CHAPTER ccvii.

An Act to authorise a lease of the Kenley Waterworks to the Caterham Spring Water Company to increase the number of directors of the Company and to enable them to raise further money; and for other purposes. A.D. 1881.

[22nd August 1881.]

WHEREAS by the Caterham Spring Water Company's Act 1862 (herein-after called "the Act of 1862") the Caterham Spring Water Company (herein-after called "the Company") were incorporated with a share capital of £28,000 and power to borrow £7,500 for the purpose of supplying with water certain places in the county of Surrey: 25 & 26 Vict. c. lxxxiii.

And whereas by the Caterham Water Order 1873 (in this Act called "the Order of 1873") the Company were authorised to raise £22,000 by shares and £5,500 by borrowing:

And whereas the whole of the said money which by the said Act and Order respectively the Company were authorised to raise by shares or by borrowing has been raised and expended and out of the money so raised the Company have expended £20,000 or thereabouts in sinking wells or borings for the purpose of obtaining a supply of water for their district but it is found that at certain periods the supply of water from the said wells or borings is inadequate to meet the requirements of the Company's district:

And whereas the Company have not created any debenture stock:

And whereas the Kenley Waterworks Company Limited (herein-after called "the Kenley Company") are possessed of waterworks and supply water within the Company's district and their works include a well or boring from which an abundant supply of water after providing for the wants of the customers of the Kenley Company might be obtained for supplementing the supply to the Company's works and district:

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And whereas the Kenley Company have by a lease (herein-after referred to as "the scheduled lease") a copy of which is set forth in the schedule to this Act leased to the Company for ninety-nine years the undertaking of the Kenley Company and it is expedient that the scheduled lease be confirmed:

And whereas it is expedient that the Company be authorised to raise further money:

And whereas it is expedient that such provision be made as is in this Act contained with respect to the number of directors of the Company:

And whereas the objects of this Act cannot be attained without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted and be it enacted by the Queen's most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled and by the authority of the same as follows (that is to say):—

Short title.

1. This Act may be cited for all purposes as the Caterham Spring Water Company's Act 1881.

Incorporation of general Acts. 8 & 9 Vict. c. 16.

2. The provisions of the Companies Clauses Consolidation Act 1845 with respect to—

The distribution of the capital of the Company into shares;

The transfer or transmission of shares;

The payment of subscriptions and the means of enforcing the payment of calls;

The forfeiture of shares for non-payment of calls;

The remedies of creditors of the Company against the shareholders;

The consolidation of the shares into stock; and

The provision to be made for affording access to the special Act by all parties interested:

And Part I. (relating to cancellation and surrender of shares) and Part II. (relating to additional capital) and Part III. (relating to debenture stock) of the Companies Clauses Act 1863 as amended by the Companies Clauses Act 1869 and the Lands Clauses Consolidation Acts 1845 (except the provisions thereof with respect to the purchase and taking of lands otherwise than by agreement and the entry upon lands) 1860 and 1869;

26 & 27 Vict. c. 118. 32 & 33 Vict. c. 48. 8 & 9 Vict. c. 18. 23 & 24 Vict. c. 106. 32 & 33 Vict. c. 18.

are (except where expressly varied by this Act) incorporated with and form part of this Act.

Interpretation.

3. In this Act terms to which meanings are assigned in Acts incorporated wholly or in part with this Act or which have therein special meanings have in this Act (unless varied thereby) the same respective meanings and in this Act and (for the purposes of this Act) in Acts incorporated wholly or in part with this Act the expressions "superior courts" or "court of competent jurisdiction" or any other like expression shall have effect as if the debt or demand with respect to which it is used were a common simple contract debt and not a debt or demand created by statute.

In this Act the expression "the district of the Kenley Company" means the district (so far as the same is within the district of the Company) within which or parts of which the Kenley Company are now supplying water and is coloured blue on a map signed in duplicate by the Right Honorable Lyon Playfair the Chairman of the Committee of the House of Commons to whom the Bill for this Act was during its progress through Parliament referred the copies of which map have been deposited in the Private Bill Office of the House of Commons and in the office of the Clerk of Parliaments.

Confirming scheduled lease.

4. The scheduled lease is hereby confirmed and made binding on the Company and the Kenley Company respectively and full effect shall be given thereto as if the provisions thereof were expressly enacted in this Act.

Company to purchase stock-in-trade &c.

5. The Company shall purchase at a price to be agreed between the chairmen for the time being of the two companies or by a valuer named by them all the stores meters loose pipes office furniture loose plant and stock-in-trade belonging to the Kenley Company and the amount of such valuation shall be paid on the day when possession is given to the Company of the undertaking of the Kenley Company.

Kenley Company to deliver up papers &c.

6. The Kenley Company shall on the day when possession is so given of its undertaking to the Company deliver to the Company all books papers and plans relating to the water supply to the district of the Kenley Company but not books or papers relating to the internal management of the Kenley Company.

Power for Company to raise further capital.

7. The Company from time to time may (subject to the provisions of Part II. of the Companies Clauses Act 1863) for the purposes of this Act and the general purposes of their undertaking raise any additional capital not exceeding in the whole twenty-four thousand pounds and they may at any time after the passing of this Act raise not exceeding eight thousand pounds of that additional capital by the creation and issue of debentures or debenture stock

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or they may raise the whole or any part of that additional capital by the issue at their option of new ordinary shares or stock or new preference shares or stock or wholly or partly by any one or more of those modes respectively but the Company shall not issue any share of less nominal value than ten pounds nor shall any share vest in the person or corporation accepting the same unless and until a sum not being less than one fifth of the amount of such share shall have been paid in respect thereof.

Incidents of debenture stock.

8. Debentures and debenture stock under the last preceding section shall be called A debentures or A debenture stock as the case may be and shall be entitled to such dividend or interest not exceeding five pounds per centum per annum as may be attached thereto by the resolution or order authorising the creation or issue thereof and shall rank next after any rentcharges and mortgages and debenture stock of the Company existing at the passing of this Act and in priority as regards the undertaking of the Company (other than the rents and rates received by the Company for water supplied within the district of the Kenley Company) to the rent reserved or payable to the Kenley Company under the scheduled lease and in priority to any other rentcharges and debentures and debenture stock and any other stock and any shares in the capital of the Company.

Incidents of shares or stock.

9. Subject to the provisions of this Act any capital in new shares or stock created by the Company under this Act and the new shares or stock therein and the holders thereof respectively shall be subject and entitled to the same powers provisions liabilities rights privileges and incidents whatsoever in all respects as if that capital were part of the now existing capital of the Company of the same class or description and the new shares or stock were shares or stock in that capital. The capital in new shares or stock so created shall form part of the capital of the Company.

Dividends on new shares or stock.

10. Subject to the provisions of this Act every person who becomes entitled to new shares or stock shall in respect of the same be a holder of shares or stock in the Company and shall be entitled to a dividend with the other holders of shares or stock of the same class or description proportioned to the whole amount from time to time called and paid on such shares or to the whole amount of such stock as the case may be.

Restriction as to votes in respect of debenture stock and preferential shares or stock.

11. No person shall be entitled to vote in respect of any debenture stock under this Act nor (except as otherwise expressly provided by the resolution creating the same) in respect of any new shares or stock to which a preferential dividend shall be assigned.

Increase of number of directors of Company.

12. At the first ordinary meeting of the Company to be held after the passing of this Act the Company shall resolve and determine whether the number of directors of the Company shall be five or six and thereupon the number of directors shall be by this Act increased to five or to six as the case may be and the shareholders present in person or by proxy at the same meeting shall elect one duly qualified person or as the case may be two duly qualified persons to be an additional director or additional directors accordingly. But the Company may at any time thereafter from time to time reduce and again increase the number of directors elected by the shareholders so that the number be never less than five nor more than six.

Appointment of directors by Kenley Company.

13. After the number of directors has been increased as provided by the last preceding section the Kenley Company may during the continuance of the scheduled lease from time to time appoint (if and so long as the number of directors elected by the shareholders shall be six) two of the directors of the Kenley Company or (if and so long as the number of directors elected by the shareholders shall be five) one of the directors of the Kenley Company to be directors or a director of the Company in addition to the directors elected by the shareholders and every director so appointed by the Kenley Company whether himself a shareholder in the Company or not shall be entitled to and may exercise in all respects all the rights privileges and powers of a director of the Company and shall during the continuance of the scheduled lease as aforesaid but subject as herein-after provided continue in office until he shall die or resign or shall be removed by the Kenley Company or until some other person shall be appointed in his stead by the Kenley Company: Provided always that if at any time whilst there are two directors of the Company appointed by the Kenley Company the number of directors elected by the shareholders be reduced to five the Kenley Company shall forthwith revoke the appointment of one of the directors so appointed by them.

Mode of appointment &c. of such directors.

14. Every appointment of a director by the Kenley Company shall be in writing under the corporate seal of that company and shall be deposited with the secretary of the Company and may in like manner be revoked and renewed.

Purchase of land by agreement.

15. In addition to the lands which the Company are under the Act of 1862 authorised to take or purchase the Company may by agreement take and purchase and hold for the purposes of this Act and for the general purposes of their undertaking any lands not exceeding in the whole five acres in extent or any term interest or easement (not being an easement in water) in any such lands.

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Power to borrow.

16. The Company may in respect of the additional capital which they are by this Act authorised to raise from time to time borrow on mortgage any sum not exceeding one-fourth part of the amount of such capital which is for the time being created and issued otherwise than as debenture stock but no part of the said sum shall be borrowed until shares for so much of the portion of capital in respect of which the said borrowing powers are to be exercised as is to be raised by means of shares are issued and accepted and one half of such portion of capital is paid up and the Company have proved to the justice who is to certify under the 40th section of the Companies Clauses Consolidated Act 1845 before he so certifies that shares for the whole of so much of such portion of capital as is to be raised by means of shares have been issued and accepted and one half thereof has been paid up and that not less than one fifth of the amount of each separate share in such portion of capital has been paid on account thereof before or at the time of the issue or acceptance thereof and until stock for one half of so much of the said portion of capital as is to be raised by means of stock is fully paid up and the Company have proved to such justice as aforesaid before he so certifies that such shares or stock (as the case may be) were issued and accepted and paid up bonâ fide and are held by the persons or corporations to whom the same were issued or their executors administrators successors or assigns and also if any part of the said capital is raised by shares that such persons or corporations or their executors administrators successors or assigns are legally liable for the same and upon production to such justice of the books of the Company and of such other evidence as he shall think sufficient he shall grant a certificate that the proof aforesaid has been given which certificate shall be sufficient evidence thereof.

Conversion of borrowed money into capital.

17. The Company shall not have power to raise the money by this Act authorised to be borrowed on mortgage or any part thereof by the creation of shares or stock instead of borrowing or to convert into capital the amount borrowed under the provisions of this Act unless in either case all dividends upon such shares or stock whether ordinary or preferential are limited to a rate not exceeding five pounds per centum per annum.

Limit of dividends on new ordinary shares and stock.

18. The Company shall not out of the profits of their undertaking in any one year make any larger dividend on the additional share capital to be raised under the powers of this Act than seven pounds in respect of every one hundred pounds actually paid up of such capital as shall be issued as ordinary capital or six pounds in respect of every one hundred pounds actually paid up of such capital as may be issued as preference capital unless a larger

dividend be at any time necessary to make up the deficiency of any previous dividend which may have fallen short of the said sum of seven pounds per centum per annum.

Ranking of different classes of ordinary capital for dividend if profits insufficient to pay in full the prescribed dividend on all.

19. If in any one year the net revenues of the Company applicable to dividend on ordinary capital shall be insufficient to pay the full amount of the prescribed rate of dividend on each class of ordinary stock or shares in the capital of the Company such revenues shall be applied in the first place in payment of dividend on all ordinary capital of the Company up to the rate of seven pounds per centum in respect of every sum actually paid up of such capital and the balance in payment of dividend upon all ordinary capital of the Company actually paid up and entitled to a higher rate of dividend than seven pounds per centum.

Directors may declare interim dividends.

20. The directors may if they think fit at any time not being more than seven months nor less than five months before the day on which an ordinary general meeting of the Company is to be held declare and pay to the holders of any class or classes of shares and stock in the capital of the Company on account and in anticipation of part of the dividends to be declared at such meeting an interim dividend of such an amount as shall in the opinion of the directors having regard to the state of the business and of the ascertained and probable future profits of the Company during the current year represent as nearly as may be one half of the amount of the dividends to which such class or classes respectively of shares or stock would be entitled out of the profits applicable to dividend of the whole of the current year.

Repeal of section 18 of Act of 1862.

21. Section 18 (arrears may be enforced by appointment of a receiver) of the Act of 1862 is hereby repealed but without prejudice to any appointment heretofore made or proceedings now pending.

Appointment of a receiver.

22. The mortgagees of the Company may enforce payment of arrears of interest or principal or principal and interest due on their mortgages by the appointment of a receiver. In order to authorise the appointment of a receiver in respect of arrears of principal the amount owing to the mortgagees by whom the application for a receiver is made shall not be less in the whole than one tenth part of the amount for the time being owing by the Company upon debentures or mortgages.

Debenture stock.

23. The Company may create and issue debenture stock subject to the provisions of Part III. of the Companies Clauses Act 1863 as amended by the Companies Clauses Act 1869 but notwithstanding anything therein contained the interest of all debenture stock at any time after the passing of this Act created and issued by the Company shall (except as in this Act otherwise expressly provided)

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rank pari passu with the interest of all mortgages at any time after the passing of this Act granted by the Company and shall have priority over all principal moneys secured by such mortgages: Provided always that every certificate of debenture stock (other than the A debenture stock) created and issued under this Act shall be endorsed with notice of the priority of the respective rents referred to in paragraph two of the scheduled lease.

Existing mortgages to have priority.

24. All mortgages granted by the Company in pursuance of the powers of any Act of Parliament or of the Order of 1873 before the passing of this Act and subsisting at the passing hereof shall during the continuance of such mortgages and subject to the provisions of the Acts or Order under which the same were respectively granted have priority over any mortgages granted by virtue of this Act but nothing in this section contained shall affect any priority of the interest of any debenture stock at any time created and issued by the Company.

Priority of mortgages and debenture stock.

25. All money to be raised by the Company on mortgage or debenture stock under the provisions of this Act shall have priority against the Company and the property from time to time of the Company over all other claims on account of any debts incurred or engagements entered into by them after the passing of this Act: Provided always that this priority shall not affect any claim against the Company or their property in respect of any rentcharge granted or to be granted by them in pursuance of the Lands Clauses Consolidation Act 1845 or the Lands Clauses Consolidation Acts Amendment Act 1860 or in respect of any rent or sum reserved by or payable under any lease granted or made to the Company in pursuance of any Act relating to the Company which is entitled to rank in priority to or pari passu with the interest or dividend on their mortgage or debenture stock.

Application of moneys raised under this Act.

26. All moneys raised under this Act whether by shares stock debenture stock or borrowing shall be applied only for the purposes of this Act and for the general purposes of the Company.

Payment of costs.

27. The Company shall pay all the costs and expenses of and incidental to the preparing applying for and obtaining and passing of this Act and of and incidental to the preparation and execution of the articles of agreement made the twenty-fourth day of March one thousand eight hundred and eighty-one between the Company and the Kenley Company and the said lease of the undertaking of the Kenley Company and the carrying out of the several stipulations therein contained: Provided always that the professional charges of the Kenley Company shall not exceed two hundred and fifty pounds.

The SCHEDULE referred to in the foregoing Act.

THIS INDENTURE made the twenty-eighth day of July one thousand eight hundred and eighty-one between the Kenley Waterworks Company Limited (herein-after called "the Kenley Company") of the one part and The Caterham Spring Water Company (herein-after called "the Caterham Company") of the other part.

WHEREAS by the Caterham Spring Water Company's Act 1862 the Caterham Company was incorporated for the purpose of purchasing and completing the waterworks known as the Caterham Waterworks and for the purpose of making such additional reservoirs engines pumps conduits and other works and for laying down pipes stopcocks hydrants and connexions necessary and convenient for supplying the inhabitants buildings and lands of (among other parishes) the parish of Coulsdon which comprises the village or district of Kenley in the county of Surrey:

And whereas the Kenley Company is a company incorporated in the year one thousand eight hundred and sixty-nine under the Companies Acts 1862 and 1867 with a memorandum and articles of association and by the said memorandum of association the objects for which the Kenley Company is established are declared to be for the purpose of supplying Kenley aforesaid and its neighbourhood with water and for other purposes incidental to such supply:

And whereas the Kenley Company has for some time past supplied water to the parishes mentioned in the first and second parts of the First Schedule hereto herein-after referred to as the Kenley Company's district:

And whereas the parish mentioned in the second part of the said First Schedule is comprised within the parliamentary district of the Sutton District Water Company (herein-after called "the Sutton Company") and is not within the parliamentary district of the Caterham Company:

And whereas by an agreement dated the twenty-fourth day of March one thousand eight hundred and eighty-one and made between the Caterham Company of the one part and the Kenley Company of the other part it was agreed that the Caterham Company should forthwith apply to Parliament for an Act to enable the Caterham Company and the Kenley Company respectively to carry out the agreement now in recital and the stipulations therein-after contained were expressly made conditional upon the said Act receiving the royal assent before the first day of September one thousand eight hundred and eighty-one and it was thereby further agreed that the Kenley Company should grant and the Caterham Company should accept a lease of the undertaking of the Kenley Company as from the first day of January one thousand eight hundred and eighty-one for the term of ninety-nine years at a yearly rent payable half-yearly on the thirtieth June and thirty-first December of eight hundred pounds for the year one thousand eight hundred and eighty-one eight hundred and

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forty pounds for the year one thousand eight hundred and eighty-two and so thenceforward increasing by equal annual sums of forty pounds in each succeeding year until it should have reached one thousand two hundred pounds and thenceforward until the expiration of the lease at a rent of one thousand two hundred pounds a year and that the said lease should also include the closes of land secondly herein-after expressed to be hereby demised and that the rent to be paid in respect of the same should be at the rate of five pounds per cent. per annum on the purchase-money paid by the Kenley Company for the same and should be added to and paid with the rents in the agreement now in recital previously mentioned and it was by the said agreement provided that the said lease should contain the covenants conditions powers and provisions therein mentioned or referred to:

And whereas a Bill intituled "The Caterham Spring Water Company's Act 1881" has been introduced into Parliament and it has been agreed that these presents shall be scheduled to and confirmed by the said Bill if Parliament shall so think fit and that the scheduling of these presents to and the confirmation thereof by the said Bill when passed shall be deemed to be a performance of the provisions in that behalf contained in the said recited agreement:

And whereas by an indenture dated the twenty-seventh day of July one thousand eight hundred and eighty-one and made between John Young of the one part and the Kenley Company of the other part the said closes of land secondly herein-after expressed to be hereby demised were in consideration of one thousand nine hundred and ninety-one pounds six shillings assured unto the Kenley Company its successors and assigns and the Kenley Company thereby covenanted with the said John Young his heirs and assigns that the elevation of all buildings to be erected on the said closes of land should be approved by the said John Young his heirs or assigns or his or their surveyor for the time being and that in case of any difference the same should be settled by arbitration in manner therein provided:

Now this indenture witnesseth that in pursuance of the said agreement of the twenty-fourth day of March one thousand eight hundred and eighty-one and in consideration of the rents covenants and conditions herein-after reserved and contained and on the part of the Caterham Company its successors and assigns to be paid performed and observed the Kenley Company doth hereby demise and lease unto the Caterham Company its successors and assigns:—

Firstly. All and singular the leasehold hereditaments which are more particularly described in the first part of the Second Schedule hereto.

Secondly. All and singular the two freehold closes which are more particularly described in the second part of the said Second Schedule subject nevertheless as to a portion of the said close coloured yellow on the plan drawn on the front skin of these presents to an agreement for the lease thereof to Sydney Smith and James Lock for the term of ninety-nine years from the twenty-ninth day of September one thousand eight hundred and eighty at the yearly rent after the first year of the said term of fourteen pounds.

Thirdly. All and singular the leasehold hereditaments the particulars whereof are specified in the third part of the said Second Schedule hereto.

Fourthly. All that the undertaking of the Kenley Company together with all the waterworks reservoirs rights powers privileges easements and appurten-

ances now belonging to or enjoyed by the Kenley Company in connexion with its undertaking. A.D. 1881.

And fifthly. All and singular the mains plant machinery and fixtures whereof an inventory is set forth in the Third Schedule to these presents.

To have and to hold the premises herein-before expressed to be hereby demised unto the Caterham Company its successors and assigns for the term of ninety-nine years from the first day of January one thousand eight hundred and eighty-one.

Yielding and paying therefor yearly during the said term hereby granted the clear yearly rents following (that is to say) during the first year of the said term the yearly rent of eight hundred and twenty-four pounds seventeen shillings and nine pence and during the second year of the said term the yearly rent of nine hundred and thirty-nine pounds eleven shillings and so thence-forward increasing by equal annual sums of forty pounds in each succeeding year until it shall have reached one thousand two hundred and ninety-nine pounds eleven shillings and thenceforward during every subsequent year of the said term the yearly rent of one thousand two hundred and ninety-nine pounds eleven shillings such respective rents to be paid by two equal half-yearly payments on the thirty-first day of December and the thirtieth day of June in each year the next of such half-yearly payments to be made on the thirty-first day of December one thousand eight hundred and eighty-one. And also yielding and paying in the event of the said term being determined between two of the said half-yearly days by re-entry under the proviso in that behalf herein-after contained a proportionate part of the said rent for the fraction of the current half year up to the day of such determination. And the Caterham Company doth hereby for itself and its assigns covenant with the Kenley Company and its assigns in manner following (that is to say):—

1. That the Caterham Company and its assigns will during the continuance of the term hereby granted pay the said respective yearly rents herein-before reserved at the time and in manner at and in which the same are respectively herein-before reserved and made payable without any deduction whatsoever.

2. And that the said respective rents shall be a first charge upon the interest of the Caterham Company and its assigns in the mains and works connected with and upon the income receivable out of the Kenley Company's district and further shall be charged by way of collateral security upon the net profits of the undertaking of the Caterham Company subject (as to the property so collaterally charged as aforesaid) to rentcharges debentures debenture stock and preference shares created and issued or to be created and issued by the Caterham Company to an amount not exceeding in the whole forty-three thousand pounds and that if and whenever any part of the said respective rents herein-before reserved shall be in arrear for twenty-eight days whether the same shall have been legally demanded or not the Kenley Company or its assigns may distrain upon the premises hereby demised and may deal with such distress and distresses in such manner as a landlord distraining for rent reserved upon a lease of land or by law authorised to do and by means thereof recover payment of all arrears of rent and all expenses attending such distress or otherwise occasioned by such non-payment of rent and further that if and whenever any part of the said rents shall be in arrear for twenty-eight days whether the same shall have been

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legally demanded or not it shall be lawful for the Kenley Company or its assigns to appoint a receiver of the rents and profits of the whole or any part of the Caterham Company's undertaking.

3. And that the Caterham Company and its assigns will from time to time and at all times during the said term pay and discharge all rates taxes charges assessments and outgoings whatsoever whether parliamentary parochial local or of any other description which are now or may at any time hereafter be assessed charged or imposed upon the said demised premises.

4. And that the district of the Kenley Company shall during the continuance of the term hereby granted but as to that portion of the said district which is defined in the second part of the First Schedule hereto only so long as the same shall be supplied with water from the works of the Kenley Company have priority of supply from the Kenley works in case of accident to the works or deficiency of water and that no water shall be supplied from the Kenley works to the prejudice of the supply to the Kenley district and that the water to be supplied to the district of the Kenley Company shall be softened by Dr. Clarke's process except in case of unavoidable accident.

5. And that the Caterham Company and its assigns shall during the continuance of the term hereby granted so far as it lawfully can under its parliamentary powers or otherwise lay mains within the district of the Kenley Company defined in the said First Schedule and shall supply water throughout the same district in the quantity required whenever and wherever it shall be called upon to do so in accordance with the Waterworks Clauses Act 1847 sections 35 to 43.

6. And that the Caterham Company and its assigns shall not charge higher rates for the supply of water within the district of the Kenley Company than those now charged by the Kenley Company.

7. And that the Caterham Company and its assigns will during the continuance of the said term keep true and correct plans setting forth the extent and position of all mains and works now laid made or erected by the Kenley Company or which may hereafter for the time being be used by the Caterham Company or its assigns within the said district of the Kenley Company and the premises hereby demised and will permit the Kenley Company or its assigns or the agents of the Kenley Company or its assigns at all reasonable times to have access to and inspect and take copies of or extracts from the plans to be kept as aforesaid and will on the expiration or other sooner determination of the said term deliver to the Kenley Company or its assigns the said plans together with all books and papers relating to the water supply and the district of the Kenley Company.

8. And also will not assign transfer underlet or part with the possession of the said premises or any part thereof without the previous consent in writing of the Kenley Company or its assigns.

9. And will at all times during the said term keep in good and proper repair order and condition all the buildings waterworks reservoirs and other works belonging to the undertaking and premises hereby demised or used in connexion therewith and also the said mains plant machinery and fixtures an inventory whereof is set forth in the said Third Schedule hereto and all other mains and works for the time being used by the Caterham Company or its assigns within

the district of the Kenley Company and the said buildings waterworks reservoirs and other works hereby demised and the said mains plant machinery and fixtures comprised in the said inventory and all renewals thereof and all mains plant machinery and fixtures substituted therefor in such good and proper repair order and condition will deliver up to the Kenley Company or its assigns at the end or sooner determination of the said term.

10. And that on the expiration or sooner determination of the lease the Kenley Company or its assigns may elect to purchase at a price to be fixed by arbitrators appointed in manner herein-after provided all or any additional mains which may have been laid down by the Caterham Company or its assigns within the Kenley Company's district and that at the expiration by effluxion of time of the said term of ninety-nine years the Kenley Company or its assigns may also elect to purchase all or any of the plant machinery or fixtures not being renewals of or substituted for the said plant machinery or fixtures specified in the Third Schedule hereto which may have been fixed or used by the Caterham Company or its assigns on or within the demised premises at a price to be fixed by arbitrators appointed in manner aforesaid but that in the event of the said lease being determined before the expiration of the said term of ninety-nine years in consequence of any default on the part of the Caterham Company or its assigns then all additional plant machinery or fixtures fixed or used by the said Company or its assigns on or within the demised premises shall belong to the Kenley Company or its assigns without payment and that in any case all buildings and brick and stone works to be erected or made by the Caterham Company or its assigns upon the demised premises shall on the expiration or other sooner determination of the lease become the property of the Kenley Company or its assigns without payment.

11. And that the Caterham Company or its assigns shall during the continuance of the said term pay the ground rent of 40*s.* per annum payable by the Kenley Company under the terms of the lease the particulars whereof are specified in the third part of the said Second Schedule hereto and will observe and perform the various covenants by the lessee and provisions in the said lease contained so far as the same are by the terms of the said lease to be performed or observed by the Kenley Company and will also observe and perform the various covenants by the lessee and provisions contained in the lease dated ninth of August one thousand eight hundred and sixty-nine made between the said John Young of the first part and the Kenley Company of the other part whereby the premises comprised in the first part of the said Second Schedule were demised to the Kenley Company for the term of one thousand years at the rent of a peppercorn if demanded so far as the same covenants and provisions are by the terms of the said lease to be performed or observed by the Kenley Company and shall indemnify the Kenley Company against the same.

12. And that in the event of the said term being determined otherwise than by the effluxion of time the Caterham Company or its assigns shall not compete with the Kenley Company or its assigns for the supply of water within the district of the Kenley Company and shall not oppose any application to Parliament which may be made by the Kenley Company or its assigns for the purpose of procuring Parliamentary powers.

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13. And that the Kenley Company may during the continuance of the said term from time to time appoint (if and so long as the number of directors elected by the shareholders of the Caterham Company shall be six) two of the directors of the Kenley Company or (if and so long as the number of directors elected by the shareholders of the Caterham Company shall be five) one of the directors of the Kenley Company to be directors or a director of the Caterham Company in addition to the directors elected by the shareholders of the Caterham Company.

14. And that the Caterham Company and its assigns will perform and observe the covenants by the Kenley Company contained in the herein before recited indenture of the twenty-seventh day of July one thousand eight hundred and eighty-one relating to the elevation of the buildings to be erected on the said parcels of land comprised in the second part of the said Second Schedule hereto and otherwise and will indemnify the Kenley Company and its assigns from and against all liability in respect of the said covenants.

15. Provided always and these presents are executed upon this condition that if the said yearly rents hereby reserved or any part thereof shall be in arrear or unpaid for twenty-eight days after the same shall have become due (whether any formal or legal demand shall have been made or not) or if the Caterham Company or its assigns shall make default in performing or observing any of the covenants conditions and agreements herein contained and on the part of the Caterham Company and its assigns to be performed and observed or if the Caterham Company or its assigns being a Company shall enter into liquidation whether compulsory or voluntary or if the assigns of the Caterham Company not being a company while the said demised premises or any part thereof shall be vested in them shall become bankrupt or shall enter into liquidation for the benefit of or compound with their creditors then and in every or any such case it shall be lawful for the Kenley Company or its assigns or any person or persons duly authorised by the Kenley Company or its assigns into or upon the said hereby demised premises or any part thereof in the name of the whole to re-enter and the Caterham Company or its assigns and all other tenants and occupiers thereof to expel and remove and the said premises peacefully to hold and enjoy thenceforth as if these presents had not been made without prejudice to any right of action or remedy of the Kenley Company or its assigns in respect of any antecedent breach of any of the covenants by the Caterham Company herein-before contained.

16. Provided also and it is hereby agreed that no breach of any of the covenants and conditions herein contained except the covenants for payment of the rents hereby reserved and against assigning transferring underletting or parting with the possession of the said demised premises without license shall occasion any forfeiture of the term hereby granted or give any right of re-entry unless and until the Kenley Company or its assigns or their agent shall have given to the Caterham Company or its assigns or left on some part of the said premises a notice in writing of the specific breach or breaches of covenant or condition complained of and default shall have been made by the Caterham Company or its assigns for three calendar months after the giving or leaving such notice in remedying such breach or all or any of such breaches or in

making full compensation in money to the Kenley Company or its assigns for any such breach or breaches which cannot otherwise be remedied or made good.

And the Kenley Company doth hereby for itself and its assigns covenant with the Caterham Company and its assigns in manner following (that is to say):—

17. That the Caterham Company or its assigns paying the rents hereby reserved and performing and observing the several covenants conditions and agreements herein contained and on the part of the Caterham Company and its assigns to be performed and observed shall and may peaceably and quietly hold and enjoy the said demised premises during the term hereby granted without any lawful interruption or disturbance from or by the Kenley Company or its assigns or any person or persons claiming or to claim under or in trust for the Kenley Company or its assigns or any of them.

18. And it is hereby lastly agreed and declared that if at any time hereafter any dispute doubt or question shall arise between the parties hereto touching the construction meaning or effect of these presents or any clause or thing herein contained or the rights or liabilities of the parties hereto or their respective assigns under these presents or otherwise in relation to the premises or in case any estimate or valuation shall require to be made under the provisions hereinbefore contained then every such dispute doubt or question estimate or valuation shall be referred to the arbitration of two indifferent persons one to be appointed by each party or an umpire to be appointed by the arbitrators in writing before commencing the business of the reference and the decision or award of the said arbitrators or umpire shall be final and binding on both the said parties hereto and no action or legal proceedings shall be commenced or prosecuted by either of the said parties against the other of them touching any such dispute doubt or question as aforesaid and this clause shall be deemed to be a submission to arbitration within the Common Law Procedure Act 1854 or any statutory modification or re-enactment thereof for the time being in force: Provided always that if the said Bill intituled "The Caterham Spring Water Company's Act 1881" shall not receive the royal assent by the first day of October one thousand eight hundred and eighty-one then these presents and every clause matter and thing herein contained shall be absolutely void and of no effect.

In witness whereof the said Companies parties hereto have hereunto affixed their common seals the day and year first above written.

The seal of the Kenley Company was affixed to the within lease pursuant to an order of the board of directors in the presence of me

CHARLES RUTLEY
Secretary.

Seal of the Kenley Water Company Limited.

The seal of the Caterham Spring Water Company was affixed to the within counterpart lease pursuant to an order of the board of directors in the presence of me

J. R. DOWNES
Secretary.

Seal of the Caterham Spring Water Company.

A.D. 1881.

The FIRST SCHEDULE above referred to.

PART 1.

THE PARISHES OF COULSDON AND SANDERSTEAD IN THE COUNTY OF SURREY.

PART 2.

THE PARISH OF WOODMANSTERNE IN THE COUNTY OF SURREY.

The SECOND SCHEDULE above referred to.

PART 1.

All that piece or parcel of ground situate near the Kenley station on the Caterham line of railway and abutting south on the said line of railway as the same is more particularly delineated on the plan marked A drawn on the front skin of these presents and is thereon coloured red together with full and free right of way and passage of the width of sixteen feet for all purposes over and along the road leading in the line marked A on the said plan from the piece or parcel of ground herein-before described to the Godstone turnpike road and with full power and authority from time to time and at all times to lay down and from time to time replace or renew any pipes in connexion with the works hereby demised for the conveyance or supply of water along or in any part of the said road at a proper depth under the surface thereof.

PART 2.

Two pieces of land situated at Kenley in the parish of Coulsdon in the county of Surrey containing one and a half acres or thereabouts coloured respectively yellow and blue in the said plan bounded as regards the one tinted yellow on the said plan on the south-west side by the Caterham branch of the South-eastern Railway on the north-west side by land in the occupation of Mr. Edwards on the north-east side by a strip of land three feet in width belonging or reputed to belong to Mr. John Young lying between the said piece of land coloured yellow and the Bourne and on the south-east side by land belonging or reputed to belong to the Kenley Company and the road leading thereto and as regards the piece coloured blue on the same plan bounded on the south-west side partly by the before-mentioned railway and partly by land belonging or reputed to belong to the Kenley Company and on the north-west side by land belonging or reputed to belong to the Kenley Company and the road leading thereto on the north-east side by a strip of land three feet in width belonging or reputed to belong to Mr. John Young lying between the said piece of land

coloured blue and the Bourne and on the south-east side by land belonging or reputed to belong to Mr. John Young together with the four cottages on the land coloured yellow a strip of land three feet wide between the piece of land coloured blue and the hedge on the south-east side thereof is not included in this demise. The demise includes a right of way for all purposes from the Godstone Road to the said piece of land coloured yellow in common with all other persons entitled to the use thereof over the new road coloured purple on the said plan.

PART 3.

All that piece or parcel of ground situate and being in the plantation on the north-west side of the road leading from Sanderstead towards Selsdon and being in the parish of Sanderstead aforesaid containing by admeasurement two roods or thereabouts as the same is more particularly delineated in the plan marked B drawn on the front skin of these presents and is therein coloured green upon which said piece or parcel of ground or part thereof a reservoir has been formed for the reception and distribution of water together with full and free right of way and passage for all purposes over and along a road twelve feet wide leading in the line marked A A on the said plan from the said piece or parcel of ground to the said road leading from Sanderstead towards Addington and together also with full power and authority from time to time for the Caterham Company to maintain replace or renew a line of pipes for the conveyance or supply of water from the waterworks of the said Company at Kenley to the said reservoir along or through the lands now belonging or reputed to belong to the devisees of Atwood Dalton Wigsell in the parish of Sanderstead lying between the said waterworks at Kenley and the said reservoir according to a course or route and depth beneath the surface which was approved of by the said Atwood Dalton Wigsell which piece of land is held by the Kenley Company under lease dated 8th July 1869 made between the said Atwood Dalton Wigsell of the one part and the Kenley Company of the other part.

The THIRD SCHEDULE above referred to.

MAINS.

The 5-inch cast-iron main as laid from the waterworks to the reservoir at Sanderstead with valves and weight in reservoir with the air valves on Downs and stop-stocks and hydrants as fixed.

Similar 5-inch main from junction with above main opposite waterworks along the Godstone Road to opposite the Kenley Hotel and the stop-cocks and hydrants as fixed.

The 4-inch similar main in the Godstone Road from junction with 5-inch main opposite Kenley Hotel to the railway bridge at Caterham Junction with the stop-cocks and hydrants as fixed.

Similar 4-inch main from junction with main in Godstone Road up Hayes Lane to opposite Little Roake House with the stop-cocks and hydrants as fixed.

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Similar 4-inch main from junction with above main near Kenley Station up Kenley Lane to opposite Church Road with the stop-cocks and hydrants as fixed.

The 3-inch similar main from end of above main up Kenley Lane to Kenley House with the stop-cocks and hydrants as fixed.

Similar 3-inch main from junction with 4-inch main at foot of Kenley Lane along the Valley Road to house now in the occupation of Mr. Puckle and 3-inch similar branch from this main up Church Road to opposite house now occupied by Mr. Mellor with the stop-cocks and hydrants as fixed.

A similar 3-inch main from end of 4-inch main in Hayes Lane along Hayes Lane to Welcomes Farm with the stop-cocks air-valve and hydrants as fixed.

A similar 3-inch main from junction with 4-inch main in Hayes Lane up the Riddlesdown Park Road to house now occupied by Mr. Mordaunt with stop-cocks and hydrants as fixed.

A similar 3-inch main from the end of 4-inch main at the railway bridge at Caterham Junction along the Godstone Road and Brighton Road to opposite Woodlands from thence along the road leading to Whitecliffe Road and along the Whitecliffe Road to opposite Purley Church and a 3-inch branch from this main near the Railway Hotel to Russell Hill opposite the house now occupied by Mr. Cluse with all the stop-cocks and hydrants as fixed.

The 3-inch similar main from junction with 5-inch main opposite the waterworks along the Godstone Road to the gasworks with stop-cocks and hydrants as fixed.

The 3-inch similar main from reservoir at Sanderstead to Selsdon House with the stop-cocks and hydrants as fixed (disused).

The 3-inch similar main from reservoir at Sanderstead to opposite front of Sanderstead House with the stop-cocks and hydrants as fixed (disused).

The 2-inch similar main from end of 3-inch main at Welcomes Farm along Hayes Lane and Kenley Common to Hill Cottage with the stop-cocks and hydrants as fixed.

A similar 2-inch main from junction with 3-inch main in Riddlesdown Park Road along the Oaks Road to opposite house now occupied by Mr. Birt with the stop-cocks and hydrants as fixed.

A similar 2-inch main from junction with 3-inch main near the Railway Hotel Caterham Junction up the Whitecliffe Road to opposite Station Road with the stop-cocks and hydrants as fixed.

Machinery Plant and Fixtures.

The connexions with the mains at the reservoir at Sanderstead.

The stop-cocks and rods pipes from well pumps pipes to dumb well for flushing out suction pipes and floats with stop-cocks and connexions to suction tanks of service pumps at and connected with the three deposit tanks at the waterworks.

The lime tank with stirring apparatus at the waterworks with gearing shafting and leather band to drive same in engine house with stop-cocks and connexions to well pumps and to deposit tanks.

A grasshopper beam engine and pump by Messieurs Easton Amos and Anderson as fixed in engine house with air vessel and connexions from suction tank and to rising main and gearing to well pumps.

A horizontal engine and pump by Messieurs Tangye Brothers and Holman with air vessel and connexions from suction tank and to rising main with gearing to well pumps and spare wheel to drive same.

A set of three well pumps 5-inch barrels with 3 throw crank and rods and guides complete with extra wheel to drive same.

The two cast-iron plates over well.

The two boilers 4 feet 6 inches by 8 feet 6 inches each by Messieurs Easton Amos and Anderson set in brickwork each with pressure and water gauges furnace bars and doors safety valve levers and two weights to each.

Dampers and rods with steam pipes to the two engines and feed pipes with all stop-cocks and connexions.

Blow off cocks and seven iron plates in floor to give access to same.

The boiler 5 feet 6 inches by 14 feet by Messieurs Galloway and Sons set in brickwork with steam and water gauges two furnace doors and sets of bars safety valve lever and weight damper with chain and balance weight with connexion to steam pipes of both engines and blow off and feed water cocks with two iron plates in frame to give access to same.

The wooden erection of lime shed with steps to same.

The 400-gallon cistern on brick piers for testing meters.

The pressure gauge in connexion with mains.

The engineers bench with drawer as fixed in boiler house.

The whole of the meters as fixed on consumers premises with the stop-cocks and ferrules to mains and supply pipes up to meters.

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