

- All words in italicised text (including these instructions) and inapplicable alternative wording in a clause may be omitted or deleted prior to lodging the leases and this form with HMLR.
- Clause LR14 may be omitted or deleted where the Tenant is one person.
- Otherwise, do not omit or delete any words in bold text unless italicised.
- Side-headings may appear as headings if this is preferred.
- Vertical or horizontal lines, or both, may be omitted.

PRESCRIBED CLAUSES – Social Homebuy Flat Lease	
<p>LR1. Date of the Lease <i>Insert the date in its full format (PG64, 7.1) ie 29 June 2006</i></p>	
<p>LR2. Title Information <i>LR2.1 Insert title number(s) out of which this lease is granted. Leave blank if not registered</i></p> <p><i>LR 2.2 Insert existing title number(s) against which entries of matters referred to in LR9, LR10, LR11 and LR13 are to be made.</i></p>	<p>LR2.1 Landlord’s title number(s)</p> <p>LR2.2 Other title numbers</p>
<p>LR3. Parties to the lease <i>Give full names, addresses and company’s registered number, if any, of each of the parties. For Scottish companies use a SC prefix and for limited liability partnerships, use an OC prefix. For foreign companies give territory in which incorporated.</i></p>	<p>Landlord</p> <p>Tenant <i>[insert name] (being the Leaseholder as defined in the Lease)</i></p> <p>Other parties <i>Specify capacity of each party, for example “management company” “guarantor”, etc</i></p>
<p>LR4. Property <i>Insert a description of the land being leased; Or</i></p> <p><i>Refer to the clause, schedule or paragraph of a schedule in this lease in which the land being leased is more</i></p>	<p>In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.</p>

<p><i>fully described.</i> <i>Where there is a letting or part of a registered title, a plan must be attached to this lease and any floor levels must be specified.</i></p>	
<p>LR5. Prescribed statements <i>LR 5.1 - Include a reference to Clause 14 (Charities) if applicable</i></p>	<p>LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003</p> <p>LR5.2 This lease is made under, or by reference to, provisions of:</p> <p>Not applicable</p>
<p>LR6. Term for which the Property is leased</p>	<p>The term as specified in this lease at clause 2</p>
<p>LR7. Premium <i>Specify the total premium, inclusive of any VAT where payable.</i></p>	
<p>LR8. Prohibitions or restrictions on disposing of the lease.</p>	<p>This lease contains a provision that prohibits or restricts dispositions.</p>
<p>LR9. Rights of acquisitions etc.</p>	<p>LR9.1 Tenant’s contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land. None</p> <p>LR9.2 Tenant’s covenant to (or offer to) surrender this lease See Clauses 3(16)(b)(iii) and 3(17)(b)(ii) and the Seventh and Eighth Schedules and Clause 6(7)</p> <p>LR9.3 Landlord’s contractual rights to acquire this lease Not applicable.</p>
<p>LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property</p>	<p><i>There are no such covenants in the standard sample lease and HMLR advises that such covenants are very unusual in residential leases. Include any relevant restrictive covenants which are specific to the site being dealt with here or state “none”.</i></p>

<p>LR11. Easements</p>	<p>LR11.1 Easements granted by this lease for the benefit of the Property Second Schedule</p> <p>LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property Third Schedule</p>
<p>LR12. Estate rentcharge burdening the Property</p>	<p>N/A</p>
<p>LR13. Application for standard form of restriction</p>	<p>The Parties to this lease apply to enter the following standard form of restriction against the title of the Property:-</p> <p>“No deed varying the terms of the registered lease is to be registered without the consent of The Housing Corporation of 149 Tottenham Court Road London W1T 7BN”</p> <p>“No disposition of the registered estate (other than a charge) by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without a certificate signed by the proprietor for the time being of the estate registered under title number [<i>insert Landlord’s title number</i>] or signed on such proprietor’s behalf by [<i>insert as required e.g. its conveyancer</i>] that the provisions of Clause 3(17) of the registered lease has been complied with”</p>
<p>LR14. Declaration of trust where there is more than one person comprising the Tenant</p> <p><i>If the Tenant is one person, omit or delete all the alternative statements.</i></p> <p><i>If the Tenant is more than one person, complete this clause by omitting or deleting all inapplicable alternative statements.</i></p>	<p>The Tenant is more than one person. They are to hold the Property on trust for themselves as joint tenants.</p> <p><i>OR</i></p> <p>The tenant is more than one person. They are to hold the Property on trust for themselves as tenants in common in equal shares.</p> <p><i>OR</i></p> <p>The Tenant is more than one person. They are to hold the Property on trust</p>

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H M LAND REGISTRY

Land Registration Act 2002

COUNTY AND DISTRICT :

OR LONDON BOROUGH :

TITLE NUMBER :

PROPERTY :

PARTICULARS

Landlord :

Leaseholder :

Building : The property known as [] and comprised in Title Number [] referred to above

Premises : Flat Number [] on the [] floor of the Building which is shown [] on Plan [] and includes the fixtures and fittings therein

Initial Market Value : The sum of [£] *see note 1*

Premium : The sum of [£] *see note 2*

Initial Percentage : []% *see note 3*

Discount : the sum of £[]

Discount Percentage : % i.e.
$$\frac{\text{Discount}}{\text{Initial Market Value}} \times 100$$

Gross Rent on

Commencement Date : £[] per annum

Initial Relevant Percentage : []% *see note 4*

Specified Rent : £ [] per annum and any other sum that may be payable pursuant to the provisions of the Fourth Schedule hereto

Specified Proportion of :

Service Provision

(Clause 7)

Commencement Date :

Note 1: This is the Value of the whole property i.e. 100%

Note 2: The Premium will be the amount paid by the Tenant not including the Discount.

Note 3: The Initial Percentage will be the percentage purchased by the Tenant for the Premium plus the Discount.

Note 4: This is 100% less the Initial Percentage.

THIS LEASE which is made by Deed the day of 200 between the Landlord of the one part and the Leaseholder of the other part

RECITES THAT:-

- (1) The Landlord is an Industrial and Provident Society registered under the Industrial and Provident Societies Act 1965 under Number []

- (2) The Landlord is a Registered Social Landlord registered with the Housing Corporation under Number []

- (3) The Landlord is registered at H.M. Land Registry as proprietor with absolute title to the Building

- (4) The Landlord has previously granted or intends to grant leases of all the flats in the Building subject to the Mutual Covenants set out in the First Schedule with the intention that any tenant for the time being of a flat in the Building may be able to enforce the observance of the covenants by the tenant and occupier of any other flat in the Building

- (5) The Landlord has agreed to grant to the Leaseholder a lease upon payment by the Leaseholder of the Premium and upon payment of the Specified Rent representing the Initial Relevant Percentage of the Gross Rent of the Premises with provisions to enable the Leaseholder from time to time to pay for a further percentage of the Market Value followed by the corresponding reduction of the percentage of the Gross Rent payable

- (6) The Leaseholder has been granted the Discount to assist in the acquisition of the Premises.

AND NOW WITNESSES as follows:-

- 1(1) References to “the Landlord” and “the Leaseholder” shall include the successors in title of them respectively and successors in title in relation to the Leaseholder has the same

meaning which that expression bears in sub-section 9(1)(a) of the Perpetuities and Accumulations Act 1964

1(2) The following expressions have where the context admits the following meanings:-

1(2) (a) the expressions set out in the left hand column of the Particulars on pages 1 and 2 of this Lease shall have the meanings assigned to them by the right hand column of those Particulars

1(2) (b) “the Common Parts” means the entrance landings lifts staircases and other parts (if any) of the Building and any garden appurtenant to it which are intended to be or are capable of being enjoyed or used by the Leaseholder in common with the occupiers of the other units in the Building

1(2) (c) “the term” means the term hereby granted

1(2) (d) “Payment Sum” means the sum equal to a percentage (equal to the Initial Percentage plus any Portioned Percentage or Percentages purchased pursuant to Clause 2 and the Fifth Schedule hereto) of the Market Value of the Premises as defined in the Fifth Schedule hereto (but excluding Paragraphs 1(1)(iii) and 1(1)(iv) of that definition) as at a date no more than eight weeks prior to either the date of exchange of contracts for the assignment or the date of surrender of the Lease (as applicable) and for the purposes of this definition the Market Value shall be assessed by a Valuer (as defined in the Fifth Schedule) instructed by or on behalf of the Leaseholder and evidenced by a certificate in writing in such form as may be approved from time to time by the Housing Corporation which shall, in the case of an assignment, be sent to the Landlord with the details of the assignment pursuant to Clause 3(18) hereof and, in the case of a Surrender, be made available to the Landlord as soon as reasonably practicable and in any event within two weeks of service of a notice by the Landlord pursuant to Clause 3(16)(b)(iii) and shall in each case be at the cost of the Leaseholder.

1(2) (e) “Person” includes a company corporation or other body legally capable of holding land

- 1(2) (f) Expressions relating to the payment of a service charge are defined in Clause 7 of this Lease
- 1(2) (g) Expressions relating to the calculation of the Specified Rent are defined in the Fourth Schedule
- 1(2) (h) Expressions relating to the staircasing provisions are defined in the Fifth Schedule
- 1(2) (i) Expressions relating to the discount provisions are defined in the Ninth Schedule.
- 1(3) Where the Leaseholder is more than one person the covenants on the part of the Leaseholder shall be joint and several covenants
- 1(4) The singular includes the plural and the masculine includes the feminine and neuter and vice versa
- 1(5) References herein to any statute or any section of any statute include a reference to any statutory amendment modification or re-enactment thereof for the time being in force
2. In consideration of the aforesaid agreement and the Premium (receipt of which the Landlord hereby acknowledges) and of the Specified Rent and the Leaseholder's covenants reserved and contained below the Landlord **HEREBY DEMISES** the Premises to the Leaseholder **TOGETHER** with the easements rights and privileges mentioned in the Second Schedule subject as there mentioned **AND TOGETHER** with the rights but subject to the provisions as more particularly referred to in the Fifth Schedule hereto **EXCEPT AND RESERVING** the rights set out in the Third Schedule **TO HOLD** the Premises to the Leaseholder for the term of **NINETY NINE YEARS** from the Commencement Date **YIELDING AND PAYING** therefor the Specified Rent and any variation thereof in accordance with the provisions of the Fourth Schedule hereto by equal monthly payments in advance on the first day of each month the first payment to be made on the date hereof

3. THE Leaseholder HEREBY COVENANTS with the Landlord
- 3(1) To pay the Specified Rent and all other monies due hereunder at the times and in the manner mentioned above without deduction **PROVIDED ALWAYS** if and whenever the Specified Rent or any other monies due hereunder to the Landlord shall at any time be unpaid for a space of fourteen days after becoming payable the same shall until paid bear interest calculated on a day to day basis at an annual rate of 3% above the Base Rate of Barclays Bank plc for the time being in force
- 3(2) (a) To pay and discharge all existing and future rates taxes assessments and outgoings whatsoever now or at any time during the term payable in respect of the Premises or any part thereof or by the owner or occupier thereof and in the event of any rates taxes assessments charges impositions and outgoings being assessed charged or imposed in respect of any property of which the Premises form part to pay the proper proportion of such rates taxes assessments charges impositions and outgoings attributable to the Premises
- 3(2) (b) To pay the Service Charge in accordance with Clause 7
- 3(3) To keep the interior of the Premises and the glass in the windows and doors (if any) of the Premises and the interior faces (including plaster and other internal covering or lining and any floor boards tiling and screeding) of the walls ceilings and floors of the Premises and all radiators and water and sanitary apparatus and gas and electrical apparatus of the Premises and all pipes drains and wires which are in the Premises and are enjoyed or used only for the Premises and not for other premises in the Building and the fixtures and appurtenances of and belonging to the Premises clean and in good and substantial repair and condition (damage by fire or other risks insured under Clause 5(2) excepted unless such insurance shall be vitiated by any act or default of the Leaseholder)
- 3(4) As often as is reasonably necessary and in the last month of the term however determined in a proper and workmanlike manner (and in the last month of the term in colours approved by the Landlord) to paint paper treat and generally decorate in a style appropriate to property of a like character all the inside of the Premises previously or usually so painted papered treated and decorated
- 3(5) Forthwith to repair and make good any damage to the Common Parts caused by the Leaseholder or the Leaseholder's family servants or licensees or by any other person under

the control of the Leaseholder in such manner as the Landlord shall direct and to its reasonable satisfaction

- 3(6) (a) Not to make any alterations or additions to the exterior of the Premises or any structural alterations or structural additions to the interior of the Premises nor to erect any new buildings thereon nor in any way to interfere with the outside of the Building nor to remove any of the Landlord's fixtures from the Premises
- 3(6) (b) Not to make any alteration or addition of a non structural nature to the interior of the Premises without the previous written consent of the Landlord such consent not to be unreasonably withheld
- 3(7) To execute and do at the expense of the Leaseholder all such works and things whatever as may at any time during the term be directed or required by any national or local or other public authority to be executed or done upon or in respect of the Premises or any part thereof **PROVIDED ALWAYS** that the Leaseholder shall not be liable by virtue of this sub-clause to execute or do any works which fall within the scope of Clause 5(3) of this Lease
- 3(8) Promptly to serve on the Landlord a copy of any notice order or proposal relating to the Premises and served on the Leaseholder by any national local or other public authority
- 3(9) To pay all costs charges and expenses (including Solicitors' costs and Surveyors' fees) incurred by the Landlord for the purpose of or incidental to the preparation and service of a Notice under Section 146 or Section 147 of the Law of Property Act 1925 notwithstanding forfeiture may be avoided otherwise than by relief by the Court or otherwise incurred by the Landlord in respect of any breach of covenant by the Leaseholder hereunder
- 3(10) To obtain all licences permissions and consents and execute and do all works and things and bear and pay all expenses required or imposed by any existing or future legislation in respect of any works carried out by the Leaseholder on the Premises or any part thereof or in respect of any user thereof during the term
- 3(11) To permit the Landlord and its surveyor or agent at all reasonable times on notice to enter the Premises to view the condition thereof and to make good all defects and wants of repair

of which notice in writing is given by the Landlord to the Leaseholder and for which the Leaseholder is liable under this Lease within three months after the giving of such notice

- 3(12) If the Leaseholder shall at any time make default in the performance of any of the covenants herein contained relating to repair it shall be lawful for the Landlord (but without prejudice to the right of re-entry under Clause 6(1) of this Lease) to enter upon the Premises and repair the same in accordance with those covenants and the expense of such repairs including surveyors' fees shall be repaid by the Leaseholder to the Landlord on demand
- 3(13) At all reasonable times during the term on notice to permit the Landlord and the lessees of other premises in the Building with workmen and others to enter the Premises for the purpose of repairing any adjoining or neighbouring premises and for the purpose of repairing maintaining and replacing all sewers drains pipes cables gutters wires party structures or other conveniences belonging to or serving the same the party so entering making good any damage thereby caused to the Premises
- 3(14) At the expiration or sooner determination of the term peaceably to yield up the Premises to the Landlord **PROVIDED THAT** damage by fire or other risks insured under Clause 5(2) is excepted from the Leaseholder's liability under this sub-clause unless the insurance money is irrecoverable by reason of any act or default of the Leaseholder
- 3(15) (a) Not to assign underlet charge mortgage or part with possession of part only of the Premises
- 3(15) (b) Not to underlet the whole of the Premises
- 3(16) (a) If at any time when the aggregate of the Initial Percentage and any Portioned Percentage acquired by the Leaseholder pursuant to the provisions of Clause 2 and the Fifth Schedule hereto is less than 100% this Lease has been assigned otherwise than in the circumstances detailed in Clauses 3(16)(b) or 3(16)(c) hereof and the Landlord by notice in writing served upon the Leaseholder within two months after receipt of notice of the assignment pursuant to Clause 3(18) hereof so requires the Leaseholder shall pay to the Landlord on demand the Relevant Percentage of the Market Value as defined in and ascertained in accordance with the provisions of the Fifth Schedule hereto as if the

Leaseholder had served a notice on the Landlord on the date of the assignment pursuant to Paragraph 2(1) of the Fifth Schedule hereto stating his intention to acquire such Portioned Percentage as would thereafter reduce the Relevant Percentage to nil

- 3(16) (b) The Landlord may not require payment under Clause 3(16)(a) when the Lease is assigned:-
- (i) under a Will or intestacy, or under Section 24 of the Matrimonial Causes Act 1973, or under Section 2 of the Inheritance (Provision for Family and Dependants) Act 1975; or
 - (ii) to a person nominated by the Landlord within a period of eight weeks of receipt by the Landlord of notice from the Leaseholder to the effect that he wishes to dispose of his interest (“the Nomination Period”) at a price no greater than the Payment Sum; or
 - (iii) by way of surrender to the Landlord pursuant to the provisions of the Seventh Schedule following receipt of a notice from the Landlord (in response to the Leaseholder’s notice served pursuant to Clause 3(16)(b)(ii)) stating that the Landlord will accept a surrender of the term hereby granted (“a Surrender”) and the Surrender shall be in consideration of the payment of the Payment Sum
- 3(16) (c) The Landlord may not require payment under Clause 3(16)(a) when the Lease is assigned at a price no greater than the Payment Sum and any of the following circumstances apply:-
- (i) the Landlord has failed within the Nomination Period either to make any nomination pursuant to Clause 3(16)(b)(ii) or to serve notice on the Leaseholder stating that the Landlord will accept a Surrender pursuant to Clause 3(16)(b)(iii); or
 - (ii) the person or persons nominated by the Landlord pursuant to Clause 3(16)(b)(ii) has failed to enter into a binding contract for purchase from the Leaseholder within twelve weeks from receipt of a draft contract by the solicitors or other person acting for the person or

persons nominated by the Landlord (which draft contract shall be supplied by the solicitors or other person acting for the Leaseholder and shall contain reasonable terms based on the current Law Society standard conditions of sale); or

- (iii) completion of the Surrender to the Landlord has not taken place within the timescales set out in Paragraph 1 of the Seventh Schedule; and

3(17)(a) The Leaseholder shall not during the period of twenty-one years after effecting a Final Staircasing in accordance with the Fifth Schedule (“the Pre-Emption Period”)

- (i) assign; or
- (ii) underlet pursuant to an underlease for a term of more than twenty-one years otherwise than at a rack rent the whole of the Premises;

otherwise than as permitted pursuant to the provisions of sub-clauses (b) and (c) hereof **PROVIDED THAT** where the Lease is assigned under a Will or intestacy, or under Section 24 or 24A of the Matrimonial Causes Act 1973, Section 2 of the Inheritance (Provision for Family and Dependants) Act 1975 or section 17 of the Matrimonial and Family Proceedings Act 1984 (property adjustment orders or orders for the sale of property after overseas divorce, &c); or paragraph 1 of Schedule 1 to the Children Act 1989 (orders for financial relief against parents) or Part 2 or 3 of Schedule 5, or paragraph 9 of Schedule 7, to the Civil Partnership Act 2004 (property adjustment orders, or orders for the sale of property, in connection with civil partnership proceedings or after overseas dissolution of civil partnership, etc the provisions of this Clause 3(17) (save for Clause 3(17)(d)) shall not apply and **PROVIDED FURTHER THAT** where 3 (17)(a)(ii) applies it shall be assumed

- (iii) that any option to renew or extend such underlease whether or not forming part of a series of options is exercised; and
- (iv) that any option to terminate such underlease is not exercised

3(17)(b) If the Leaseholder wishes to assign or underlet upon the terms set out in Clause 3(17)(a) the whole of the Premises during the Pre-Emption Period he shall first serve written notice on the Landlord offering a surrender of the term hereby granted and within six weeks of service the Landlord shall serve written notice on the Leaseholder:

- (i) declining the offer of a surrender but nominating a purchaser to take an assignment of the whole of the Premises in which case the provisions of the Sixth Schedule will apply; or
- (ii) stating that the Landlord will accept a surrender of the term hereby granted in which case the provisions of the Eighth Schedule will apply

3(17)(c) If the Landlord does not serve a notice within the six week period specified in sub-clause (b) hereof (as to which time shall be of the essence) the Leaseholder may assign or underlet the whole of the Premises subject to exchange of contracts (or completion where

there is no prior exchange of contracts) for the assignment or underletting taking place within twelve months of service of the Leaseholder's notice pursuant to sub-clause (b) hereof **PROVIDED THAT** if no exchange of contracts is effected within such twelve month period and the Leaseholder wishes to assign or underlet the whole of the Premises the procedure set out in sub-clause (b) and this sub-clause shall be repeated

3(17)(d) The Landlord and the Leaseholder HEREBY APPLY to the Chief Land Register to enter a restriction in the following form in the proprietorship register of the Leaseholder Title:-

“No disposition or lease pursuant to an underlease for a term of more than twenty-one years otherwise than at a rack rent of the whole of the Premises of the registered estate (other than a charge) by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without a certificate signed by the proprietor for the time being of the estate registered under title number [] or signed on such proprietor's behalf by [] that the provisions of Clause 3(17) of the lease dated [] made between [] (1) and [] (2) have been complied with”

3(18) Within one month of any assignment mortgage charge or devolution of the Leaseholder's interest in the Premises to give notice of it together with a certified copy of the instrument effecting the assignment mortgage charge or devolution to the Landlord and to pay a reasonable fee to the Landlord for the registration of the notice

3(19) To provide carpets or such other suitable floor coverings to the floors of the Premises

3(20) To repay to the Landlord all costs charges and expenses incurred by it in repairing renewing and reinstating any part of the Building not hereby demised or any part of the Common Parts so far as such repair renewal or reinstatement shall have been necessitated or contributed to by any act neglect or default of the Leaseholder

3(21) To do such acts and things as may reasonably be required by the Landlord to prevent any easement or right belonging to or used with the Premises from being obstructed or lost And not knowingly to allow any encroachment to be made on or easement acquired over the Premises and in particular not to allow the right of access of light from or over the Premises to any neighbouring property to be acquired

3(22) To comply with the covenants on behalf of the Leaseholder relating to the Discount as set out in the Ninth Schedule.

4. The Leaseholder **HEREBY COVENANTS** with the Landlord and with and for the benefit of the tenants and occupiers from time to time of the other premises in the Building as follows:-

4(1) That the Leaseholder and the persons deriving title under the Leaseholder will at all times observe the covenants set out in the First Schedule

4(2) That the Leaseholder and the persons deriving title under the Leaseholder will at all times comply with such reasonable regulations as the Landlord may make from time to time relating to the putting out of refuse for removal and such other matters as the Landlord considers necessary or desirable for the purpose of securing the safety orderliness or cleanliness of the Building or the Common Parts or the comfort or conveniences of the tenants of the Building or the efficient or economical performance by the Landlord of its obligations under this Lease

5. **THE** Landlord **HEREBY COVENANTS** with the Leaseholder as follows:-

5(1) That the Leaseholder paying the rents hereby reserved and performing and observing the covenants herein contained may peaceably enjoy the Premises during the term without any lawful interruption by the Landlord or any person rightfully claiming under or in trust for it

5(2) That the Landlord will at all times during the term (unless such insurance shall be vitiated by any act or default of the Leaseholder) keep the Building insured against loss or damage by fire and such other risks as the Landlord may from time to time reasonably determine or the Leaseholder or the Leaseholder's mortgagee may reasonably require in some insurance office of repute to its full reinstatement value (including all professional fees in connection with any reinstatement and two years' loss of rent) and whenever required will produce to the Leaseholder the insurance policy and the receipt for the last premium for the same and will in the event of the Building being damaged or destroyed by fire or other risks covered by such insurance as soon as reasonably practicable make a claim against the insurers and lay out the insurance monies in the repair rebuilding or reinstatement of the same

5(3) That (subject to payment of the rent and service charge and except to such extent as the Leaseholder or the tenant of any other part of the Building shall be liable in respect thereof respectively under the terms of this Lease or of any other lease) the Landlord shall maintain repair redecorate renew and (in the event in the Landlord's reasonable opinion such works are required) improve:-

- 5(3) (a) the roof foundations and main structure of the Building and all external parts thereof including all external and load-bearing walls the windows and doors on the outside of the flats within the Building (save the glass in any such doors and windows and the interior surfaces of walls) and all parts of the Building which are not the responsibility of the Leaseholder under this Lease or of any other leaseholder under a similar lease of other premises in the Building Provided always the Landlord shall redecorate as necessary the outside doors of the Premises
- 5(3) (b) the pipes sewers drains wires cisterns and tanks and other gas electrical drainage ventilation and water apparatus and machinery in under and upon the Building (except such as serve exclusively an individual flat in the Building and except such as belong to the Post Office or any public utility supply authority)
- 5(3) (c) the Common Parts
- 5(4) That subject as aforesaid and so far as practicable the Landlord will keep the Common Parts of the Building adequately cleaned and lighted

PROVIDED THAT:-

- (a) the Landlord shall not be liable to the Leaseholder for any failure in or interruption of such services not attributable to its neglect or default; and
- (b) the Landlord may add to diminish modify or alter any such service if by reason of any change of circumstances during the term such addition diminution or alteration is in the opinion of the Landlord reasonably necessary or desirable in the interest of good estate management or for the benefit of the occupiers of the Building
- 5(5) That every lease or tenancy of premises in the Building hereafter granted by the Landlord shall contain covenants to be observed by the tenant thereof similar to those set out in the First Schedule hereto and (save in the case of any premises which may be let at a rent on a periodic basis) shall be substantially in the same form as this Lease

- 5(6) If so required by the Leaseholder to enforce the tenant's covenants similar to those contained in this Lease which are or may be entered into by the tenants of other premises in the Building so far as they affect the Premises provided the Leaseholder indemnifies the Landlord against all costs and expenses of such enforcement
6. **PROVIDED ALWAYS** and it is hereby agreed as follows:-
- 6(1) If the rents hereby reserved or any part of them shall be unpaid for twenty-one days after becoming payable (whether formally demanded or not) or if any covenant on the part of the Leaseholder shall not be performed or observed then and in any such case it shall be lawful for the Landlord at any time thereafter to re-enter upon the Premises or any part of them in the name of the whole and thereupon this demise shall absolutely determine but without prejudice to any right of action or remedy of the Landlord in respect of any antecedent breach of any of the Leaseholder's covenants or the conditions contained in this Lease **PROVIDED ALWAYS** and without prejudice to the Landlord's rights hereunder the Landlord shall give reasonable notice to any mortgagee of the Leaseholder of whom the Landlord has received proper notice pursuant to Clause 3(18) hereof before commencing any proceedings for forfeiture of this Lease
- 6(2) The Landlord shall not be liable for any damage suffered by the Leaseholder or any member of the Leaseholder's family or any employee servant or licensee of the Leaseholder through any defect in any fixture tank pipe wire staircase machinery apparatus or thing in the Building or through the neglect default or misconduct of any servant employed by the Landlord in connection with the Building or for any damage to the Premises due to the bursting or overflowing of any pipe tank boiler or drain in the Building except insofar as any such liability may be covered by insurance effected by the Landlord
- 6(3) Notwithstanding anything contained in this Lease the Landlord shall have power without obtaining any consent from or making any compensation to the Leaseholder to deal as the Landlord may think fit with any other land buildings or premises adjoining or near to the Building and to erect rebuild or heighten on such other land or premises any buildings whatsoever whether such buildings shall or shall not affect or diminish the light or air which may now or at any time during the term be enjoyed by the Leaseholder or other tenants or occupiers of the Premises

- 6(4) The Landlord shall have power at its discretion to alter the arrangement of the Common Parts Provided that after such alteration the access to and amenities of the Premises are not substantially less convenient than before
- 6(5) Every internal wall separating the Premises from any other part of the Building shall be a party wall severed medially
- 6(6) If the whole or any part of the Premises (or the Common Parts necessary for access to it) is destroyed or damaged by fire or any other risks covered by the Landlord's insurance so as to be rendered unfit for use then (unless the insurance money is irrecoverable by reason of any act or default of the Leaseholder) the rent or a fair proportion of it shall be suspended until the Premises (and the Common Parts necessary for access) are again fit for use
- 6(7) In the event of the repair rebuilding or reinstatement of the Premises being frustrated by any reason beyond the control of the Landlord and/or the Leaseholder the Leaseholder will surrender to the Landlord this Lease in consideration of the Landlord paying to the Leaseholder any insurance monies received by the Landlord in respect of the Premises after deducting therefrom the Relevant Percentage of the same **PROVIDED ALWAYS** if at the time of the said frustration there is any money outstanding on mortgage or charge to a mortgagee of the Leaseholder (who shall have been approved and the terms of the mortgage to such mortgagee shall have been approved by the Landlord in writing prior to the Mortgage) the Landlord shall apply any insurance monies received by the Landlord in respect of the Premises first in payment of the principal and not exceeding 12 months unpaid interest outstanding under that mortgage or charge and thereafter in accordance with the aforementioned provisions and treating all monies paid to the mortgagee or chargee as monies paid to the Leaseholder (any overpayment being a debt due from the Leaseholder to the Landlord)
- 7(1) In this Clause the following expressions have the following meanings-
- (a) "Account Year" means a year ending on the 31st March
- (b) "Specified Proportion" means the proportion as specified in the Particulars

- (c) “the Service Provision” means the sum computed in accordance with sub-clauses (4), (5) and (6) of this clause
- (d) “the Service Charge” means the Specified Proportion of the Service Provision
- (e) “the Surveyor” means the Landlord’s professionally qualified surveyor and may be a person in the employ of the Landlord

7(2) The Leaseholder **HEREBY COVENANTS** with the Landlord to pay the Service Charge during the term by equal payments in advance at the times at which and in the manner in which the rent is payable under this Lease **PROVIDED ALWAYS** all sums paid to the Landlord in respect of that part of the Service Provision as relates to the reserve referred to sub-clause 4(b) hereof shall be held by the Landlord in trust for the Leaseholder until applied towards the matters referred to in sub-clause 4(b) hereof and all such sums shall only be so applied. Any interest on or income of the said sums being held by the Landlord pending application as aforesaid shall (subject to any liability to tax thereon) be added to the said reserve

7(3) The Service Provision in respect of any Account Year shall be computed before the beginning of the Account Year and shall be computed in accordance with Clause 7(4)

7(4) The Service Provision shall consist of a sum comprising-

- (a) the expenditure estimated by the Surveyor as likely to be incurred in the Account Year by the Landlord upon the matters specified in Clause 7(5) together with
- (b) an appropriate amount as a reserve for or towards such of the matters specified in Clause 7(5) as are likely to give rise to expenditure after such Account Year being matters which are likely to arise either only once during the then unexpired term of this Lease or at intervals of more than one year including (without prejudice to the generality of the foregoing) such matters as the decoration of the exterior of the Building (the said amount to be computed in such manner as to ensure as far as is reasonably foreseeable that the Service Provision shall not fluctuate unduly from year to year) but

- (c) reduced by any unexpended reserve already made pursuant to sub-clause (b) in respect of any such expenditure as aforesaid

7(5) The relevant expenditure to be included in the Service Provision shall comprise all expenditure reasonably incurred by the Landlord in connection with the repair management maintenance and provision of services for the Building and shall include (without prejudice to the generality of the foregoing)-

- (a) the costs of and incidental to the performance of the Landlord's covenants contained in Clauses 5(2) and 5(3) and 5(4)
- (b) the costs of and incidental to compliance by the Landlord with every notice regulation or order of any competent local or other authority in respect of the Building (which shall include compliance with all relevant statutory requirements)
- (c) all reasonable fees charges and expenses payable to the Surveyor any solicitor accountant surveyor valuer architect or other person whom the Landlord may from time to time reasonably employ in connection with the management or maintenance of the Building including the computation and collection of rent (but not including fees charges or expenses in connection with the effecting of any letting or sale of any premises) including the cost of preparation of the account of the Service Charge and if any such work shall be undertaken by an employee of the Landlord then a reasonable allowance for the Landlord for such work
- (d) any rates taxes duties assessments charges impositions and outgoings whatsoever whether parliamentary parochial local or of any other description assessed charged imposed or payable on or in respect of the whole of the Building or in the whole or any part of the Common Parts

7(6) As soon as practicable after the end of each Account Year the Landlord shall determine and certify the amount by which the estimate referred to in Clause (7)(4)(a) shall have exceeded or fallen short of the actual expenditure in the Account Year and shall supply the Leaseholder with a copy of the certificate and the Leaseholder shall be allowed or as the

case may be shall pay forthwith upon receipt of the certificate the Specified Proportion of the excess or the deficiency

- 7(7) The Landlord will for the period that any premises in the Building are not let on terms making the tenant liable to pay a Service Charge corresponding to the Service Charge payable under this Lease provide in respect of all such premises a sum equal to the total that would be payable by the tenants thereof as aforesaid by way of contribution to the reserve referred to in Clause (7)(4)(b) and the said reserve shall be calculated accordingly
- 7(8) For the avoidance of doubt it is hereby agreed and declared that the provisions of Sections 18 to 30 Landlord and Tenant Act 1985 as amended shall apply to the provisions hereof
8. If a mortgagee of the Leaseholder (who shall have been approved and the terms of the mortgage to such mortgagee shall have been approved by the Landlord in writing prior to the mortgage) exercises the right to complete the Final Staircasing (pursuant to Paragraph 2 of the Fifth Schedule) and assigns this Lease and the sale price obtainable upon such assignment after adding the amount realised or realisable by the said mortgagee from any collateral security (in aggregate in this clause called “the Sale Price”) is insufficient to meet:-
- (a) the total principal (which shall not include any capitalised interest) and not exceeding 12 months unpaid interest due to the mortgagee under the terms of the mortgage
- (i) disregarding
- A. any part of the mortgagee’s initial advance to the Leaseholder which was in excess of the Premium or in the case of an assignment was in excess of the Market Value (as defined in the Fifth Schedule hereto) of the Percentage of the Premises assigned to the Leaseholder as at a date no more than twelve weeks prior to the date of exchange of contracts for the assignment and for the purposes of this clause the Market Value shall be assessed by the Valuer and evidenced by a certificate in writing in such a form as may be approved from time to time by the Housing Corporation which shall be sent to the Landlord with the details of the assignment pursuant to Clause 3(18) hereof; and

- B. any further advances made by the mortgagee to the Leaseholder at his request unless such further advance is made to enable the Leaseholder to pay for a Portioned Percentage (as hereinafter defined) pursuant to the provisions of Clause 2 and the Fifth Schedule hereto and does not exceed the amount paid by the Leaseholder for such Portioned Percentage or such further advance is made to enable the Leaseholder to comply with his covenants contained in this Lease and accordingly to preserve the mortgagee's security or such further advance is made to enable one joint Leaseholder to purchase the interest in this Lease of the other joint Leaseholder and the further advance does not exceed the Market Value (as defined in the Fifth Schedule hereto) of the interest assigned as at a date no more than twelve weeks prior to the date of exchange of contracts for the assignment and for the purposes of this clause the Market Value shall be assigned by the Valuer and evidenced in writing in the same manner as described in Paragraph A above; but
- (ii) including any payment of Specified Rent, Service Charge or other monies excluding the Outstanding Discount due hereunder by the Leaseholder to the Landlord and including any monies outstanding in respect of any premiums paid or provided by the mortgagee by way of a loan or otherwise under a mortgage protection life policy or an endowment policy and secured by the mortgage
- (b) any reasonable legal charges incurred by the mortgagee in recovering or attempting to recover any sums due under the mortgage or in respect of completion of the Final Staircasing and the assignment of this Lease Except if the relevant work shall be undertaken by an employee of the mortgagee in which case a reasonable allowance for such work
- (c) any reasonable agent's commission on such sale Except if the relevant work shall be undertaken by an employee of the mortgagee (which expression shall not include any employee of an estate agency owned by the mortgagee) in which case a reasonable allowance for such work
- (d) any other costs or expenses (other than the mortgagee's internal costs of administration) reasonably incurred by the mortgagee in connection with the protection of the security or the completion of the Final Staircasing and the assignment of this Lease Except if the relevant work shall be undertaken by an employee of the mortgagee in which case a reasonable allowance for such work

- (e) the price payable upon completion of the Final Staircasing under the provisions of the Fifth Schedule hereto

the said price payable upon completion of the Final Staircasing shall be such sum as equals the amount of the Sale Price less the aggregate of the sums referred to in sub-clauses (a) (b) (c) and (d) hereof

PROVIDED ALWAYS the person primarily liable for the monies due to the mortgagee as above referred to shall pay to the Landlord on demand with interest calculated in accordance with the provisions of Clause 3(1) hereof such amount by which the said price payable under the provisions of Paragraph 2 of the Fifth Schedule hereto has been reduced

9. The Landlord and the Leaseholder HEREBY APPLY to the Chief Land Register to enter a restriction in the following form in the proprietorship register of the Leaseholder Title:-
- No deed varying the terms of the registered lease is to be registered without the consent of The Housing Corporation of 149 Tottenham Court Road London W1T 7BN”
10. The Landlord and the Leaseholder hereby confirm that the Market Value of the Premises (as defined in the Fifth Schedule hereto) is the Initial Market Value and the minimum rent payable for the purposes of Paragraph 4 of Schedule 9 of the Finance Act 2003 is *[a peppercorn or other minimum rent if applicable]* and that the Leaseholder intends Stamp Duty Land Tax to be charged in accordance with the said Paragraph 4 of Schedule 9 by reference to the Initial Market Value and the said minimum rent
11. A notice to be served under this Lease shall be served in writing and shall be properly served if served upon the Landlord at its registered office and/ or upon the Leaseholder at the Premises and shall be deemed to have been made or delivered if left at such address or two days after being posted postage pre-paid and by first class recorded delivery in an envelope addressed to them at such address
12. For the purposes of the Landlord and Tenant (Covenants) Act 1995 the covenants on the part of the Leaseholder under this Lease are not personal covenants
13. For the purposes of Section 48 of the Landlord and Tenant Act 1987 the address at which any notices (including notices in any proceedings) may be served on the Landlord by the Leaseholder is (until the Leaseholder is notified to the contrary) the Landlord’s address given in the Particulars
14. [Charity clause if applicable]

IN WITNESS whereof the Landlord and the Leaseholder have executed this Deed the day and year first above written

THE FIRST SCHEDULE above referred to

MUTUAL COVENANTS

1. Not to use the Premises nor permit the same to be used for any purpose whatever other than as a private residence in single occupation only nor for any purpose from which a nuisance can arise to the owners lessees or occupiers of the other premises in the Building or of the premises in the neighbourhood

2. Not to do or permit to be done by any members of the Leaseholder's household or visitors any act or thing which may:
 - (a) render void or voidable any policy of insurance on the Building or may cause an increased premium to be payable in respect thereof;
 - (b) cause or permit to be caused nuisance annoyance or disturbance to the owners lessees or occupiers of premises in the neighbourhood or visitors thereto;
 - (c) result in any form of harassment or intimidation of any other person, including the landlord's staff, contractors and agents; or
 - (d) result in the use of the Premises for any unlawful or immoral purpose

3. Not to do or permit to be done anything which may cause obstruction in any of the pipes or drains of the Building

THE SECOND SCHEDULE above referred to

EASEMENTS RIGHTS AND PRIVILEGES

INCLUDED IN THE LEASE

1. The right for the Leaseholder and all persons authorised by the Leaseholder (in common with all other persons entitled to the like right) at all times to use the Common Parts for all purposes incidental to the occupation and enjoyment of the Premises (but not further or otherwise)

2. The right to subjacent and lateral support and to shelter and protection from the other parts of the Building and from the site and roof thereof

3. The free and uninterrupted passage and running of water and soil gas and electricity from and to the Premises through the sewers drains and watercourses cables pipes and wires which now are or may at any time hereafter during the term be in under or passing through the Building or any part thereof

4. The right for the Leaseholder with workmen and others at all reasonable times on notice (except in the case of emergency) to enter upon other parts of the Building
 - (i) for the purpose of repairing cleansing maintaining or renewing any such sewers drains and watercourses cables pipes and wires or

 - (ii) for the purpose of repairing maintaining renewing or rebuilding the Premises or any part of the Building giving subjacent or lateral support shelter or protection to the Premises

causing as little disturbance as possible and making good any damage caused

THE THIRD SCHEDULE above referred to

EXCEPTIONS AND RESERVATIONS

There are excepted and reserved out of this demise to the Landlord and the lessees of the other premises comprised in the Building:-

- (a) Easements rights and privileges over along and through the Premises equivalent to those set forth in Paragraphs 2, 3 and 4 of the Second Schedule

- (b) The right for the Landlord and its surveyors or agents with or without workmen and others at all reasonable time on notice (except in case of emergency) to enter the Premises for the purpose of carrying out its obligations under this Lease

- (c) The loadbearing walls of the Building the floor structure and (if the Premises are on the top floor of the Building) the roof

THE FOURTH SCHEDULE above referred to

CALCULATION OF SPECIFIED RENT

1. In this Schedule the following expressions have the following meanings:-
- 1(1) “the Review Date” shall mean [] and each successive [] during the term
- 1(2) “the Relevant Percentage” shall mean at any time 100% less the aggregate of the Initial Percentage and any Portioned Percentage or Portioned Percentages paid for pursuant to Clause 2 and the Fifth Schedule hereto
- 1(3) “RPI” shall mean the United Kingdom General Index of Retail Prices or in the event that such ceases to be published (as to which the Landlord’s decision shall be conclusive) or if the said Index or the basis on which it is calculated or published is altered to a material extent (as to which the Landlord’s decision shall be conclusive) then the Landlord may give written notice to the Leaseholder of some other published index of general prices or the value of money as a substituted index and in that case the substituted index so selected shall thereupon be the RPI
- 1(4) “New Gross Rent” shall mean the Gross Rent increased pursuant to Paragraph 2 hereof on each Review Date
- 1(5) “Gross Rent” shall means as at the Commencement Date the figure identified as the Gross Rent in the Particulars and immediately following the first and each successive Review Date the sum calculated on each rent review pursuant to paragraph 2(a) **(only to be included where paragraph 2(a) option B is used)**

OPTION A

- 2(a) On each Review Date the New Gross Rent shall be such figure as is notified to the Leaseholder by the Landlord provided that the New Gross Rent shall not exceed the Gross Rent increased by the percentage increase of the RPI from the RPI published for September [] to the RPI published for the September prior to the Review Date plus 0.5%

OPTION B

- 2(a) On each Review Date the New Gross Rent shall be such figure as is notified to the Leaseholder by the Landlord provided that the New Gross Rent shall not exceed the Gross Rent increased by the percentage increase of the RPI from the RPI published for September [] to the RPI published for the September prior to the September immediately previous to the relevant Review Date plus 0.5%
- 2(b) On each Review date the Specified Rent payable hereunder shall be reviewed to an amount equal to the Relevant Percentage of the New Gross Rent as at the relevant Review Date
- 2(c) Immediately following each Review Date the Landlord shall serve written notice on the Leaseholder specifying the amount of the Specified Rent then payable

THE FIFTH SCHEDULE above referred to

STAIRCASING PROVISIONS

1. In this Schedule and in Clause 8 the following expressions have the following meanings respectively:-

- 1(1) “Market Value” shall at the date hereof mean the Initial Market Value and shall at any subsequent date mean the price which the interest of the Leaseholder would then fetch if sold on the open market by a willing vendor upon the terms and conditions contained herein and on the assumption that the Relevant Percentage is nil (the Leaseholder having acquired 100% of the shares in the Premises) **AND** disregarding the following matters:
- 1(1)(i) any mortgage of the Leaseholder’s interest
- 1(1)(ii) any interest in or right over the Premises created by the Leaseholder
- 1(1)(iii) any improvement made by the Leaseholder or any predecessor in title of his and
- 1(1)(iv) any failure by the Leaseholder or any predecessor in title to carry out the obligations contained in Clauses 3(3) and 3(4) hereof
- 1(1)(v) the provisions of Paragraph 3 hereof
- 1(2) “a Portioned Percentage” shall mean at any relevant time (including for the avoidance of doubt on the Final Staircasing) a portion of the then Market Value of the Premises up to a maximum of 100 per cent, being a minimum of at least 10% of the Market Value
- 1(3) “the Relevant Percentage” shall mean at any relevant time 100% less the aggregate of the Initial Percentage and any Portioned Percentage or Percentages paid for pursuant to Paragraph 2(4) hereof
- 1(4) “the Valuer” means an independent expert who is an associate or fellow of the Royal Institution of Chartered Surveyors agreed between the Landlord and the Leaseholder or in default of agreement appointed on the application of either Landlord or Leaseholder by or on behalf of the President of the Royal Institution of Chartered Surveyors
- 1(5) “Final Staircasing” shall mean the purchase of such Portioned Percentage as reduces the Relevant Percentage to nil

- 1(6) "The Relevant Date" shall mean the date three months after completion of the Final Staircasing
- 2(1) At any time or times during the term the Leaseholder may serve notice in writing on the Landlord stating the Portioned Percentage he proposes to acquire **PROVIDED THAT** this Paragraph 2(1) shall apply to any mortgagee of the Leaseholder of whom the Landlord has received proper notice pursuant to Clause 3(18) hereof
- 2(2) The Landlord shall apply to the Valuer to determine the Market Value as at the date of service of the Leaseholder's notice served pursuant to Paragraph 2(1) (upon which the price of acquisition will be based) within fourteen days of receipt of the said notice and shall notify the Leaseholder of the amount of the Valuer's determination in writing within seven days of receipt of the said determination
- 2(3) At any time within three months of the said determination by the Valuer the Leaseholder may pay for a Portioned Percentage in accordance with the provisions of Paragraph 2(4) of this Schedule
- 2(4) The Leaseholder may pay for a Portioned Percentage by paying to the Landlord a sum equal to that Portioned Percentage and as from the date of such payment the Specified Rent payable hereunder shall be a rent equal to the Relevant Percentage of the Gross Rent or the New Gross Rent where the date of payment falls after a Review Date
- 2(5) On completion of the payment for a Portioned Percentage in addition to the sum or the price payable as hereinbefore provided the Leaseholder shall pay any arrears of rent and any other sums due to the Landlord hereunder. The Landlord and the Leaseholder shall, save as provided in Paragraph 5 hereof pay their own costs and expenses in connection with such payment or purchase
- 2(6) Whenever the Leaseholder completes the payment for a Portioned Percentage the Landlord and the Leaseholder shall forthwith complete the relevant Memorandum annexed to the original and counterpart of this Lease specifying the Portioned Percentage paid for and the Specified Rent then payable

- 3(1) The provisions of this Paragraph 3 shall take effect only if on the Relevant Date the Leaseholder is not the same person or persons or the personal representative(s) of the the same person or persons who was or were the Leaseholder immediately prior to the completion of the Final Staircasing **PROVIDED THAT** this Paragraph 3 shall have no effect in the event that a mortgagee of the Leaseholder of whom the Landlord has received proper notice pursuant to Clause 3(18) hereof exercised the right to complete the Final Staircasing
- 3(2) The Landlord shall instruct the Valuer to determine the Market Value of the Premises as at the Relevant Date within 14 days of the Relevant Date
- 3(3) Within seven days of receipt of the Valuer's Determination obtained pursuant to Paragraph 3(2) the Landlord shall notify the Leaseholder of the amount of the said Determination in writing together with the amount determined as the Market Value of the Premises by the Valuer for the purposes of the Final Staircasing
- 3(4) Within 28 days of receipt of the notification from the Landlord pursuant to Paragraph 3(3) the Leaseholder shall pay the Landlord the amount (if any) by which the Market Value of the Premises as at the Relevant Date exceeds the Market Value of the Premises determined by the Valuer for the purposes of the Final Staircasing
4. Upon payment of the sum referred to in Paragraph 3(4) or upon the Relevant Date if there is no sum payable to the Landlord pursuant to Paragraph 3(4) or if Paragraph 3 as a whole is inapplicable the following provisions of this Lease shall no longer have effect:

Clauses 1(2)(g)

1(2)(h)

3(15)(b)

3(16)

8 and 9

Fourth Schedule

Fifth Schedule (except this paragraph 4)

Seventh Schedule

5. The costs of any determination by the Valuer pursuant to the provisions of this Schedule shall be paid by the Leaseholder to the Landlord on demand
6. It is hereby agreed and declared that the decision of the Valuer shall be final and binding on the parties hereto

THE SIXTH SCHEDULE above referred to

ASSIGNMENT OF WHOLE TO

NOMINATED PURCHASERS

4. If the Landlord serves notice on the Leaseholder pursuant to Clause 3(17)(b)(i) hereof the Leaseholder shall as soon as reasonably practicable make an offer to the Landlord's nominee on the terms mentioned in Paragraphs (2) and (3) below
5. The Leaseholder's offer shall be an unconditional written offer to sell the Premises with vacant possession and free from encumbrances (except any which may affect the Premises at the time of the grant of this Lease) and to remain open for acceptance for a period of six weeks and to stipulate a completion date not earlier than four weeks after acceptance of the offer and otherwise the offer to be subject to current Law Society standard conditions of sale
6. The price at which such offer shall be made shall be the open market value of the Premises with vacant possession assessed as at the date of the Landlord's notice served under the provisions of Clause 3(17)(b)(i) in accordance with any relevant Guidance Notes on the valuation of land and buildings for the time being in force of the Royal Institution of Chartered Surveyors by an independent qualified valuer (acting as an expert) who is an Associate or a Fellow of the Royal Institution of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers and whose appointment shall be agreed between the Landlord and the Leaseholder or failing agreement on the application of either party by the President for the time being of the Royal Institution of Chartered Surveyors whose decision shall be final and binding on the Landlord and the Leaseholder but whose costs and expenses shall be borne by the Leaseholder
7. If an offer is made to the Landlord's nominee pursuant to Paragraphs (2) and (3) above and is refused or the said nominee does not accept the offer within the six week period specified in Paragraph (2) or does not enter into a binding contract for purchase within the four week period specified in Paragraph (2) then the Leaseholder may assign the whole of the Premises subject to exchange of contracts (or completion where there is no prior exchange of contracts) for the assignment taking place within twelve months of the date of

the Leaseholder's offer made pursuant to Paragraphs (2) and (3) above **PROVIDED THAT** if no exchange of contracts is effected within such twelve month period and the Leaseholder wishes to assign the whole of the Premises the procedure set out in Clause 3(17)(b) and (c) hereof shall be repeated

THE SEVENTH SCHEDULE above referred to

SURRENDER BY LEASEHOLDER PURSUANT TO CLAUSE 3(16)

8. If the Landlord serves notice on the Leaseholder pursuant to Clause 3(16)(b)(iii) hereof completion of the surrender to the Landlord shall take place and vacant possession shall be given on a date agreed between the Landlord and the Leaseholder but failing agreement on the date four weeks from the date the Payment Sum is determined
9. The Landlord shall be entitled to deduct from the Payment Sum such sums as may be due and owing at the date of surrender in respect of arrears of rent and other sums due under this Lease
10. If at the date of surrender of this Lease the Landlord has at any time prior thereto received notice pursuant to Clause 3(18) hereof of a mortgage or charge of this Lease
 - (i) the Landlord shall (and the Leaseholder hereby irrevocably requests and directs the Landlord so to do) pay the Payment Sum less the deductions referred to in Paragraph 2 above (or (if less) such sufficient part thereof as is necessary to discharge the said mortgage or charge) to the mortgagee or chargee named in the said notice upon trust for the Leaseholder; and
 - (ii) the receipt of the said mortgagee or chargee shall absolutely discharge the Landlord from its obligations under this Schedule; and
 - (iii) it is hereby agreed that in such circumstances the provisions for determination by surrender of the terms hereby granted shall be varied so that the term shall not determine until such time as the Payment Sum or such part as is sufficient to discharge the said mortgage or legal charge is paid to the mortgagee to the intent that the security afforded to the mortgagee by this Lease shall not lapse until the Payment Sum or a sufficient part thereof as is necessary to discharge the said mortgage or charge is paid to the mortgagee
11. Save as otherwise provided any costs incurred by either party pursuant to the provisions of this Seventh Schedule shall be borne by that party.

THE EIGHTH SCHEDULE above referred to

SURRENDER BY LEASEHOLDER PURSUANT TO CLAUSE 3(17)

12. If the Landlord serves notice on the Leaseholder pursuant to Clause 3(17)(b)(ii) hereof completion of the surrender to the Landlord shall take place and vacant possession shall be given on a date agreed between the Landlord and the Leaseholder but failing agreement on the date four weeks from the date the Repayment Sum is determined
13. The surrender of this Lease by the Leaseholder shall be in consideration of the payment of the repayment sum (“Repayment Sum”) which shall represent the value of this Lease determined pursuant to Paragraph 3 below
14. The value of this Lease for the purposes of Paragraph 2 above shall be the open market value of the Premises with vacant possession assessed as at the date of the Landlord’s notice served under the provisions of Clause 3(17)(b)(ii) (as applicable) in accordance with any relevant Guidance Notes on the valuation of land and buildings for the time being in force of the Royal Institution of Chartered Surveyors by an independent qualified valuer (acting as an expert) who is an Associate or a Fellow of the Royal Institution of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers and whose appointment shall be agreed between the Landlord and the Leaseholder or failing agreement on the application of either party by the President for the time being of the Royal Institution of Chartered Surveyors whose decision shall be final and binding on the Landlord and the Leaseholder but whose costs and expenses shall be borne by the Landlord
15. The Landlord shall be entitled to deduct from the Repayment Sum such sums as may be due and owing at the date of surrender in respect of arrears of rent and other sums due under this Lease
16. If at the date of surrender of this Lease the Landlord has at any time prior thereto received notice pursuant to Clause 3(18) hereof of a mortgage or charge of this Lease
 - (i) the Landlord shall (and the Leaseholder hereby irrevocably requests and directs the Landlord so to do) pay the Repayment Sum less the deductions referred to in Paragraph 4 above (or (if less) such sufficient part thereof as is necessary to discharge the said mortgage or charge) to the mortgagee or chargee named in the said notice upon trust for the Leaseholder; and
 - (ii) the receipt of the said mortgagee or chargee shall absolutely discharge the Landlord from its obligations under this Schedule; and
 - (iii) it is hereby agreed that in such circumstances the provisions for determination by surrender of the terms hereby granted shall be varied so that the term shall not determine until such time as the Repayment Sum or such part as is sufficient to discharge the said mortgage or legal charge is paid to the mortgagee to the intent that the security afforded to the mortgagee by this Lease shall not lapse until the Repayment Sum or a sufficient part thereof as is necessary to discharge the said mortgage or charge is paid to the mortgagee
17. Save as otherwise provided any costs incurred by either party pursuant to the provisions of this Eighth Schedule shall be borne by that party.

NINTH SCHEDULE
DISCOUNT PROVISIONS

1. In this schedule the following expressions shall where the context admits have the following meanings:-

Act means the Housing Act 1996 as amended by the Housing Act 2004

Discount Period means five years from the date hereof.

Discount Percentage has the meaning prescribed in the Particulars of this Lease

Landlord's Solicitors means the solicitors acting for the Landlord in connection with the granting of this Lease.

Open Market Value means the Market Value of the Premises (as defined in the Fifth Schedule but excluding paragraph 1(1)(iv)) as at a date no more than 3 months prior to the relevant disposal or entry into a Prohibited Agreement determined in accordance with any relevant Guidance Notes on valuation of land and buildings of the R.I.C.S for the time being in force.

Outstanding Discount means the sums due under paragraph 2.1 below.

Prohibited Agreement means an agreement to dispose of the Premises (other than by way of an exempted disposal) to any person or company after the expiry of the Discount Period;

Whether or not the date on which the relevant disposal is to take place is specified in the agreement, and

Whether or not any requirement to make that disposal is or may be made subject to the fulfillment of any condition

Qualifying Lender has the meaning ascribed to "qualifying lending institution" under The Social Landlords (Additional Purposes or Objects) (Amendment) (England) Order 2005.

R.I.C.S. means the Royal Institution of Chartered Surveyors

- 2.1 The Leaseholder **HEREBY COVENANTS** with the Landlord for himself and his successors in title that upon the first surrender or relevant disposal of this Lease which is not an exempted disposal (which expression shall have the same meaning as set out in section 15 of the Act) or entry into a Prohibited Agreement within the Discount Period the Leaseholder shall pay to the Landlord a sum equal to the Discount Percentage of the Open Market Value of the Premises reduced by one fifth for each complete year of the Discount Period which has elapsed PROVIDED THAT for the avoidance of doubt this covenant shall survive the termination of the Lease for whatever reason

- 2.2 In the event of more than one relevant disposal (other than an exempted disposal) paragraph 2.1 shall apply to the first relevant disposal only.
3. The Open Market Value shall be assessed by a qualified independent valuer (acting as an expert) who is an associate or fellow of the R.I.C.S. or the Incorporated Society of Valuers and Auctioneers whose appointment shall be agreed between the Landlord and the Leaseholder or failing agreement on the application of either party by the President for the time being of the R.I.C.S. whose decision shall be final and binding and whose costs shall be borne by the Leaseholder except where the disposal is a surrender to the Landlord in which case the costs shall be borne by the Landlord.
4. The Leaseholder with full title guarantee charges this Lease by way of Legal Mortgage with the payment to the Landlord of the Outstanding Discount.
5. The Leaseholder hereby consents to an application being made in form RX1 at H M Land Registry to register
- 5.1 A note in the appropriate manner in the Charges Register of the Leaseholder's title of the charge referred to in paragraph 4 above.
- and
- 5.2 The following restriction;
- “Until [end of discount period] no disposition of the registered estate (other than a charge) by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [] in favour of *[insert name of Landlord]* referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its secretary or conveyancer.”
- 6 The Leaseholder hereby covenants with the Landlord to apply forthwith to register this Lease the Legal Charge referred to in paragraph 4 above and the restriction referred to in paragraph 5.2 above at H M Land Registry and to supply a copy of the Title Information Document for the Leaseholder's title to the Landlord's Solicitors as soon as the Leaseholder's title has been registered at H M Land Registry and in any event within 2 months of the date hereof.
- 7 The Leaseholder shall be released from the covenant made pursuant to paragraph 2.1 above and the charge shall be released on the earlier of:-
- 7.1 The expiry of the Discount Period without a relevant disposal (other than an exempted disposal) or entry into a Prohibited Agreement taking place.
- 7.2 Repayment of the Outstanding Discount.
- 8 The grant of an option enabling a person to call for a relevant disposal which is not an exempted disposal shall be treated as a relevant disposal made to him.
- 9 Where there is a relevant disposal which is an exempted disposal of the type referred to in sections 15(4)(d) and/or 15(4)(e) of the Act (compulsory disposal or disposal of yard, garden &c)-

9.1 The covenant contained in paragraph 2.1 shall not bind on the person to whom the disposal is made or any successor in title of his, and

9.2 The covenant shall cease to apply in relation to the property disposed of.

10 The charge created by paragraph 4 above shall rank in priority as if it was a statutory charge under sections 11 and 12 of the Act on the assumption that references to an approved lending institution are references to a Qualifying Lender and the Landlord shall at the Leaseholder's cost enter into such documents that the Leaseholder may reasonably require to give effect to the intention of this paragraph 10.

11 The covenant set out in paragraph 2.1 above shall not by virtue of it binding successors in title bind a person exercising rights under a charge having priority over the charge referred to in paragraph 4 above or a person deriving title under him.

THE COMMON SEAL of the Landlord)

was hereunto affixed in the presence of:-)

Committee Member

Committee Member

Secretary

SIGNED SEALED and **DELIVERED** by)

the Leaseholder in the presence of:-)

FIRST MEMORANDUM OF STAIRCASING

Leaseholder :

Landlord :

THIS IS TO RECORD:

On the day of 20 on the payment of £ (“the Premium”) being % of the
Market Value of the Premises as assessed by the Valuer on the 20 the Leaseholder
purchased a Portioned Percentage of % of the Premises

The Specified Rent (the rent payable) as from the day of 20 (date of payment of the premium) is
£ per annum (Gross Rent x 100% - Initial Percentage and Portioned Percentage purchased)

Signed by the Leaseholder/for and on behalf of the Landlord

SECOND MEMORANDUM OF STAIRCASING

Leaseholder :

Landlord :

THIS IS TO RECORD

On the day of 20 on the payment of £ (“the Premium”) being % of the
Market Value of the premises as assessed by the Valuer on the 20 the Leaseholder
purchased a Portioned Percentage of % of the Premises

The Specified Rent (the rent payable) as from the day of 20 (date of payment of the premium) is
£ per annum (Gross Rent x 100% - Initial Percentage and Portioned Percentage
purchased)

Signed by the Leaseholder/for and on behalf of the Landlord

THIRD MEMORANDUM OF STAIRCASING

Leaseholder :

Landlord :

THIS IS TO RECORD

On the day of 20 on the payment of £ (“the Premium”) being % of the Market Value of the Premises as assessed by the Valuer on the 20 the Leaseholder purchased a Portioned Percentage of % of the Premises

The Specified Rent (the rent payable) as from the day of 20 (date of payment of the premium) is £ per annum

(Gross Rent x 100% - Initial Percentage and Portioned Percentage purchased)

Signed by the Leaseholder/for and on behalf of the Landlord