

DATED _____

**SHARED OWNERSHIP LEASE
OF [REDACTED]**

LAMBETH RPCO LIMITED
as Landlord
[REDACTED]
as Leaseholder

Important Notice for Leaseholders
A guide to the key terms of this Lease is set out in Appendix 3

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SHARED OWNERSHIP LEASE

PRESCRIBED LEASE CLAUSES

LR1. Date of Lease

LR2. Title number(s)

LR2.1 Landlord's title number(s) [REDACTED]

LR2.2 Other title numbers [None]

LR3. Parties to this Lease

Landlord Lambeth RPS Limited (company no. 10847988) whose registered office is at Lambeth Town Hall, Brixton Hill, London, SW2 1RW and which is registered as a provider of social housing with the Homes and Communities Agency under number [REDACTED]

Tenant [REDACTED] of [REDACTED] (referred to in this Lease as the "Leaseholder")

LR4. Property

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.

[REDACTED] as more particularly described in Schedule 1

LR5. Prescribed statements etc.

None.

LR6. Term for which the Property is Leased

The term is as follows: **125 Years** from the date hereof

LR7. Premium

[REDACTED] (£[REDACTED])

LR8. Prohibitions or restrictions on disposing of this Lease

This Lease contains a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

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

LR9.2 Tenant's covenant to (or offer to) surrender this Lease

As specified in Clauses 3.1.42 to 3.1.46(*Pre-emption provisions*), Schedule 10 (*Surrender by Leaseholder* (*Pre-emption*)) and Clause 5.5(*Frustration clause*)

LR9.3 Landlord's contractual rights to acquire this Lease

None

LR10. Restrictive covenants given in this Lease by the Landlord in respect of land other than the Property

None

LR11. Easements

LR11.1 Easements granted by this Lease for the benefit of the Property

See Schedule 2

LR11.2 Easements granted or reserved by this Lease over the Property for the benefit of other property

See Schedule 3

LR12. Estate rentcharge burdening the Property

None

LR13. Application for standard form of restriction

The Parties to this Lease apply to enter the following standard form of restriction against the title of the Property:-

"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, not being a charge registered before the entry of this restriction, is to be registered without a certificate signed by the proprietor for the time being of the estate registered under title number [*specify title number*] or [*their conveyancer or specify appropriate details*] that the provisions of Clause 3.1.42 to 3.1.46 of the registered lease have been complied with [or that they do not apply to the disposition]."

LR14. Declaration of Trust where there is more than one person comprising the Tenant

EITHER

[The Tenant is more than one person. They are to hold the Property on trust for themselves as joint tenants]

OR

[The Tenant is more than one person. They are to hold the Property on trust for themselves as tenants in common in equal shares.]

OR

[The Tenant is more than one person. They are to hold the Property on trust for [REDACTED]]

[Note: This will be completed as necessary, depending on the identity of the Tenant.]

PARTICULARS

Commencement Date	
Gross Rent	<p>£[●] per annum being calculated on the following basis:-</p> $GR = \frac{100}{UP} \times UIMV \times BR$ <p>Where:-</p> <p>GR means Gross Rent</p> <p>UP means the Unacquired Percentage as at today's date</p> <p>UIMV means the Unowned Initial Market Value</p> <p>BR means Borrowing Rate</p>
Initial Market Value	The sum of £[●].
Unowned Initial Market Value	The sum of £[●] (being the Initial Market Value less the Premium).
Initial Percentage	[●]%.
Premium	The sum of £[●]
Specified Rent	A sum equal to the Unacquired Percentage of the Gross Rent (the Specified Rent on the date of this Lease being £[●] per annum) or (if greater) the Minimum Rent
Borrowing Rate	<p>[●]% being the lower of:-</p> <p>(a) the rate at which the Landlord is able to borrow an amount equal to the Unowned Initial Market Value as at today's date; and</p> <p>(b) 2.75%</p>

THIS LEASE is made on the date specified in clause LR1

BETWEEN

- (1) The Landlord and
- (2) The Leaseholder

WHEREAS:

1. DEFINITIONS AND INTERPRETATION

1.1 In these Presents unless there be something in the subject or context inconsistent therewith:

- 1.1.1 words importing the masculine gender only shall include the feminine gender and vice versa
- 1.1.2 words importing the singular number only shall include the plural number and vice versa and where there are two or more persons included in the expression "the Leaseholder" covenants contained in these presents which are expressed to be made by the Leaseholder shall be deemed to be made by such persons jointly and severally
- 1.1.3 words importing person include corporations and vice versa
- 1.1.4 any reference to an Act of Parliament shall include any modification extensions or re-enactment thereof for the time being in force and shall also include all instruments orders plans regulations permissions and directions for the time being made issued or given thereunder or deriving validity there from
- 1.1.5 where the Leaseholder is more than one person the Leaseholder shall hold the Property **UPON TRUST** to sell the same with power to postpone the sale thereof and shall hold the net proceeds of sale and monies applicable as capital and net rents and profits thereof until sale **UPON TRUST** for themselves as joint leaseholders and it is declared that the survivor of such persons can give a valid receipt for capital money arising on a disposition of the Property and in this sub-clause the expression "the Leaseholder" shall mean only the persons executing the Counterpart of this Lease
- 1.1.6 the obligations of the Leaseholder shall be joint and several
- 1.1.7 any obligation on a party to this Lease to do any act includes an obligation to procure that it is done
- 1.1.8 where the Leaseholder is placed under a restriction in this Lease, the restriction includes the obligation on the Leaseholder not to permit or allow the infringement of the restriction by any person
- 1.1.9 references to liability include, where the context allows, claims, demands, proceedings, damages, losses, costs and expenses.

1.2 The following expressions shall have the meanings hereinafter mentioned (that is to say):

"**Acquired Percentage**" means the percentage figure equal to the aggregate of the Initial Percentage and any Portioned Percentage or Portioned Percentages paid for pursuant to Schedule 8 (Staircasing Provisions)

"**Building**" means the property referred to as the Building in Schedule 1 hereto

"**Default**" means:

- (a) the existence of arrears of at least 3 months' payments in respect of the Loan; or

- (b) any other breach by the Leaseholder of the terms applicable to the Loan.

"Enforcement Date" means the date on which the Mortgagee commences its enforcement of any of the security for the Loan by reason of a Default

"Estate" means the property described in Schedule 1 hereto and its extent may from time to time be determined or extended by the Landlord for the time being whose decision shall be final and binding save in the event of manifest error

"Final Staircasing" means the purchase by the Leaseholder from the Landlord of such Portioned Percentage that reduces the Unacquired Percentage to nil

"Ground Rent" means £10 per annum

"Improvements" means improvements made by the Leaseholder to the Property which increase the value or quality or condition of the Property'

"Landlord" shall include the person for the time being entitled to the reversion immediately expectant on the determination of the Term hereby granted

"Leaseholder" includes two or more joint tenants and shall include its successor or successors in title and in the case of an individual shall include his personal representatives unless the context contains a contrary indication

"Loan" means the loans made by the Mortgagee to the Leaseholder (after first obtaining the Landlord's written consent to each and all such loans) and which loans are secured by a valid and binding first ranking mortgage over the Property. For the purposes of this definition repayments of capital shall not reduce the Loan.

"Loss" means the amount by which the aggregate of:

- (a) a sum representing the Loan advanced for the purchase of the Initial Percentage share in the Property;
- (b) the Loan made (if any) to accomplish Final Staircasing in the Property as part of the enforcement process or as a result of further Loan being made;
- (c) Loans for other sums in relation to the Property or any other purpose;
- (d) interest accruing at the rate applicable to the Loan;
- (e) costs incurred in relation to the enforcement of the Loan or any security for it (including advances to cover arrears of rent and service charges) provided that costs of actual disposal shall not exceed 3% of Market Value at the time;
- (f) costs incurred in relation to the protection or preservation of the Loan or any security for it ; and
- (g) any other sums due to the Mortgagee in respect of the Loan made to the Leaseholder

(less any repayments which have been made), exceeds the aggregate of:

- (a) the gross sale proceeds to be received from a disposal (including a surrender) of the Leaseholders interest in the Property; and
- (b) all amounts (if any) received by the Mortgagee as a result of the enforcement by the Mortgagee of all (if any) security which the Mortgagee may have including, without limitation, all security, guarantees and insurance policies given to the Mortgagee.

"Market Value" shall at the date of this Lease 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 seller upon the terms and conditions contained in this Lease and on the assumption that the Unacquired Percentage is nil and disregarding the following matters:

- (a) any mortgage of the Leaseholder's interest;
- (b) any interest in or right over the Property created by the Leaseholder;
- (c) any Improvement made by the Leaseholder or any predecessor in title of his; and
- (d) any failure by the Leaseholder or any predecessor in title to carry out the obligations contained in Clause 3.1.10 and Clause 3.1.11;

"Minimum Rent" means one peppercorn per month (if demanded).

"Mortgagee" means a lender who shall have made available to the Leaseholder a Loan (which expression includes its successors and assigns and also any persons for whom the Mortgagee is acting as agent or trustee).

"Mortgagee Protection Claim" means the Loss capped at a maximum of the aggregate of:

- (a) an amount equivalent to interest on the Loan for a period of 18 months from the Enforcement Date at the interest rate applicable to the Loan immediately before the Enforcement Date
- (b) the Loan;
- (c) any amounts advanced by the Mortgagee and applied in discharging any arrears of rent and/or Service Charge under this Lease; and
- (d) any costs and fees incurred in enforcing the Mortgagee's security for the Loan (capped at 3% of Market Value at the time of such enforcement).

"Particulars" means the Particulars set out in this Lease.

"Payment Sum" means the sum equal to a the Acquired Percentage of the Market Value of the Property 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 this Lease (as the case may be) assessed by a Valuer on the instruction of the Leaseholder provided that in assessing the Market Value the Valuer shall not disregard the matters referred to in paragraph (c) and paragraph (d) of the definition of "Market Value".

"Portioned Percentage" means at any relevant time (including for the avoidance of doubt on the Final Staircasing) the percentage interest in the Property which the Leaseholder proposes to acquire (or has already acquired) under the provisions of Schedule 8 (Staircasing Provisions), being a portion of the then Market Value of the Property up to a maximum of 100%, each Portioned Percentage being at least 10%, and so that the Portioned Percentage which accomplishes Final Staircasing shall be at least 10%.

"Pre-emption Period" means the period commencing on the Commencement Date and ending on the date of Final Staircasing.

"Property" means the property described in Schedule 1 hereto and each and every part thereof together with the items attached to the Property thereto belonging and together also with any structure and each and every part thereof now or hereafter erected or in the course of erection thereon or on any part thereof together with all alterations additions and improvements thereto which may be carried out during the Term and shall also include but without prejudice to the generality hereof the following:

- (a) the ceilings floor coverings and voids (but not the joists or beams or concrete floors to which the said ceilings are attached) of the Property
- (b) non-structural walls and partitions within the Property and any garden fence (as indicated by [REDACTED] on the Location Plan, wall as indicated by [REDACTED] on the Location Plan
- (c) the interior plastered coverings and plaster work tiling and other surfaces of floors ceilings and walls of the Property
- (d) any water tank serving solely the Property that may be installed in or on the roof or roof spaces of the Building of which the Property forms part
- (e) all conduits pipes and cables which are laid in any part of the Building of which the Property forms part and serve exclusively the Property

BUT SHALL NOT INCLUDE

- (a) all structural parts of the Property including the roof space foundations main timbers and joists and concrete floor thereof
- (b) all walls bounding the Property
- (c) any conduits within the Building of which the Property forms part and which do not exclusively serve the Property
- (d) external parts of the Property including the doors, door frames and roof
- (e) the windows within the Property including the glass, fittings and window frames
- (f) [the energy system in the Property depending on the Building and heating design system]
- (g) the heat exchanger in the Property
- (h) all fixtures and fittings in or about the Property (other than Leaseholder's fittings)

"Shared Facilities" means [REDACTED]

"Staircasing" means the purchase by the Leaseholder from the Landlord of a Proportioned Percentage from time to time pursuant to this Lease.

"Standard Conditions of Sale" means the Standard Conditions of Sale (Fourth Edition).

"Term" means the term of years hereby granted together with any continuation thereof (whether under an Act of Parliament or by the Leaseholder holding over or for any other reason)

"these Presents" means this Lease and any document which is supplemental hereto or which is expressed to be collateral herewith or which is entered into pursuant to or in accordance with the terms thereof

"Unacquired Percentage" shall mean the percentage figure equal to 100% less the Acquired Percentage.

"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.

"**Valuer's Certificate**" means a written certificate from an associate or fellow of the Royal Institution of Chartered Surveyors confirming the amount of the Payment Sum.

- 1.2.2 the expression "**the expenses and outgoings incurred by the Landlord**" shall be deemed to include not only those expenses outgoings and other expenditure hereinafter described which have been actually disbursed incurred or made by the Landlord during the year in question but also such reasonable part of all such expenses outgoings and other expenditure hereinafter described whether or not of a periodically recurring nature (whether recurring by regular or irregular periods) whenever disbursed incurred or made and whether prior to the commencement of the said Term or otherwise including a sum or sums of money by way of reasonable provision for anticipated expenditure in respect thereof as the Landlord may in its discretion allocate to the year in question as being fair and reasonable in the circumstances
- 1.2.3 The expression "**the Landlord's financial year**" shall mean the period from the 1st April in each year to the 31st March of the next year or such other annual period as the Landlord may in its discretion from the time to time determine as being that in which the accounts of the Landlord either generally or relating to the Building shall be made up
- 1.2.4 The Key Information for Shared Owners set out in Appendix 3 is for information purposes only and is not to be taken into account in the interpretation of any provision of this Lease.
- 1.2.5 The Landlord is registered at the Land Registry with Absolute [Freehold/Leasehold] title of the Building under Title Number [REDACTED] and has agreed to grant unto the Leaseholder a Lease of the Property at the premium and upon the terms herein contained **[Note: This will depend on the structure of ownership at the estate.]**

2. **THE LETTING TERMS**

- 2.1 In consideration of the Premium referred to in clause LR7 paid by the Leaseholder to the Landlord (the receipt whereof is hereby acknowledged) and of the rent covenants and conditions hereinafter reserved and contained and on the part of the Leaseholder to be observed and performed and subject to the provisions set out in Schedule 8 the Landlord hereby demises unto the Leaseholder **ALL THAT** the Property more particularly described in Schedule 1 hereto **TOGETHER WITH** the easements rights and privileges set out in Schedule 2 hereto **EXCEPT AND RESERVING** unto the Landlord the easements rights and privileges set out in Schedule 3 hereto **TO HOLD** the same (subject to the stipulations conditions and all other rights easements liberties and privileges to which the Property or the Building or any part thereof are now or may at any time during the continuance of the term be subject) unto the Leaseholder for the term referred to in clause LR6 (determinable nevertheless as hereinbefore provided) paying therefore during the Term hereby granted the Ground Rent and the Specified Rent and Service Charge to be paid annually on the 1st of April and the further and additional rent hereafter mentioned to be paid by equal monthly payments in advance on the First day of each month the first payment to be made on the execution hereof and to be for the period from the date hereof to the day of next.
- 2.2 The parties agree that that the provisions of sections 18 to 30B of the Landlord and Tenant Act 1985 and of Part V of the Landlord and Tenant Act 1987 all of which regulate service charges shall apply to the provisions of this Lease.

3. **LEASEHOLDER'S COVENANTS**

- 3.1 The Leaseholder hereby covenants with the Landlord as follows:

Pay Rent

- 3.1.1 To pay the reserved rents at the times and in the manner aforesaid without any deduction whatsoever
- 3.1.2 To pay to the Landlord monthly and in advance without any deduction by way of further and additional rent a rateable and fair proportionate part of the reasonable expenses and

outgoings incurred by the Landlord in the repair maintenance improvement renewal and insurance of the Building and the provision of services therein and the other heads of expenditure as the same are set out in Schedule 4 hereto such further and additional rent (hereinafter called the "**Service Charge**") being subject to the terms and provisions set out Schedule 5 hereto

- 3.1.3 To pay such sums as the Landlord may from time to time reasonably require to be set aside in a reserve fund as a reserve to meet such future costs as the Landlord reasonably expects to incur in connection with the services as detailed in Schedule 4 and/or the expenses overheads payments charges and other outgoings above referred to in this sub-clause. But the Landlord hereby agrees and declares that:-
- (a) any such reserve fund is held on trust for the benefit of the leaseholders of the Estate and is to be placed in an interest earning deposit account;
 - (b) such reserve fund and any interest earned thereon (after the proper deduction of any tax which may be payable on such sums) is to be used for the purposes for which the reserve fund is intended;

Interest

- 3.1.4 If any rent or Service Charge or any other sum or sums of money payable by the Leaseholder to the Landlord under these Presents shall have become due but remain unpaid for fourteen days to pay on demand to the Landlord interest thereon at the rate of 4% above the base rate for the time being of the Landlord's bankers

Outgoings

- 3.1.5 To bear and discharge all existing and future rates taxes duties charges assessments impositions and outgoings whatsoever (whether parliamentary parochial local or otherwise and whether or not of a capital or non-recurring nature) which now are or may at any time hereafter during the Term be charged levied assessed or imposed upon the Property or the owner or occupier in respect thereof and in the event of any rates taxes assessments charges impositions and outgoings being assessed charged or imposed in respect of the Building of which the Property forms part to pay the proper proportion of such rates taxes assessments charges impositions and outgoings attributable to the Property
- 3.1.6 From time to time during the Term to pay all costs charges and expenses incurred by the Landlord in abating any nuisance in the Property and executing all such works as may be necessary for abating any nuisance in the Property in obedience to a notice served by the local or other competent authority

Observe Restrictions and Regulations

- 3.1.7 To observe the restrictions and regulations set out in Schedule 6 hereto or such other restrictions or regulations as the Landlord may from time to time make and publish in such a manner as is reasonably necessary for such restrictions or regulations to be brought to the Leaseholder's attention

Expenses to the Landlord

- 3.1.8 To pay all costs, charges and expenses (including solicitors' costs and surveyors' fees) reasonably incurred by the Landlord:
- (a) 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 even if forfeiture is avoided otherwise than by relief by the court; or
 - (b) otherwise incurred by the Landlord in respect of any breach of covenant by the Leaseholder under this Lease

- 3.1.9 To pay all expenses including solicitors' costs and surveyors' fees incurred by the Landlord of and incidental to the service of all notices and schedules relating to wants of repair to the Property whether the same be served during or after the expiration or sooner determination of the Term hereby granted and in connection with every application for consent whether the same shall be granted or refused or withdrawn

Decoration

- 3.1.10 In the last quarter of the last year of the Term (howsoever determined) to paint in a proper and workmanlike manner such internal parts of the Property as are usually painted in a proper and workmanlike manner

Repair

- 3.1.11 At all times during the Term to repair and maintain cleanse and keep the Property and all the Landlord's fixtures and all additions thereto in good and substantial repair and condition including the renewal and replacement forthwith of all worn and damaged parts
- 3.1.12 To keep the floors of the Property including the passages thereof substantially covered with suitable material for avoiding the transmission of noise.
- 3.1.13 To make good all damage caused, or reimburse the Landlord for any costs incurred through the act or default of the Leaseholder or of any servant or agent or visitor of the Leaseholder:
- (a) to any part of the building or to the items in the Property or the fixtures and fittings thereof
 - (b) to any other occupier or leaseholder of the said Building and their licensees and in each case keep the Landlord indemnified from all claims expenses and demands in respect thereof.
- 3.1.14 The parties agree that the following are included in this covenant as repairable by the Leaseholder:
- (a) the ceilings, floor coverings and voids (but not the joists or beams or concrete floors to which the said ceilings are attached) of the Property
 - (b) non-structural walls and partitions within the Property [and any garden fence or wall (if any)]
 - (c) the interior plastered coverings and plaster work tiling and other surface of floors ceilings and walls of the Property
 - (d) any water tank serving solely the Property that may be installed in or on the roof spaces of the Building of which the Property forms part
 - (e) all conduits pipes and cables which are laid in any part of the Building of which the Property forms part and serve exclusively the Property
- 3.1.15 The Leaseholder shall not be liable for damage that may be caused by the insured risks (pursuant to Clause 4.1.7) unless such insurance shall be wholly or partially vitiated by an act or default of the Leaseholder or for any work for which the Landlord may be expressly liable under the covenants on its part hereinafter contained.
- 3.1.16 In so far only as the works detailed at clauses 3.1.14 and/or 4.1.3 described become directed or required solely by reason of any breach or non-observance by the Leaseholder of any covenant or other provision contained in these Presents but not otherwise to execute all such works as are or may under or in pursuance of any Act or Acts of Parliament already or hereinafter to be passed be directed or required by any district council local or public authority to be executed at any time during the Term upon or in respect of the Property

whether by the Landlord or the Leaseholder thereof and to keep the Landlord indemnified against all claims demands and liability arising therefrom

Comply with requirements of Public Authority

- 3.1.17 To execute and do at the expense of the Leaseholder all works and things 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 Property or any part of the Property provided that the Leaseholder shall not be liable by virtue of this Clause 3.1.17 to execute or do any works which fall within the scope of Clauses 4.1.3 to 4.1.6.

Provide Copies of Notices

- 3.1.18 To promptly to serve on the Landlord a copy of any notice, order or proposal relating to the Property and served on the Leaseholder by any national, local or other public authority.

Landlord's right of inspection and right of repair

- 3.1.19 To permit the Landlord and its respective duly authorised surveyors and agents with or without workmen and others upon giving 48 hours previous notice in writing (except in the case of emergency) at all reasonable times during the daytime except in the case of emergency to enter the Property and take particulars of additional improvements thereto or fixtures and fittings therein and to view and examine the state and condition of the Property or any part thereof and the reparation of the same and of all defects decays and wants of reparation found in breach of the covenants herein contained and to give notice in writing of any such defects decays or wants of reparation to the Leaseholder who will with all proper despatch and in any case within the timeframe stipulated in the notice then next following well and sufficiently repair and amend the Property accordingly and will pay and discharge on demand all costs charges and expenses (including legal costs and any fees payable to a surveyor incurred by the Landlord and its agents of and incidental to the preparation and service of such last-mentioned notice or of any statutory notice relating to any breach of covenant **PROVIDED ALWAYS** that in case of any default in the performance by the Leaseholder of the foregoing covenant and if the same be not in fact remedied within the timeframe stipulated in the notice after notice requiring the same to be done shall have been given to the Leaseholder or left at the Property it shall be lawful for the Landlord (but without prejudice to any other right or remedy) to enter upon the Property and repair or put in order the same or carry out any such works at the expense of the Leaseholder in accordance with the covenants and provisions hereof and the costs and expenses thereby incurred by the Landlord and its agents shall be repaid to the Landlord by the Leaseholder on demand
- 3.1.20 To permit the Landlord its duly authorised surveyors or agents with or without workmen and others at all reasonable times upon giving 48 hours previous notice in writing (and in case of emergency without notice) to enter into and upon the Property or any part thereof for the purpose of repairing and/or improving any part of the Building and for the purpose of making repairing maintaining rebuilding cleansing lighting and keeping in good order and condition all sewers drains channels pipes cables watercourses gutters wires party structure or other conveniences belonging to or serving or used for the Building (without prejudice however to the obligations of the Leaseholder hereunder with regard thereto) and also for the purpose of laying down maintaining repairing testing disconnecting stopping up or renewing drainage gas and water pipes and electric wires and cables and for similar purposes **PROVIDED** that the Landlord shall make good all damage to the Property or to the fixtures fittings sanitary apparatus and items in the Property goods or effects installed therein or affixed thereto caused by the carrying out of any work in this present sub-clause mentioned or otherwise referred to

Permit Entry

- 3.1.21 For a period of six months immediately preceding the determination of the Term after serving on the Leaseholder 48 hours' notice in writing to permit an inspection at any

reasonable time in the day by any person wishing to inspect the Property and so authorised by the Landlord upon an appointment being made for that purpose.

Restrictions on Use

- 3.1.22 Not to do or permit or suffer to be done any act deed matter or thing whatsoever whereby the risk or hazard of the Property or the Building being destroyed or damaged by fire shall be increased so as to require an additional premium or which may make void or voidable any policy of such insurance.
- 3.1.23 Not at any time to carry out any external alterations or additions to the Property and not to interfere with or alter the outside of the Building, or sewers drains channels watercourses gas and water pipes electric cables and wires and supply lines in under and upon the Building, or the removal of the Landlord's fixtures and fittings.
- 3.1.24 Not at any time without the Landlords prior written consent (such consent not to be unreasonably withheld) nor except in accordance with plans and specifications previously submitted to the Landlord and approved by the Landlord (such approval not to be unreasonably withheld) and to its reasonable satisfaction to make any alteration or addition to the Property within internal non-structural alterations or additions will be subject to any planning and building regulation as required. Such alterations must be undertaken between the hours of 9:00 and 17:00 between Monday to Friday. Any alteration carried out by the Leaseholder without the Landlord's consent will be a breach of this lease and the Landlord will take necessary enforcement action.
- 3.1.25 Not to use the Property or any part thereof nor allow the same to be used for any illegal or immoral purpose nor to hold therein any sale by auction.
- 3.1.26 To procure the use of the Property solely and exclusively as a self contained residential Property as the Leaseholder's single occupation subject to there being no overcrowding within the Property and not to use the Property as a House in Multiple Occupation pursuant to section 254 of the Housing Act 2004.
- 3.1.27 Not to put up any sign, notice or advert (except a temporary notice of reasonable size about elections or community events) without the Landlord's prior written permission.
- 3.1.28 Not to do or permit to be done upon or in connection with the Property or the Building anything which shall be or tend to be a nuisance annoyance or cause of damage to the Landlord or its leaseholders or any of them or to any neighbouring adjoining or adjacent property or the owner or occupiers thereof or which would result in any form of harassment or intimidation of any other person, including the Landlord's staff, contractors and agents or the owners or occupiers of any neighbouring adjoining or adjacent property.
- 3.1.29 Not without the previous consent in writing of the Landlord to place or keep or permit to be placed or kept in the Property any heavy articles in such position or in such quantity or weight or otherwise in such manner howsoever as to overload or cause damage to or be in the opinion of the Landlord likely to overload or cause damage to the Property or the Building nor permit or suffer the same to be used in any manner which will cause undue strain or interfere therewith and not to install or permit to be installed in the Property any machinery which shall cause or suffer the Property to be used in such manner as to subject the same or any other premises to any strain beyond which it is designed to bear or withstand.
- 3.1.30 At all times during the Term to comply in all respects with the provisions and requirements of the Town and Country Planning Act 1990 or any statutory modification or re-enactment thereof for the time being in force and any regulations or orders made thereunder whether as to the permitted use hereunder or otherwise and to indemnify (as well after the expiration of the Term by effluxion of time or otherwise as during its continuance) and to keep the Landlord indemnified against all liability whatsoever including costs and expenses in respect of such matters and forthwith to produce to the Landlord on receipt of notice thereof

any notice order or proposal therefor made given or issued to the Leaseholder by a planning authority under or by virtue of the said Act affecting or relating to the Property and at the request and cost of the Landlord to make or join with the Landlord in making every such objection or representation against the same that the Landlord shall reasonably deem expedient.

- 3.1.31 Not by building or otherwise to stop up or darken any window or light in the Property nor to stop up or obstruct any access of light enjoyed by any premises the estate or interest whereof in possession or reversion now is or hereafter may be vested in the Landlord or in any person in trust for it nor permit any new wayleave easement right privilege or encroachment to be made or acquired into against or upon the Property and in case any such easement right privilege or encroachment shall be made or attempted to be made to give immediate notice thereof to the Landlord and to permit the Landlord and its agents to enter the Property for the purpose of ascertaining the nature of any such easement right privilege or encroachment and at the request of the Landlord and at the cost of the Landlord to adopt such means as may be reasonably required or deemed proper for preventing any such encroachment or the acquisition of any such easement right privilege or encroachment
- 3.1.32 Not to give to any third party any acknowledgement that the Leaseholder enjoys the access of light to any of the windows or openings in the Property by the consent of such third party nor to pay such third party any sum of money nor to enter into any agreement with such third party for the purpose of binding such third party to abstain from obstructing the light to any windows or openings and in the event of any of the owners or occupiers of adjacent land or building doing or threatening to do anything which obstructs the access of light to any of the said windows or openings to notify the same forthwith to the Landlord and to permit the Landlord to bring such proceedings as it may think fit in the name of and at the cost of the Leaseholder against any of the owners and/or occupiers of the adjacent land in respect of the obstruction of the access of light to any of the windows or openings in the Property

Yield Up

- 3.1.33 On the expiration or sooner determination of the Term peaceably to yield up unto the Landlord the Property in a good repair and condition in accordance with the covenants by the Leaseholder herein contained together with all additions and Improvements thereto and all Landlord's fixtures and fittings of every kind now in or upon the Property or which during the Term may be affixed or fastened to or upon the same all of which at the expiration or sooner determination of the Term shall be left complete with all parts and appurtenances thereof and in proper working order and condition PROVIDED ALWAYS that the foregoing covenant shall not apply to any articles held by the Leaseholder on hire nor to any leaseholder's fixtures or fittings PROVIDED further that the Leaseholder may from time to time (but only with the previous written consent of the Landlord and subject to any conditions thereby imposed) substitute for any of the Landlord's fixtures and fittings other fixtures and fittings of at least as good a kind or quality as and not less suitable in character nor of less value than those for which they are respectively to be substituted and in any such case the covenant hereinbefore contained shall attach and apply to the things so substituted.

Alienation

- 3.1.34 If the Leaseholder wishes to market the Property for assignment the Leaseholder shall serve a written notice upon the Landlord of such his intention not less than four weeks prior to the date of such assignment [or underletting] as aforesaid and must obtain the Landlord's prior consent (not to be unreasonably withheld or delayed) before marketing the Property for assignment

3.1.35 [underletting provisions subject to consultation]

- 3.1.36 Not to assign, [underlet], charge, mortgage or part with possession of part only of the Property.
- 3.1.37 Not to make Improvements to the Property, [underlet] or part with possession of the whole of the Property before Final Staircasing has been accomplished.
- 3.1.38 Not to without the prior written consent of the Landlord (such consent not to be unreasonably withheld and which shall be deemed withheld in circumstances where Clauses 3.1.42 to 3.1.46 are not complied with) assign the whole of the Property before Final Staircasing has been accomplished.
- 3.1.39 Upon any assignment hereof [or underletting] wholly or in part to obtain a direct covenant by the assignee [or under lessee] with the Landlord to observe and perform the covenants and conditions of this Lease
- 3.1.40 In the case of any instrument operating or purporting to assign transfer lease charge discharge dispose of or affect the Property or any part thereof or any interest therein or to create assign transfer dispose of or affect any derivative interest in the Term or any charge on the Property or affecting or occasioning a devolution or transmission of the same respectively by operation of law to leave such instrument (or in the case of a transfer or charge or discharge of a charge of registered land a verified copy thereof) within one calendar month after the date of such instrument or (in the case of a Probate of a Will or Letters of Administration) after the date of the grant of the Probate or Letters of Administration as the case may be to leave a true certified copy thereof at the offices of the Landlord and to the intent that the same may be registered within thirty days of the disposition and to pay to them a reasonable charge being not less than thirty five pounds (£35.00) for each such registration.
- 3.1.41 It is hereby declared that each of the aforesaid covenants shall remain in full force both at law and in equity notwithstanding that the Landlord shall have waived or released temporarily or permanently revocably or irrevocably or otherwise howsoever a similar covenant or similar covenants affecting other adjoining or neighbouring premises for the time being belonging to the Landlord.

Pre-emption Provisions

- 3.1.42 Subject to Clause 3.1.46, during the Pre-Emption Period the Leaseholder shall not assign the whole of the Property otherwise than as permitted pursuant to the provisions of Clause 3.1.43 and Clause 3.1.44.
- 3.1.43 If the Leaseholder wishes to assign the whole of the Property during the Pre-Emption Period he shall first serve written notice on the Landlord (such notice to be accompanied with a Valuer's Certificate dated no earlier than 8 weeks before the notice) offering a surrender of this Lease and within 8 weeks of receipt the Landlord may serve written notice on the Leaseholder:
- (a) declining the offer of a surrender but nominating a purchaser to take an assignment of the whole of the Property, in which case the provisions of Schedule 9 will apply; or
 - (b) stating that the Landlord will accept a surrender of this Lease, in which case the provisions of Schedule 10 (Surrender by Leaseholder (Pre-Emption)) will apply.
- 3.1.44 If the Landlord does not serve a notice under Clause 3.1.43 within the 8 week period specified in Clause 3.1.43 (as to which time shall be of the essence) the Leaseholder may assign [or underlet] the whole of the Property and subject to exchange of contracts (or completion where there is no prior exchange of contracts) for the assignment [or underletting] taking place within 12 months of service of the Leaseholder's notice pursuant to Clause 3.1.43 provided that if no exchange of contracts or completion has taken place within such 12 month period and the Leaseholder wishes to assign [or underlet] the whole

of the Property the procedure set out in Clause 3.1.43 and this Clause 3.1.44 shall be repeated.

- 3.1.45 The Landlord and the Leaseholder shall apply to the Chief Land Registrar to enter a restriction in the following form (Form M) in the proprietorship register of the Leaseholder title:

"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, not being a charge registered before the entry of this restriction, is to be registered without a certificate signed by the proprietor for the time being of the estate registered under title number [specify title number] or their conveyancer that the provisions of 3.1.44 to 3.1.45 of the registered lease have been complied with [or that they do not apply to the disposition]."

- 3.1.46 Where this Lease is assigned:

- (a) under a will or intestacy to a relevant family member;
- (b) under Section 24 or 24A of the Matrimonial Causes Act 1973 or Section 2 of the Inheritance (Provision for Family and Dependants) Act 1975;
- (c) under section 17 of the Matrimonial and Family Proceedings Act 1984 (property adjustment orders or orders for the sale of property after overseas divorce, etc);
- (d) under paragraph 1 of Schedule 1 to the Children Act 1989 (orders for financial relief against parents); or
- (e) under 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);

and subject to the relevant assignee having been a resident of the Property for over one year, the provisions of Clause 3.1.43 to Clause 3.1.44 will not apply Provided That any person that becomes the tenant of the Property pursuant to this Clause shall not themselves be entitled to the benefit of this Clause on any further assignment of this Lease

4. **LANDLORD'S COVENANTS**

- 4.1 The Landlord hereby covenants with the Leaseholder as follows:

Quiet Enjoyment

- 4.1.1 Subject to the Leaseholder paying the rents and the Service Charge herein reserved and performing and observing the several covenants on his part and the conditions herein contained shall peaceably hold and enjoy the Property during the Term without any interruption by the Landlord or any person rightfully claiming under or in trust for it.

Improvements

- 4.1.2 Subject to the payment by the Leaseholder of the rents and the Service Charge and provided that the Leaseholder has complied with all the covenants agreements and obligations on his part to be performed and observed to maintain repair redecorate renew amend clean repoint and paint as applicable and at the Landlord's absolute discretion to improve:

- (a) the frame and structure of the Building and in particular but without prejudice to the generality hereof the roofs foundations external and internal walls (but not the interior faces of such part of the external or internal walls as bound the Property or the rooms therein) and the window frames and timbers (including the timbers

joists and beams of the floors and ceilings thereof) chimney stacks gutters and rainwater and soil pipes thereof.

- (b) the sewers drains channels watercourses gas and water pipes electric cables and wires and supply lines in under and upon the Building.
- (c) the boilers and heating and hot water apparatus (if any) in the Building or elsewhere save and except such (if any) heating apparatus as may be now or hereafter installed in the Property serving exclusively the Property and not comprising part of a general heating system serving the entire Building.
- (d) the passenger lifts lift shafts and machinery (if any) enjoyed or used by the Leaseholder in common with others
- (e) the boundary walls and fences of and in the curtilage of the Building and not being part of the Property

Repairs

4.1.3 The Landlord shall repair

- (a) all structural parts of the Property including the roof space foundations main timbers and joists and concrete floors thereof
- (b) all walls bounding the Property
- (c) any conduits within the Building of which the Property forms part and which do not exclusively serve the Property
- (d) external parts of the Property including the windows, window frames, doors, door frames and roof
- (e) [the energy system and ventilation in the Property depending on the Building and heating design system]
- (f) the heat exchanger in the Property
- (g) all fixtures and fittings in or about the Property (other than Leaseholder's fittings)

PROVIDED that the Landlord shall not be liable to the Leaseholder for any defect or want of repair hereinbefore mentioned unless the Landlord has had notice thereof and the Landlord shall not be liable for the failure or interruption not attributable to its neglect or default and can add to, diminish modify or alter any services if reasonably necessary or desirable in the interest of good estate management or for the benefit of occupiers of the Building due to any change in circumstances

4.1.4 The Landlord shall redecorate externally the Property and Building of which it forms part in accordance with the Landlord's cyclical external repainting programme in a good and workmanlike manner with good quality materials to the reasonable satisfaction of the Leaseholder

4.1.5 In so far as practicable to keep lighted the passages landings staircases and other parts of the Building enjoyed or used by the Leaseholder in common with others and forecourts roadways pathways (if any) used in common with the Building or adjoining or adjacent thereto being the property of the Landlord

4.1.6 Provided only that the amenities hereinafter in this sub-clause mentioned are in operation in the Building at the date hereof but not otherwise and subject to the provisions of Clause 5.8 hereof at all times during the Term to supply hot water and heating for domestic

purposes to the Property by means of the boiler and heating installations serving the Building.

Insurance

- 4.1.7 That the Landlord will at all times during the Term (unless such insurance shall be vitiated by any act neglect default or omission of the Leaseholder) insure and keep insured the Building of which the Property forms part against loss or damage by fire and full comprehensive risks including subsidence and other proper risks as the Landlord shall deem desirable or expedient (but not the contents of the Property) in an insurance office of repute in the full reinstatement value thereof and in case of destruction or damage by any of the insured risks (unless the insurance monies become or shall have become irrecoverable through any act or default of the Leaseholder) will with all reasonable speed cause all monies received in respect of such insurance (other than in respect of fees) to be forthwith paid out in reinstating the same.
- 4.1.8 For the purposes of these Presents the expression "the full reinstatement value" shall mean the costs which would be likely to be incurred (including fees) in reinstating the Property in accordance with the requirements of these Presents at the time when such reinstatement is likely to take place and shall be determined in the first instance by the Landlord but shall be in such greater amount as the Leaseholder may require.
- 4.1.9 As often as the Property or the Building or any part thereof shall be destroyed or damaged as aforesaid to rebuild and reinstate the same.
- 4.1.10 If the whole or any part of the Property (or the common parts necessary for access to it) are 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 Property (and the common parts necessary for access) are again fit for use.

AND IT IS HEREBY AGREED that any monies received in respect of such insurance shall be applied in so rebuilding or reinstating in accordance with the then existing bye-laws regulations and planning or development schemes of any competent authority then effecting the same and if the monies received under such policy or policies of insurance shall be insufficient for the full and proper rebuilding and reinstating to make up any deficiency out of its own monies but without prejudice to the Leaseholder's liability to pay or contribute to the costs thereof as hereinbefore provided in the event of the insurance monies being wholly or partially irrecoverable by reason of any act or default of The Leaseholder

- 4.1.11 To effect insurance against the liability of the Landlord to third parties and against such other risks and in such amount as the Landlord shall think fit (but not against the liability of individual Leaseholders as occupiers of other premises in the Building)

Lettings of other premises

- 4.1.12 That every lease for a fixed term of not less than one year of other premises in the Building which the Landlord shall demise shall grant and except and reserve such rights and contain such covenants by the Landlord as are herein described and also shall contain covenants by the Leaseholder in the terms of the covenants contained in Clause 3 hereof

Enforce covenants in other leases

- 4.1.13 That (if so reasonably required by the Leaseholder or any mortgagee of the Leaseholder) the Landlord will enforce the covenants similar to those contained in Clause 3 hereof entered into or to be entered into by the purchaser or leaseholders of other premises in the Building PROVIDED THAT the Landlord shall not be required to incur any legal or other costs under this sub-clause unless and until such security as the Landlord in its reasonably

exercised discretion may require shall have been given by the Leaseholder or mortgagee requesting such enforcement

Pre-emption Obligations

4.1.14 To promptly in response to a request from the Leaseholder provide a certificate confirming where applicable that for the purposes of the restriction contained in Clause 3.1.45 have either been complied with or do not apply to the disposition.

5. PROVISOS

Re-entry

5.1 **IT IS HEREBY AGREED AND DECLARED** that if the Leaseholder shall not perform or observe all the covenants and provisions hereby on the part of the Leaseholder to be performed or observed then it shall be lawful for the Landlord or any person or persons duly authorised by the Landlord in that behalf to re-enter into or upon the Property or any part thereof in the name of the whole and to repossess and enjoy the same as if this Lease had not been made but without prejudice to any right of action or remedy of the Landlord in respect of any antecedent breach of any of the covenants by the Leaseholder herein contained provided that the Landlord will return the Acquired Percentage to the Leaseholder and provided that the Landlord has complied with the relevant statutory requirements to re-enter the Property.

5.2 Subject to the Landlord obtaining any court order required the Landlord may re-enter the Property or any part and terminate this Lease pursuant to Clause 5.1.

5.3 For the avoidance of doubt, the Landlord will not re-enter the Property on the basis that:

5.3.1 the Specified Rent remains unpaid at least 8 weeks following when the Specified Rent fell due; or

5.3.2 if any Specified Rent is in arrears on the date the court proceedings have begun and the Leaseholder has persistently delayed paying the Specified Rent

5.4 Clause 5.1 does not affect any right of action or remedy of the Landlord in respect of any earlier breach of any of the Leaseholder's covenants or the conditions contained in this Lease provided that (without prejudice to the Landlord's rights under this Lease):

5.4.1 The Landlord shall give notice to the Mortgagee or any mortgagee of the Leaseholder of whom the Landlord has received notice pursuant to Clause 3.1.40 (as the case may be) before commencing any proceedings for forfeiture of this Lease or proceedings for possession of the Property; and

5.4.2 If within a period of 28 days (or within such other period specified in the Landlord's notice as the notice period, if longer) the Mortgagee or such mortgagee of the Leaseholder of whom the Landlord has received notice (as the case may be) indicates in writing to the Landlord that it wishes to remedy such breach, and/or is going to take such action as may be necessary to resolve the problem complained of by the Landlord, the Landlord shall allow 28 days (or such longer time as may be reasonable in view of the nature and extent of the breach) to remedy such breach and take the action necessary to resolve such problem.

Frustration

5.5 Subject to Clause 5.4 in the event of the repair, rebuilding or reinstatement of the Property being frustrated by any reason beyond the control of the Landlord the Leaseholder will surrender to the Landlord this Lease in consideration of the Landlord paying to the Leaseholder a sum equal to the Acquired Percentage of any insurance monies received by the Landlord in respect of the Property.

5.6 If at the time of such frustration (i) there is any Loan outstanding to a Mortgagee of the Property and (ii) the Unacquired Percentage is greater than nil then the consideration for such surrender shall be the amount referred to in Clause 5.5 plus the Mortgage Protection Claim (calculated on the basis that paragraph (h) in the definition of "Loss" is the amount referred to in Clause 5.5.

5.7 Any overpayment of insurance monies shall be a debt due from the Leaseholder to the Landlord and shall be payable on demand.

Limitation of Landlord's Liabilities

5.8 Notwithstanding anything herein contained the Landlord shall be under no greater liability either to parties hereto or to strangers to this contract who may be permitted to enter or use the Building for accidents happening injuries sustained or for loss of or damage to goods or chattels in the Building or in any part thereof arising from the negligence of the Landlord or that of any servant or agent of the Landlord or otherwise than the obligations involved in the common duty of care

5.9 Notwithstanding anything herein contained the Landlord shall not be liable to the Leaseholder nor shall the Leaseholder have any claim against the Landlord in respect of

5.9.1 any interruption in any of the services hereinbefore mentioned by reason of necessary repair or maintenance of any installations or apparatus or damage thereto or destruction thereof by fire water act of God or by reason of mechanical or other defect or breakdown or frost or other inclement conditions or unavoidable shortage of fuel materials water or labour or labour disputes or any act omission or negligence of any caretaker attendant or other servant of the Landlord in or about the performance or purported performance of any duty relating to the provision of the said services or any of them except to the extent that such matters are covered by insurance that may be maintained by the Landlord from time to time

5.9.2 any termination of any of the services hereinbefore mentioned if the Landlord in its reasonably exercised discretion shall decide that such services are no longer reasonably required on the Estate or that they are no longer economically viable

5.10 Subject to Clause 4.1.13 nothing herein contained shall confer on the Leaseholder any right to the benefit of or to enforce any covenant or agreement contained in any lease or other instrument relating to any other premises belonging to the Landlord or to limit or affect the right of the Landlord in respect of any other premises belonging to the Landlord to deal with the same now or at any time hereafter in any manner which may be thought fit

Non Waiver

5.11 No demand for or acceptance of rent by the Landlord or its agent with knowledge of a breach of any of the covenants on the part of the Leaseholder contained in these Presents shall be or be deemed to be a waiver wholly or partially of any such breach but any such breach shall be deemed to be a continuing breach of covenant and the Leaseholder shall not be entitled to set up any such demand for or acceptance of rent by the Landlord or its agent as a defence in any action for rent by the Landlord or its agent as a defence in any action for forfeiture or otherwise PROVIDED however that this provision shall have effect in relation only to a demand for or acceptance of rent during such period as may be reasonable for enabling the parties hereto to carry on negotiations for remedying the said breach once the Landlord or its agent has received knowledge thereof

Disputes

5.12 In case of dispute between the Leaseholder and any lessee leaseholder or occupier of any part of the Building not hereby demised or between the Leaseholder and any owner of any adjoining or neighbouring property relating to any part of the Building such dispute shall be referred to the Landlord and the decision of the Landlord (as between the Leaseholder and any other lessee leaseholder or occupier of any part of the Building) shall be final and binding

Notice

- 5.13 For the purpose of service of all notices hereby or by statute authorised to be served the provisions as to service of notices contained in Section 196 of the Law of Property Act 1925 shall be deemed to be incorporated herein. All Notices to be served upon the Landlord shall be sent by Recorded Delivery post and addressed to Lambeth Town Hall, Brixton Hill, London, SW2 1RW (or such other address as may be notified to the Leaseholder from time to time). All Notices served upon the Leaseholder shall be deemed to have been made or delivered if left at the Property or two days after being posted postage prepaid and by first class recorded delivery in an envelope addressed to them at the Property

Registration

- 5.14 The Landlord hereby applies to the Registrar to enter on the Register notice of the Exceptions and Reservations contained in Schedule 3

Mortgage Protection

- 5.15 If a Mortgagee enforces its security in respect of the Loan then (subject to the other provisions of this Clause 5.15 the Mortgagee is entitled to deduct the amount of the Mortgagee Protection Claim from monies that would otherwise be paid to the Landlord as the price for the Final Staircasing. There is no obligation on a Mortgagee to accomplish Final Staircasing.
- 5.16 The deduction under Clause 5.15 is conditional upon the Mortgagee agreeing simultaneously with the deduction under Clause 5.15 that upon such deduction or, if later, promptly upon the Mortgagee recovering the whole of its Loss, the Mortgagee shall assign to the Landlord any guarantees, insurance policies and any other collateral security given to the Mortgagee or secured by the Mortgagee in respect of the Loan together with all other rights to enforce the same and all sums payable under them.
- 5.17 A claim may only be made to the extent:
- 5.17.1 the Mortgagee has made a Loss; and
 - 5.17.2 the Mortgagee has obtained the Landlord's consent to the terms of each and every Loan; and
 - 5.17.3 the disposal of the Leaseholder's interest in the Property was made on an arm's length basis at the best price reasonably obtainable in the market at the time of sale. For the purpose of this Clause 5.17.3 the onus of proof is on the Landlord to show the sale was at an undervalue; and
 - 5.17.4 the Leaseholder has not, prior to any default occurring under the Loan, accomplished Final Staircasing.
- 5.18 When applying for the Landlord's consent under Clause 5.17.2 the Mortgagee must provide full details of the terms of the proposed Loan. The Landlord must respond promptly to any request for consent and give its decision within 28 days. If such consent is given it must be given in writing, and must be retained by the Mortgagee. In addition such consent shall be deemed to be given in the event that the Landlord receives any amounts advanced by the Mortgagee which are applied in protecting, preserving or enforcing its security over this Lease (including any amounts advanced by the Mortgagee and applied in discharging any arrears of rent and/or Service Charge under this Lease).
- 5.19 If the Landlord makes a payment to the Mortgagee or a deduction is made by the Mortgagee the Landlord shall be entitled to claim against the Leaseholder for any such amount together with interest on such sum calculated in accordance with the provisions of Clause 3.1.4.
- 5.20 The Leaseholder hereby authorises:

- 5.20.1 the Landlord to disclose to any Mortgagee of the Leaseholder from time to time personal information relating to the Leaseholder or to the provisions of this Lease (including details of any rent or service charge arrears); and
- 5.20.2 any Mortgagee from time to time of the Leaseholder to disclose to the Landlord such information as the Landlord may request regarding the Leaseholder and the Loan (including details of any arrears).

Party Walls

- 5.21 Every internal wall separating the Property from any other part of the Building shall be a party wall severed medially.

Stamp Duty Certificate as Shared Ownership

- 5.22 For the purposes of paragraph 4 of Schedule 9 of the Finance Act 2003 the Landlord and the Leaseholder confirm that the premium obtainable on the open market for the Property (by reference to which the Premium is calculated) is the Initial Market Value and the minimum rent payable is the Minimum Rent 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 Minimum Rent.

Expert Determination

- 5.23 In this Lease, where any issue is required to be dealt with by, or submitted for the determination of, an independent expert, the following provisions of this Clause 5.23 are to apply but, in case of conflict with other provisions specifically relating to expert determination elsewhere in this Lease, those other provisions are to prevail to the extent of the conflict.
- 5.24 The expert is to be appointed by the parties jointly, or if they cannot or do not agree on the appointment, appointed by whichever of the following is appropriate:
 - 5.24.1 the president from time to time of the Royal Institution of Chartered Surveyors; or
 - 5.24.2 the president from time to time of the Institute of Chartered Accountants in England and Wales
 - 5.24.3 or in either case the duly appointed deputy of the president, or other person authorised by him to make appointments on his behalf.
- 5.25 The person so appointed is to:
 - 5.25.1 act as an expert, and not as an arbitrator; and
 - 5.25.2 must afford the parties the opportunity within such a reasonable time limit as he may stipulate to make representations to him (accompanied by professional valuations, reports or other appropriate evidence in the relevant circumstances) and permit each party to make submissions on the representations of the other.
- 5.26 Neither the Landlord nor the Leaseholder may without the consent of the other disclose to the expert correspondence or other evidence to which the privilege of non-production ("without prejudice") properly attaches.
- 5.27 The fees and expenses of the expert, including the cost of his nomination, are to be borne as the expert may direct (but in the absence of such a direction, by the parties in equal shares), but (unless they otherwise agree) the parties shall bear their own costs with respect to the determination of the issue by the expert.

- 5.28 One party may pay the costs required to be borne by another party if they remain unpaid for more than 21 days after they become due and then recover these and any incidental expenses incurred from the other party on demand.
- 5.29 If the expert refuses to act, becomes incapable of acting or dies, the Landlord or the Leaseholder may request the appointment of another expert in his stead under Clause 5.24.
- 5.30 The determination of the independent expert, except in case of manifest error, is to be binding on the Landlord and the Leaseholder.

IN WITNESS whereof the Landlord has executed and the Leaseholder has signed this instrument as a Deed the day and year first before written

PROPERTY

ALL THAT PROPERTY shown [edged red] on the plan annexed hereto labelled "Floor Plan" (and for the purposes of identification only shown [shaded red] on the attached ["Location Plan"]) and numbered [] on the [] floor of the Building known as [] which for the purposes of identification only is shown [edged blue] on the said "Location Plan" such Property and Building being located on the Landlord's Estate known as [] alongside:

1. the garden area as indicated by [] as shown [] on the Location Plan
2. the fences as indicated by [] as shown [] on the Location Plan

[Note: The property, building and estate description will be determined by reference to the relevant developed property]

SCHEDULE 2

EASEMENTS RIGHTS AND PRIVILEGES

INCLUDED IN THIS DEMISE

1. **Subject** to limit rights of access during the construction period, the full right and liberty for the Leaseholder and all persons authorised by him (in common with all other persons entitled to the like right) at all times by day or night to go pass and repass on foot only over and along the main entrance of the Building and the common passages landings and staircases thereof and to use the passenger lift (if any) therein and the gardens forecourts roadways pathways (if any) in the curtilage thereof for all purposes incidental to the enjoyment of the Property provided nevertheless that the Leaseholder shall not cause or permit the obstruction of any common parts of the Building by furniture or otherwise and shall only gain such access in so far as key fobs and access codes provided by the Landlord allow
2. **[The** right and liberty for the Leaseholder and all persons authorised by him at all times [timeframe] to access the meters in respect of the Property as shown [redacted] in the attached plan
3. **Full** right and liberty for the Leaseholder and all persons authorised by him as aforesaid at all times by day or night to go pass and repass on foot only over the common pathways on the Estate and by motor vehicle over the common roadways on the Estate
4. **The** free and uninterrupted passage and running of water and soil gas, electricity and telecommunications from and to the Property through the sewers drains channels and watercourses cables pipes and wires, mains, electrical rises, aerials and any other conducting media which now are or may at any time during the Term hereby created be in under or passing through the Building or any part thereof
5. **The** right of support and protection for the benefit of the Property as is now enjoyed from the other premises and all other parts of the Building
6. **The** right alongside the right for the Leaseholder's surveyors and workers to enter into and upon any other premises in the Building or any other part of the Building to carry out the covenants for repair on the part of the Leaseholder herein contained or for the purposes of inspection of the Property the Leaseholder making as little disturbance as possible and making good all damage caused thereto
7. **[The** right to use the Shared Facilities within the Estate]

[Note: *The precise nature of the rights required / to be granted will be determined by reference to the relevant developed property]*

SCHEDULE 3

EASEMENTS, RIGHTS AND PRIVILEGES

EXCEPTED AND RESERVED OUT OF THIS DEMISE

1. Unto the Landlord and the Leaseholders of other premises in the Building the easements rights and privileges over and along and through the Property equivalent to those set forth in paragraph 4 and 6 of Schedule 2 hereto and the right for the Landlord and its surveyors or agents with or without workmen and others to enter into the Property for the purpose of inspecting repairing renewing relaying cleansing maintaining and connecting up to any such existing or future sewers drains channels watercourses cables pipes and wires making as little disturbance or damage as possible and making good all damage caused thereto
2. The right at any time hereafter to rebuild alter or change the use of any of the adjoining or neighbouring buildings (but not the Building of which the Property forms part) in any manner whatsoever **TOGETHER WITH** the right to erect further buildings or structures on the Estate and to enlarge the Estate by the addition of further land with or without buildings and in such manner as shall be approved by the Landlord notwithstanding that the access of light or air to or any other easement for the time being appertaining to or enjoyed with the Property or any part thereof may be obstructed or interfered with or that the Leaseholder might otherwise be entitled to object to such rebuilding alteration or user
3. The right of support and protection for the benefit of the other premises and all other parts of the Building as is now enjoyed from the Property demised by this Lease and the right at any time hereafter to install and maintain in or upon the Building television and radio receiving aerials electric entry systems or similar apparatus including self locking doors to the main entrances and passages of the Building
4. The power at its discretion to alter the arrangement of the common parts set forth in paragraph 1 of Schedule 2 hereto, provided that after such alteration the access to and amenities of the Property are not substantially less convenient than before
5. The immediate right of access to the Property in the case of emergency where the Landlord is of the reasonable belief that the Property is the source of damage to the adjoining or neighbouring premises for the time being belonging to the Landlord

[Note: The precise nature of the rights required / to be reserved will be determined by reference to the relevant developed property]

SCHEDULE 4

THE LANDLORD'S EXPENSES AND OUTGOINGS AND OTHER HEADS OF EXPENDITURE IN RESPECT OF WHICH THE LEASEHOLDER IS TO PAY A PROPORTIONATE PART BY WAY OF SERVICE CHARGES

PART 1

AS TO THE BUILDING IN WHICH THE FLAT IS SITUATED All costs charges and expenses incurred or expended or estimated to be incurred or expended by the Landlord (whether in respect of current or future years) in or about the provision of any service or the carrying out of any maintenance repairs renewals reinstatements improvements rebuilding cleansing and decoration to or in relation to the Building and in particular but without prejudice to the generality of the foregoing all such costs charges and expenses in respect of the following:

1. **The** expenses of maintaining repairing lighting redecorating improving and renewing amending cleaning repointing painting the Building and parts thereof and all the items attached to the building apparatus and other things thereto belonging and more particularly described in Clause 4.1 above
2. **The** cost of periodically inspecting maintaining overhauling improving repairing renewing and where necessary replacing the whole of the heating and domestic hot water systems serving the Building and the lifts lift shafts and machinery therein (if any)
3. **The** cost of the gas oil electricity or other fuel required for the boiler or boilers supplying the heating and domestic hot water systems serving the Building the electric current for operating the passenger lifts (if any) and the electric current used for the communal lighting within the Building
4. **The** cost of insuring (including the cost of any inspections or valuations) and keeping insured throughout the Term hereby created the Building (calculated on the basis of the number of bedrooms located in the Building) and all parts thereof and Landlord's fixtures and fittings therein and all the items attached to the Property apparatus and other things thereto belonging against the insured risks described in Clause 4.1.7 hereof and the cost of making good structural defects and also against third party risks and such further or other risks (if any) by way of comprehensive insurance as the Landlord shall determine including two years' loss of rent and architects' and surveyors' fees
5. **Where** a caretaking service is provided the cost of employing maintaining and providing accommodation in the Building or on the Estate or in any neighbouring property of the Landlord for a caretaker or caretakers
6. **The** cost of providing floor covering decorating and lighting the passages landings staircases and other parts of the Building and of keeping the other parts of the Building not otherwise specifically referred to in this Schedule in good repair and condition
7. **All** charges assessments and other outgoings (if any) payable by the Landlord in respect of all parts of the Building
8. **The** reasonable costs incurred by the Landlord in the management of the Building including all fees and costs incurred in respect of the annual certificate of account and of accounts kept and audits made for the purpose thereof such management costs being not less than 10% of the total Service Charge
9. **The** cost of installing maintaining repairing and renewing the television and radio receiving aerials electric systems or similar apparatus (if any) installed or to be installed in or on the said Building and used or capable of being used by the Leaseholder in common as aforesaid

10. **The** cost of taking all steps deemed desirable or expedient by the Landlord for complying with making representations against or otherwise contesting the incidence of the provisions of any legislation or orders or statutory requirements thereunder concerning town planning public health highways streets drainage or other matters relating or alleged to relate to the Building for which the Leaseholder is not directly liable hereunder

PART 2

AS TO THE ESTATE UPON WHICH THE BUILDING IS SITUATED All costs charges and expenses incurred or expended or estimated to be incurred or expended by the Landlord (whether in respect of current or future years) in or about the provision of any service or the carrying out of any maintenance repairs renewals reinstatements improvements rebuilding cleansing and decorations to or in relation to the Estate and in particular but without prejudice to the generality of the foregoing all such costs charges and expenses in respect of the following:

1. **The** reasonable costs incurred by the Landlord in the management of the Estate including all fees and costs incurred in respect of the annual certificate of account and of accounts kept and audits made for the purpose thereof such management costs being not less than 10% of the total Service Charge
2. **The** cost and expense of making repairing maintaining improving rebuilding lighting and cleansing all ways roads pavements sewers drains pipes watercourses party walls party structures party fences walls or other conveniences which may belong to or be used for the Building in common with other premises on the Estate
3. **The** upkeep of the gardens forecourts unadopted roadways and pathways within the curtilage of the Estate
4. **The** cost of installing maintaining repairing and renewing the television and radio receiving aerials (if any) installed or to be installed on the estate and used or capable of being used by the Leaseholder in common as aforesaid
5. **All** charges assessments and other outgoings (if any) payable by the Landlord in respect of all parts of the Estate (other than income)
6. **The** cost of insuring and keeping insured throughout the Term hereby created those parts of the Estate used or capable of being used by the Leaseholder in common as aforesaid and landlord's fixtures and fittings thereon belonging against the insurable risks described in Clause 4.1.7 hereof and also against third party risks and such further or other risks (if any) by way of comprehensive insurance as the Landlord shall determine including loss of rent and architects' and surveyors' fees

[Note: The precise nature of the services will be determined by reference to the relevant developed property]

SCHEDULE 5

TERMS AND PROVISIONS RELATING TO SERVICE CHARGE

1. The amount of the Service Charge shall be ascertained and certified by a certificate (hereinafter called "the **Certificate**") signed by the Landlord annually and as soon after the end of the Landlord's financial year as may be practicable and shall relate to such year in manner hereinafter mentioned
2. A copy of the Certificate for each such financial year shall be supplied by the Landlord to the Leaseholder on written request and without charge to the Leaseholder
3. The Certificate shall contain a summary of the Landlord's expenses and outgoings incurred by the Landlord during the Landlord's financial year to which it relates together with a summary of the relevant details and figures forming the basis of the Service Charge and the Certificate (or a copy thereof duly certified by the person by whom the same was given) shall be conclusive evidence for the purposes hereof of the matters which it purports to certify other than in the case of manifest error
4. The annual amount of the Service Charge payable by the Leaseholder as aforesaid shall be calculated as follows:
 - 4.1 by dividing the aggregate of the said expenses and outgoings incurred by the Landlord in respect of the matters set out in Part 1 of Schedule 4 hereto in the year to which the Certificate relates by the aggregate of the floor area in square metres of all the Propertys (excluding caretaker's accommodation if any) in the Building and then multiplying the resultant amount by the floor area in square metres of the Property (hereinafter called the "**Building Element**")
 - 4.2 by dividing the aggregate of the said expenses and outgoings incurred by the Landlord in respect of the matters set out in Part 2 of Schedule 4 hereto in the year to which the Certificate relates by the aggregate of the floor area in square metres of all dwellings on the estate and then multiplying the resultant amount by the floor area in square metres of the Property (hereinafter called the "**Estate Element**") and
 - 4.3 by adding the Building Element to the Estate Element *[Note: The precise nature of the services, the service charge to be incurred by the Leaseholder for them and the basis of that charge will be determined by reference to the relevant developed property and the Landlord's assessment of the services/service charge that is likely to be charged. The Landlord is currently undertaking such an assessment and these provisions may be revised accordingly. The Landlord recognises that service charge (and affordability) will be important for the Leaseholder going forward.]*
5. The Leaseholder shall if required by the Landlord with every payment of rent reserved hereunder pay to the Landlord such sum in advance on account of the Service Charge as the Landlord shall specify at its reasonably exercised discretion to be a fair and reasonable interim payment on the first day of each month
6. As soon as it is practicable after the signature of the Certificate the Landlord shall furnish to the Leaseholder an account of the Service Charge payable by the Leaseholder for the year in question due credit being given therein for all interim payments made by the Leaseholder in respect of the said year and upon the furnishing of such account showing such adjustment as may be appropriate there shall be paid by the Leaseholder to the Landlord the amount of the Service Charge as aforesaid or any balance found payable or there shall be allowed by the Landlord to the Leaseholder any amount which may have been overpaid by the Leaseholder by way of interim payments as the case may require
7. It is hereby agreed and declared that the Landlord shall not be entitled to re-enter under the provision in that behalf hereinafter contained by reason only of non-payment by the Leaseholder of any such interim payment as aforesaid prior to the signature of the Certificate but nothing in this clause or these Presents contained shall disable the Landlord from maintaining an action against the Leaseholder in respect of non-payment of any such interim payment as aforesaid notwithstanding that the Certificate had not been signed at the time of the proceedings subject nevertheless to proof in such proceedings by the Landlord that the interim payment demanded and unpaid is of a fair and

reasonable amount having regard to this prospective Service Charge ultimately payable by the Leaseholder

8. Provided always and notwithstanding anything herein contained it is agreed and declared as follows:
 - 8.1 That in regard to the commencement of the Term hereby granted the Service Charge shall be duly apportioned in respect of the period from the date on which the first payment of rent shall fall due hereunder to the ensuing 31st March and not in respect of the period from the date of commencement of the Term to such ensuing 31st March
 - 8.2 That the provisions of paragraph 6 hereof shall continue to apply notwithstanding the expiration or sooner determination of the Term hereby granted but only in respect of the period down to such expiration or sooner determination of the Term
9. 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 of such premises by way of contribution to the reserve referred to in Clause 3.1.3 of this Lease and the said contribution shall be calculated accordingly.

SCHEDULE 6

RESTRICTIONS AND REGULATIONS IMPOSED IN

RESPECT OF THE FLAT

1. **The** Leaseholder shall not place leave or cause to be placed or left any refuse or rubbish in any common part of the Building
2. **The** Leaseholder must obtain the Landlord's prior permission to park a caravan boat, trailer or a commercial vehicle (if it is more than 16 feet (4.8 metres) long, or more than 6 foot (1.83 metres) wide, or more than 6 foot 6 inches (2 metres) high) on Estate, or on any part of the Leaseholder's garden or yard
3. **The** Leaseholder shall comply with and be bound by any special regulations made by the Landlord relating to the use of any baggage or cycle room or store garage or parking lot which shall be published by notices affixed therein or handed to the Leaseholder or his agent. Anything left therein shall be at the Leaseholder's entire risk any such user by the Leaseholder shall be a matter for collateral arrangement between the parties shall not be enjoyed as of right other than that conferred by any such arrangement
4. **The** Leaseholder shall ensure that any domestic pet is kept under proper control
5. **Not** to permit or suffer the number of persons occupying the Property to exceed the permitted number so specified in Section 326(3) of the Housing Act 1985
6. **All** further or other rules and regulations made at any time and from time to time by the Landlord in addition to or substitution for the foregoing rules and regulations or any of them which the Landlord may deem necessary or expedient for the safety care or cleanliness of the Building or any part thereof or for securing the comfort and convenience of all Leaseholders in the Building shall be observed **PROVIDED ALWAYS** that no such further or other rules or regulations may be made hereunder which shall subject the Leaseholder to any unusual or unreasonable burden

[Note: The precise nature of the regulations will be determined by reference to the relevant developed property]

SCHEDULE 7

NOT USED

SCHEDULE 8

STAIRCASING PROVISIONS

1.
 - 1.1 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. The provisions of this Schedule shall also be exercisable by any mortgagee of the Leaseholder of whom the Landlord has received proper notice pursuant to Clause 3.1.40.
 - 1.2 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 1.1 (upon which the price of acquisition will be based) within 14 days of receipt of the Leaseholder's notice (or, if later, within 14 days of the Valuer's appointment) and shall notify the Leaseholder of the amount of the Valuer's determination in writing within 7 days of receipt of the said determination.
 - 1.3 At any time within 3 months of the Valuer's determination the Leaseholder may pay for a Portioned Percentage in accordance with the provisions of paragraph 1.4.
 - 1.4 The Leaseholder may pay for a Portioned Percentage by paying to the Landlord a sum equal to that Portioned Percentage of Market Value (as agreed or determined under this Schedule plus any unpaid sums under paragraph 1.5 and as from the date of such payment (a) the Portioned Percentage so acquired shall form part of the Acquired Percentage and (b) the Specified Rent payable under this Lease shall be a sum equal to the Unacquired Percentage of the Gross Rent.
 - 1.5 On completion of the payment for a Portioned Percentage in addition to the sum or the price payable for the Portioned Percentage the Leaseholder shall pay any arrears of rent and any other sums due to the Landlord under this Lease including any unpaid costs under paragraph 3. The Landlord and the Leaseholder shall, save as provided in paragraph 3 pay their own costs and expenses in connection with such payment or purchase.
 - 1.6 Whenever the Leaseholder completes the payment for a Portioned Percentage the Landlord and the Leaseholder shall forthwith execute and deliver to the other (to be attached to the original and counterpart of this Lease) a memorandum substantially in the form set out in Appendix 1 specifying the Portioned Percentage paid for and the Specified Rent then payable.
 - 1.7 If the provisions of this Schedule are exercised by any mortgagee under paragraph 1(a) then provided that the Property are being sold by the mortgagee on an arm's length basis at the best price reasonably obtainable at the time of sale:
 - 1.7.1 the Market Value shall be deemed to be the price at which the Property are being sold by the mortgagee on the assumption that the Unacquired Percentage is nil;
 - 1.7.2 the relevant Portioned Percentage shall be calculated on the basis of that deemed Market Value; and
 - 1.7.3 if so requested by the mortgagee, the Landlord shall co-operate with the mortgagee to ensure that there occurs simultaneously (A) the payment to the Landlord of the relevant Portioned Percentage under paragraph 1(d), (B) delivery by the Landlord to the mortgagee of the memorandum under paragraph 1(f), and (C) completion of the sale of the Property by the mortgagee.
2. Upon payment of the sum referred to in paragraph 1.4 in circumstances where the Acquired Percentage has become 100%:
 - 2.1 the definition of "Acquired Percentage" shall be amended to mean a 100% percentage interest in the Property;
 - 2.2 the Specified Rent shall be reduced to the Minimum Rent; and

- 2.3 the following provisions of this Lease shall no longer have effect:
- 2.3.1 Definition of "Default", "Enforcement Date", "Final Staircasing", "Loss", "Mortgagee Protection Claim", "Payment Sum", "Portioned Percentage", "Pre-emption Period", "Unacquired Percentage", "Valuer" and "Valuer's Certificate";
 - 2.3.2 Clause 3.1.37;
 - 2.3.3 Clauses 3.1.42 to 3.1.46;
 - 2.3.4 Clause 4.1.14;
 - 2.3.5 Clauses 5.15 to 5.20
 - 2.3.6 Schedule 7
 - 2.3.7 this Schedule 8 (except this paragraph 2);
 - 2.3.8 Schedule 9; and
 - 2.3.9 Schedule 10.
3. 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.
4. The parties agree that the decision of the Valuer shall be final and binding on the parties to this Lease.

SCHEDULE 9

ASSIGNMENT OF WHOLE TO NOMINATED PURCHASERS

1. If the Landlord serves notice on the Leaseholder pursuant to Clause 3.1.43(a) the Leaseholder shall as soon as reasonably practicable make an offer to the Landlord's nominee on the terms mentioned in paragraph 2 and paragraph 3.
2. The Leaseholder's offer shall be an unconditional written offer to sell the Property with vacant possession and free from encumbrances (except any which may affect the Property 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.
3. The price at which such offer shall be made shall be the Acquired Percentage of the open market value of the Property with vacant possession assessed as at the date of the Landlord's notice served under the provisions of Clause 3.1.43 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.
4. If an offer is made to the Landlord's nominee pursuant to paragraph 2 and paragraph 3 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 Property subject to exchange of contracts (or completion where there is no prior exchange of contracts) for the assignment taking place within 12 months of the date of the Leaseholder's offer made pursuant to paragraph 2 and paragraph 3 provided that if no exchange of contracts is effected within such 12 month period and the Leaseholder wishes to assign the whole of the Property the procedure set out in Clause 3.1.43 and Clause 3.1.44 shall be repeated.

SCHEDULE 10

SURRENDER BY LEASEHOLDER (PRE-EMPTION)

1. If the Landlord serves notice on the Leaseholder pursuant to Clause 3.1.43(b) 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.
2. 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 rents and other sums due under this Lease.
3. If before the date of surrender of this Lease the Landlord has received notice pursuant to Clause 3.1.40 of a mortgage or charge of this Lease:
 - 3.1 the Landlord shall (and the Leaseholder irrevocably requests and directs the Landlord to do so) pay the Payment Sum less the deductions referred to in paragraph 2 (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;
 - 3.2 the receipt of the said mortgagee or chargee shall absolutely discharge the Landlord from its obligations under this Schedule;
 - 3.3 the Landlord and the Leaseholder agree that completion of the surrender cannot take place until the Payment Sum (or such part as is sufficient to discharge the said mortgage or legal charge) is paid to the mortgagee or chargee to the intent that the security afforded to the mortgagee or chargee by this Lease shall not lapse until the Payment Sum or a sufficient part of it as is necessary to discharge the said mortgage or charge is paid to the mortgagee; and
 - 3.4 if at the time of such surrender under this Schedule 10 (i) there is any Loan outstanding to a Mortgagee of the Property and (ii) the Unacquired Percentage is greater than nil then the consideration for such surrender shall be the Payment Sum plus the Mortgage Protection Claim (calculated on the basis that paragraph (h) in the definition of "Loss" is the Payment Sum.
4. Save as otherwise provided any costs incurred by either party pursuant to the provisions of this Schedule shall be borne by that party.

MEMORANDUM OF STAIRCASING

(Number [●])

Property :
Date of Lease :
Leaseholder :
Landlord :

THIS IS TO RECORD THE FOLLOWING:

On the day of 2[] on the payment of £[●] (the "**Premium**") being [●] % of the Market Value of the Property as assessed by the Valuer on the 2[] the Leaseholder purchased a Portioned Percentage of [●]%.
The total share in the Property now owned by the Leaseholder is [●]%

The Specified Rent (the rent payable) as from the day of 20 (date of payment of the Premium) is £[●] per annum (subject to review).

Signed by the Leaseholder

.....

Signed for and on behalf of the Landlord

.....

KEY INFORMATION FOR SHARED OWNERS

This note is intended as a brief guide for Leaseholders (i.e. shared owners) of the key provisions of the Shared Ownership Lease.

All Leaseholders should carefully consider the terms of this note and the attached lease and discuss any issues that arise with his or her solicitor before entering into the lease.

1. HOW DOES SHARED OWNERSHIP WORK?

Under a shared ownership lease, the Leaseholder buys a 'share' of the property and pays rent on the remaining share of the property (which remains in the ownership of the Landlord).

The Leaseholder can buy further shares in the property (at the market value of those shares at the time of purchase), until he or she owns 100%. Buying further shares is referred to as 'staircasing'.

As the Leaseholder buys further shares, the rent will be reduced proportionately to reflect the fact that the Landlord's interest in the property has reduced.

2. STANDARD LEASE OBLIGATIONS

Although initially the property is not owned outright, the Leaseholder does have the normal responsibilities of a full owner. This means, for example, that the Leaseholder will be obliged to pay 100% of the outgoings relating to the property and to keep the property in good and substantial repair and condition.

The lease also contains other 'standard' obligations on the Leaseholder. For example, the Leaseholder will:

- if applicable, need to contribute towards the costs incurred by the Landlord in providing services (sometimes known as service charges);
- need to seek the Landlord's consent before making certain alterations; and
- comply with regulations relating to the management of the building or the estate of which the property forms part.

3. RENT REVIEW

Upon any staircasing the rent will be reviewed. The reviewed rent will be in line with Unacquired Percentage.

4. DISPOSALS OF OR DEALINGS WITH THE PROPERTY

Subject to the Landlord's Right of First Refusal, referred to in paragraph 5 below, the Leaseholders ability to sell or otherwise dispose of or deal with the property can be summarised as follows:

Assignment or Transfer

If the Leaseholder assigns or transfers the lease before he or she staircases to 100%, the consent of the Landlord must be obtained. Such consent is not required once the Leaseholder has staircased to 100%.

Sub-letting

The Leaseholder is not permitted to sub-let or part with possession of the property in any other way until the Leaseholder staircases to 100% ownership of the property.

5. **LANDLORD'S RIGHT OF FIRST REFUSAL**

There are restrictions on the transfer, assignment and subletting of the Property. The restrictions apply from the date that the lease is granted up to the date that the Leaseholder staircases to 100%.

If the Leaseholder gives the Landlord notice that he or she wishes to sell his or her interest in the lease, the Landlord can require the Leaseholder either to surrender (or hand back) the lease to the Landlord or assign the lease to a person nominated by the Landlord, in both cases the price will be no more than the market value of the Leaseholder's share of the property).

The Landlord's right of first refusal does not apply if the lease is transferred or assigned as a result of the divorce or death of the Leaseholder. It also does not apply after the Leaseholder has staircased to 100% ownership of the property.

6. **MORTGAGEE PROTECTION PROVISIONS**

Loans from banks and building societies to Leaseholders would often require Leaseholders to take out mortgage indemnity insurance or other forms of additional security which would increase the expense to the Leaseholder of acquiring a shared ownership interest in the property. So with the aim of cutting down or avoiding such expense arising (so that mortgage indemnity insurance is not required and encouraging banks and building societies to lend the shared owners), the Landlord agrees that if the Leaseholder defaults the Landlord will compensate the Lender for some part of any loss incurred if the proceeds from the sale of the Leaseholder's share of the property are insufficient. For this reason the Leaseholder's lender will need to obtain the consent of the Landlord to the terms of the Leaseholder's mortgage.

If the Landlord has to cover some of the mortgage debt in this way the Leaseholder will become liable to pay the Landlord back. In such cases the Landlord will be able to pursue the Leaseholder to recover its loss and may also enforce any other security guarantees or insurance that were originally granted to the Lender.

To assist the Landlord and the Lender in operating these compensation provisions, by signing the lease the Leaseholder authorises the Landlord and the Lender to exchange personal information relating to the Leaseholder in relation to various matters, including the terms of the lease, details of any arrears and any loan secured against the property.

7. **IMPORTANT NOTICE REGARDING PAYMENT OF THE RENT AND LEASE OBLIGATIONS**

You need to be aware that if the Leaseholder fails to pay the rent reserved by the Lease and/or fails to observe and perform his or her obligations in the Lease the Landlord may be entitled to terminate the lease (subject to the Landlord obtaining any necessary court order). If the lease is terminated the Leaseholder will lose (and will not be entitled to any compensation for), any shares in the property which he or she had acquired.

8. **VARIATIONS TO THE STANDARD FORM LEASE**

Paragraphs 1 to 7 above summarise the key terms of the standard form Shared Ownership Lease issued by the Homes and Communities Agency.

The Landlord summarises below the terms of the lease that materially depart from the standard form:

- The Landlord's right of first refusal does not apply if the lease is transferred or assigned as a result of the divorce or death of the Leaseholder, but this protection only applies on the first such transfer: after this, no further special protections are available.

EXECUTED (BUT NOT DELIVERED UNTIL)
THE DATE HEREOF) BY)
LAMBETH RPCO LIMITED)
ACTING BY TWO DIRECTORS OR BY)
ONE DIRECTOR AND THE COMPANY)
SECRETARY)

.....
Director

.....
Director/Secretary

SIGNED AS A DEED by the said)
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in the presence of:)
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Witness signature

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Witness name

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Witness address

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Witness occupation