk	81	3	0.904
1 West Walk	108	4	1.200
2 West Walk	81	3	0.904
3 West Walk	81	3	0.904
4 West Walk	108	4	1.200
5 West Walk	74	2	0.822
6 West Walk	74	2	0.822
7 West Walk	108	4	1.200
8 West Walk	81	3	0.904
9 West Walk	74	2	0.822
10 West Walk	74	2	0.822
11 West Walk	81	3	0.904
12 West Walk	81	3	0.904
13 West Walk	74	2	0.822
14 West Walk	108	4	1.200
15 West Walk	81	3	0.904
16 West Walk	74	2	0.822
17 West Walk	108	4	1.200
18 West Walk	81	3	0.904
19 West Walk	74	2	0.822
20 West Walk	74	2	0.822
21 West Walk	74	2	0.822
22 West Walk	74	2	0.822
23 West Walk	74	2	0.822
24 West Walk	74	2	0.822
25 West Walk	74	2	0.822

EXECUTED and **DELIVERED** as a **DEED**
by **GIBRALTAR LAND (HOLDINGS)**
LIMITED acting by one Director in the
presence of:

.....
Director

Signature of Witness

EXECUTED and **DELIVERED** as a **DEED**
by **EUROPA WALKS ESTATE**
MANAGEMENT COMPANY LIMITED
acting by one Director in the
presence of:

.....
Director

Signature of Witness

EXECUTED and **DELIVERED** as a **DEED**
by **GIBRALTAR PROPERTIES LIMITED**
acting by one Director in the
presence of:

.....
Director

Signature of Witness