Appendix 1

Development Area Plan
Appendix 2

Draft Building Lease
Dated 2014

(1) THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF SOUTHWARK

(2) NOTTING HILL HOUSING TRUST

Building Lease

relating to premises known as Plot [ ] Aylesbury Estate Southwark


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PARTICULARS

PART 1: LAND Registry PARTICULARS

LR1. Date of lease [2014]

LR2. Title number(s)  

LR2.1 Landlord's title number(s) [ Relevant title numbers to be inserted ]

LR2.2 Other title numbers None

LR3. Parties to this lease  

Landlord The Mayor and Burgesses of the London Borough of Southwark of 160 Tooley Street London SE1 2QH

Tenant Notting Hill Housing Trust (registered number IP16558R) whose registered office is at Bruce Kenrick House 2 Killick Street London N1 9FL

Guarantor None

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.

The premises (referred to in this Lease as "the Premises") known as Plot [ ] Aylesbury Estate shown edged red on Plan 1. The premises include:

(a) all buildings on them and all alterations, improvements and additions made to them during the Term

(b) Conduits serving the premises at any time during the term

(c) one half severed vertically of all party walls dividing the premises from any adjoining premises

LR5. Prescribed statements etc

LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003 [To be confirmed]

2 April 2014 storerm
LR5.2 This lease is made under, or by reference to, provisions of: Not applicable.

LR6. Term for which the Property is leased 125 years from and including the date of [DN: [the date of this Lease] to be inserted]² referred to in this Lease as “the Term Commencement Date”

(This term is referred to in this Lease as “the Contractual Term”)

LR7. Premium A peppercorn

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 None

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 None

LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property The rights specified in clause 3.1.

LR12. Estate rentcharge burdening the Property None

LR13. Application for standard form of restriction None

LR14. Declaration of trust where there is more than one person comprising the Tenant Not applicable

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¹For the first Plot within the First Development Site the term will be from the grant of the first building lease. Once this date is known this should be inserted in the agreed form of lease. For any subsequent plots the term will be from this date.

bir_prop2|32223392
2 April 2014 storem
THIS LEASE is made on the date set out in clause LR1 of the Land Registry Particulars

BETWEEN

(1) the Landlord; and
(2) the Tenant.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 In this Lease, the following words and expressions have the following meanings:

"Archaeological Finds" all fossils, coins, articles of value or antiquity and structures or other remains or things of prehistoric, geological or archaeological interest

"Authorised Use" the use of the Premises described in clause 8.1

"Business Plan" has the meaning given in the Development Partnership Agreement

"Contracted-out Tenancy" a tenancy:

(a) that contains an agreement between the landlord and the tenant excluding the operation of sections 24 to 28 Landlord and Tenant Act 1954 in relation to it; and

(b) in respect of which the landlord and the tenant have taken all steps required under Part II of the Landlord and Tenant Act 1954 and The Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 before the grant of the tenancy or, if earlier, the exchange of any contract to grant the tenancy, to ensure that the agreement referred to in paragraph (a) is not void

"Deeds and Documents" the deeds and documents listed in Part 2 of Schedule 1

"Developer" has the meaning given to it in the Development Partnership Agreement

"Developer's Principal Agent" has the meaning given to it in the Development Partnership Agreement

"Development" the mixed tenure residential led redevelopment of the Premises in accordance with the Satisfactory Planning Permission and the Plot Implementation Plan and the Development...
Partnership Agreement

"Development Partnership Agreement" the development partnership agreement in respect of the Premises and other land dated [ ] 2013 and made between (1) the Landlord (2) the Tenant

"Developer Partner" has the meaning given to it in the Development Partnership Agreement

"Development Works" the Development Works (within the meaning given to the term in the Development Partnership Agreement) to be undertaken at the Premises

"Event of Default" has the meaning given in the Development Partnership Agreement

"Interest Rate" the base lending rate from time to time of National Westminster Bank PLC or such comparable rate of interest as the Landlord may reasonably determine

"Interim Uses" such interim uses as are expressly permitted in writing by the Landlord pursuant to the Development Partnership Agreement

"Interim Use Underlease" the form of underlease to be entered into between the Tenant and the third party appointed to provide the Interim Uses only

"Investor" an "Investor" as defined by the Development Partnership Agreement

"Plan 1" the plan annexed hereto marked 'Plan 1'

"Plot Implementation Plan" the Plot Implementation Plan for the Premises annexed as Annexure [ ]

"Registered Title Matters" the rights granted and reserved and the covenants and other matters contained in the entries on the title numbers (as at the dates) specified in Part 1 of Schedule 1, copies of which are attached to this Lease

"Rents" the rents reserved and payable under clause 4.1

"Satisfactory Planning Permission" the planning permission[s] dated [ ] authorising the Development at the Premises reference number[s] [DN: to be inserted]

"Term" the Contractual Term

"VAT" value added tax
means Monday to Friday excluding public holidays and the period between 24th December and 2nd January

1.2 In this Lease:

1.2.1 unless otherwise indicated, references to clauses and the Schedule are to clauses of and the Schedule to this Lease;

1.2.2 references to any statute or other legislation include references to any subsequent statute or legislation directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute or legislation and to all orders, by-laws, directions and notices made or served under them;

1.2.3 references to the Landlord and the Tenant include their respective successors in title and, in the case of individuals, include their personal representatives;

1.2.4 the Landlord's obligations in this Lease do not bind the Landlord named in the Particulars after it has disposed of its interest in the Premises and it will not be liable for any breach of the Landlord's obligations in this Lease arising after the date of that disposal;

1.2.5 references to the Premises include any part of them unless specific reference is made to the whole of them;

1.2.6 references to adjoining premises include any premises adjoining or near to the Premises and references to adjoining premises owned by the Landlord include any adjoining premises owned by the Landlord at any time during the Term;

1.2.7 references to this Lease include any deed or document which is supplemental to, varies or is ancillary to this Lease from time to time;

1.2.8 references to the end of the "Term" include the determination of the Term before the end of the Contractual Term;

1.2.9 "Including" means "including, without limitation";

1.2.10 "Indemnify" means to indemnify against all actions, claims, demands and proceedings taken or made against the person receiving the indemnity and all reasonable and proper costs, damages, expenses, liabilities and losses incurred by the person receiving the indemnity;

1.2.11 references to the Tenant include, and the Tenant's covenants bind, any undertenant or other person in occupation of the Premises or deriving title under the Tenant, their successors in title, and any other person under the Tenant's or their control including employees, agents, workmen and invitees;

1.2.12 any covenant by the Tenant not to do any act or thing includes a covenant not to permit or allow the doing of that act or thing;

1.2.13 where two or more people form a party to this Lease, the obligations they undertake may be enforced against them all jointly or against each of them individually;
1.2.14 If any provision is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder of this Lease is to be unaffected; and

1.2.15 Defined terms in clause 11.1 shall have the meanings given them in the Development Partnership Agreement unless otherwise defined in this Lease.

1.3 The Particulars form part of this Lease and words and expressions set out in the Particulars are to be treated as defined terms in this Lease.

1.4 The parties to this Lease do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

1.5 This Lease is a “new tenancy” for the purposes of section 1 Landlord and Tenant (Covenants) Act 1995.

2. LETTING, TERM AND TERMINATION

2.1 In consideration of the Premium, which the Landlord has received, the Landlord lets the Premises to the Tenant for the Contractual Term.

2.2 The Tenant may quietly enjoy the Premises throughout the Term without any interruption by the Landlord or anyone lawfully claiming under or in trust for the Landlord.

2.3 The Landlord may enter onto the whole or any part of the Premises and by so doing end this Lease if the Tenant materially breaches any of its obligations in this Lease or the Plot Implementation Plan or where an Event of Default has occurred and the Development Partnership Agreement has been terminated in relation to the Premises.

2.4 Without prejudice to clause 2.5 the Landlord will not exercise its right under clause 2.3 unless and until it has:

2.4.1 given written notice to the Tenant of its intention to do so together with details of the breach complained of; and

2.4.2 given the Tenant a reasonable period of time (being no less than 20 Working Days) in which to remedy the breach and the breach has not been remedied in such period.

2.5 If the Landlord has received written notice of any charge, debenture, mortgage or any other security granted over the Premises by the Tenant it will not exercise its rights under clause 2.3 unless and until it has:

2.5.1 given written notice to the holder of that security of its intention to do so together with details of the breach complained of; and

2.5.2 given the holder of that security a reasonable period of time in which to remedy the breach after the Tenant has failed to do so and the breach has not been remedied in such period.

2.6 If either the Tenant or the holder of any security (as contemplated by clause 2.5) disputes whether or not there is any breach and/or whether it is material and/or whether the period to remedy is reasonable it then the Tenant or the
holder of the security must give notice to the Council of such breach (time being of the essence) to the Landlord within 10 Working Days of the Landlord’s notice at clause 2.4.1 and where such notice has been served the matter in dispute may be referred by the Tenant or the holder of any security for determination pursuant to and in accordance with the clause 14 of Development Partnership Agreement.

2.7 When this Lease ends it will be without prejudice to any outstanding claims between the Landlord and the Tenant.

3. RESERVATIONS

3.1 The following rights are reserved out of the letting for the benefit of the Landlord and any other person having express or implied authority from the Landlord to benefit from them:

3.1.1 A right to enter and remain upon so much as is necessary of the Premises on not less than 48 hours’ prior notice (except in case of emergency) with or without workmen, plant and equipment:

3.1.1.1 to ascertain whether the Tenant has complied with the Tenant’s obligations under this Lease;

3.1.1.2 to carry out any works which the Tenant should have carried out in accordance with the Tenant’s obligations under this Lease;

3.1.1.3 to install new conduits within the Premises and connect to them for the passage and transmission of utilities to and from adjoining premises;

3.1.1.4 to connect to and use any conduits within or passing through the Premises for the passage or transmission of utilities to and from any adjoining Premises;

3.1.1.5 to erect scaffolding outside the Premises in connection with the rights reserved in this clause 3 and any works to be carried out pursuant to those rights subject to the Landlord ensuring that the scaffolding does not materially prevent access to the Premises nor, so far as reasonably practicable having regard to the nature of scaffolding, materially interfere with the Tenant’s use and enjoyment of the Premises.

3.2 The Tenant is to permit the exercise of the rights reserved in clause 3.1 and is not to obstruct or prevent these rights being exercised in accordance with the terms of this Lease.

3.3 The letting is made subject to and with the benefit of the Registered Title Matters so far as they are still subsisting capable of taking effect and affect the Premises and the Deeds and Documents.

3.4 So far as they are still subsisting, capable of taking effect and affect the Premises, the Tenant is to comply with the title matters set out in clause 3.3 and is to indemnify the Landlord against any breach of them occurring after the date hereof.
3.5 The letting is made subject to all rights of light and air and all other legal or equitable easements and rights belonging to or enjoyed by any other property.

3.6 This Lease does not confer upon the Tenant or the Landlord any rights or privileges over any other property except as expressly set out in this Lease and any rights implied by section 62 Law of Property Act 1925 or the rule in *Wheeldon v Burrows* are expressly excluded.

4. RENTS PAYABLE

4.1 The Tenant is to pay to the Landlord during the Term the annual rent of a peppercorn on each anniversary of the Term Commencement Date (if demanded).

4.2 All sums payable under this Lease are exclusive of VAT. Where, under the terms of this Lease, a supply is made that is subject to VAT, the person receiving the supply is to pay the VAT to the person making the supply and a valid VAT invoice is to be issued by the person making the supply.

4.3 If the Tenant does not pay any sums due to the Landlord under this Lease, within fourteen days of the due date for payment the Tenant is to pay interest on those sums, both after as well as before judgment, at 3% per annum above the Interest Rate for the period from and including the due date for payment to and including the date of actual payment.

5. INSURANCE

The Tenant is to from the date of this Lease comply (or procure the compliance of) the insurance requirements at clause 10 of the Development Partnership Agreement so far as they relate to the Premises.

6. COSTS AND OUTGOINGS

6.1 The Tenant is to pay all outgoings of whatever nature in relation to the Premises including business rates and utilities costs (including standing charges and taxes payable on utility costs). This obligation does not require the Tenant to pay any such outgoings arising from any valuation of or dealing by the Landlord with its interest in the Premises or to income or corporation tax payable by the Landlord on any sums due under this Lease.

6.2 The Tenant is to pay to the Landlord on demand the proper costs and expenses of the Landlord’s solicitors, surveyors and other professional advisors and bailiff’s fees and commissions including any irrecoverable VAT arising from any application made by the Tenant for the Landlord’s consent for or approval of any matter under this Lease whether or not consent or approval is given (unless the Landlord acts unreasonably in withholding that consent or approval (or by attaching conditions) where the Landlord is required by this Lease or otherwise to act reasonably) or the application is withdrawn;

6.3 The Tenant is to indemnify the Landlord in respect of direct losses arising from:

   6.3.1 any damage to or destruction of the Premises;
   6.3.2 any injury to or death of any person;
   6.3.3 damage to any property;

storerm
6.3.4 the infringement, disturbance or destruction of any rights or easements; or

6.3.5 other matters arising from the state of repair and condition of the Premises resulting from any negligence of the Tenant or breach of the Tenant’s covenants in this Lease.

7. MAINTENANCE UNTIL COMPLETION

7.1 Subject to clause 7.5 the Tenant is to:

7.1.1 keep any parts of the Premises that are not built on clean and tidy and free from weeds with any landscaped areas planted and well tended and any parking spaces, roads, pavements and service areas properly surfaced; and

7.1.2 erect and maintain fences along the boundary of the Premises and ensure that the Premises are secure against unauthorised entry.

7.2 Following the service of any notice, whether by the Landlord or any public authority, the Tenant is to carry out any repairs or other works to the Premises required by that notice within the period specified in the notice or, if no period is specified, within a reasonable period after the receipt of the notice. The Landlord may serve notice under this clause 7.2 only to specify repairs or other works that are required to remedy any breach by the Tenant of its obligations under this Lease and any period specified must be reasonable in all the circumstances.

7.3 If the Tenant does not comply with clause 7.2, the Tenant is to permit the Landlord to enter and remain upon the Premises with or without workmen, plant and materials to carry out the repairs or other works required. The costs incurred by the Landlord in carrying out the repairs or other works are to be paid by the Tenant to the Landlord on demand as a debt and not as rent together with interest on those costs at 3% per annum above the Interest Rate calculated from and including the date on which the Landlord incurred them to and including the date on which they are paid.

7.4 The Tenant is to take any action that the Landlord may properly and reasonably require in respect of any defects in the Premises which might give rise to a duty or liability on the part of the Landlord under the Defective Premises Act 1972, any other statutory provision or at common law.

7.5 The provisions of clause 7 shall not prevent the Tenant from redeveloping the Premises, including, where relevant, undertaking works of demolition, removal or partial demolition and the provisions of clause 7 shall apply to the Premises as redeveloped.

7.6 Until completion of the Development Works, the Tenant must keep and maintain the Premises and all parts of the Development Works at the Premises in a neat and tidy condition so far as may be reasonable and prevent so far as may be reasonably practicable any matters or things which may be unnecessarily unsightly or offensive visually or otherwise.

7.7 Archaeological Finds discovered at the Premises during the Development shall be the property of the Landlord and the Tenant must:
7.7.1 not conceal, remove or damage or permit to be concealed, removed or damaged any Archaeological Finds;

7.7.2 promptly on discovery of any Archaeological Finds notify the Landlord (or other local archaeology authority);

7.7.3 allow (upon such reasonable terms as may be agreed with the Tenant) officers and agents of the Landlord (or other local archaeology authority) with or without workmen and plant to enter the Premises for the purpose of appraising, recording and removing the Archaeological Finds;

7.7.4 reimburse to the Landlord (or other local archaeology authority) or to any third party authorised by either of them costs incurred in the emergency recording of any significant Archaeological Find made during the carrying out of the Development Works.

7.8 Subject to the Tenant obtaining all necessary consents, the Tenant is not to not to cut down or top any trees on the Premises without the consent in writing of the Landlord (which is not to be unreasonably withheld or delayed) which if granted may be subject to such conditions as the Landlord may reasonably require.

7.9 The Tenant may use for the purpose of the Development any substances which may be excavated in the proper execution of such works without making any payment for such substances to the Landlord or to any person) Provided Always that where such earth, clay, gravel or sand is not required by the Tenant for the purposes of the Development the Tenant must not sell or dispose of such earth, clay, gravel or sand or permit or suffer any of the same to be removed from the Premises without the prior approval of the Landlord (which is not to be unreasonably withheld or delayed) and such payments received by the Tenant on its disposal shall be paid to the Landlord.

8. USE OF THE PREMISES

8.1 The Tenant is not to use the Premises other than for the Development in order to carry out the Development Works or for In Interim Uses or (subject to the proviso to clause 8.4) for such other use as the Landlord may approve (such approval not to be unreasonably withheld or delayed).

8.2 The Tenant is not to use the Premises:

8.2.1 for any illegal or immoral purpose or any lewd, obscene or pornographic nature or any activity which in the reasonable opinion of the Landlord is of such nature; or

8.2.2 in a manner which creates a legal nuisance, physical damage or annoyance to the Landlord or any tenants or occupiers of any adjoining premises.

8.3 The Tenant is not to allow any hazardous or contaminative materials to escape into the ground or any watercourse whether or not they form part of the Premises.

8.4 The Landlord gives no warranty to the Tenant that the Authorised Use is or will remain a lawful or permitted use for the Premises under planning legislation.
9. ASSIGNMENT, UNDERLETTING AND CHARGING

9.1 The Tenant is not to assign, underlet, part with possession or share occupation of the whole or any part of the Premises, hold the whole or any part of the Premises on trust for any other person or enter into any agreement to do so except and to the extent that it is expressly permitted to do so by the terms of this Lease.

9.2 The Tenant may assign the whole of the Premises to an Investor only.

9.3 The Tenant is not to underlet save in accordance with clause 10.

9.4 The Tenant is not to create any charge, whether legal or equitable, over the Premises without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

9.5 The Tenant may share occupation and/or hold this Lease on trust for the Developer's Principal Agent and Developer Partner and any of its or their contractors.

9.6 Within one month after any assignment, charge or assent of the Premises and the grant, assignment or charging of any underlease, however remote, the Tenant is to give written notice to the Landlord of the disposition together with certified copies of all the documents giving effect to it and is to pay to the Landlord a proper and reasonable registration fee being not less than £35.

9.7 Pursuant to the Tenant's obligations under section 40 Landlord and Tenant Act 1954, following a written request from the Landlord the Tenant is to supply written details to the Landlord of:

9.7.1 the full names and addresses of any occupier in occupation of the Premises to carry out an Interim Use or otherwise; and

9.7.2 the business carried on by the occupier or occupiers at the Premises to the extent that such information is in the possession of the Tenant (or can be properly obtained by the Tenant) and its supply would not breach any legal requirement upon the Tenant.

10. INTERIM USE UNDERLEASE

10.1 The Tenant is not to grant any underlease save as an Interim Use Underlease to a person appointed to provide Interim Uses.

10.2 Any Interim Use Underlease is (unless otherwise agreed by the Landlord) is to accord with the heads of terms for such leases as set out in the business plan annexed to the Development Partnership Agreement and is otherwise to be in a form approved by the Landlord (acting reasonably).

10.3 The Tenant is not to make any material changes to any Interim Use Underlease(s) without the Landlord's written consent.

10.4 The Interim Use Underlease is to be a Contracted-Out Tenancy and before the grant of any Interim Use Underlease or entering into any contractual obligation to grant an Interim Use Underlease, the Tenant and the undertenant are to comply with the requirements Part II Landlord and Tenant Act 1954 and Schedules 1 and 2 to The Regulatory Reform (Business Tenancies)(England and
Wales) Order 2003 to ensure that sections 24 to 28 Landlord and Tenant Act 1954 will be excluded from the Interim Use Underlease.

10.5 On the grant of any Interim Use Underlease the undertenant is to enter into a direct deed of covenant with the Landlord both to comply with the undertenant's covenants in the Interim Use Underlease whilst it remains an undertenant and to procure that any proposed assignee of the Interim Use Underlease enters into a direct deed of covenant with the Landlord on an assignment of the Interim Use Underlease in the same form as this clause 10.5.

10.6 Where an Interim Use Underlease has been granted the Tenant is to perform and observe all of the covenants and obligations of the landlord under the Interim Use Underlease.

11. DEVELOPMENT PARTNERSHIP AGREEMENT OBLIGATIONS

11.1 The Tenant is to comply and perform or procure the compliance with and the performance of the covenants and obligations on the Developer (as defined in the Development Partnership Agreement) in the Development Partnership Agreement and the Plot Implementation Plan as if such terms were set out in full in this Lease so far as such obligations relate to the Premises and are capable of being discharged by undertaking the Development on the Premises including (but not limited to the following) so far as they relate to the Premises:

11.1.1 The obligations, covenants, indemnities and conditions to be complied with by the Developer in the Development Partnership Agreement (including the Business Plan);

11.1.2 The financial provisions (including but not limited the obligation to pay the Overage) contained in schedules 4 and 5 of the Development Partnership Agreement;

11.1.3 The development obligations imposed on the Developer set out at Schedule 13, 14 and 15 of the Development Partnership Agreement and where the Tenant is to carry out demolition works, with Schedule 10 of the Development Partnership Agreement.

11.1.4 The obligation to carry out and complete the Development Works in accordance with:

11.1.4.1 the Milestones and Longstop Dates set out at Schedule 2 of the Development Partnership Agreement;

11.1.4.2 the Minimum Requirements set out at Schedule 3 of the Development Partnership Agreement;

11.1.4.3 the KPIs set out (and as may be amended from time to time) in the Business Plan; and

11.1.4.4 the Plot Implementation Plan

11.1.5 The environmental covenants, indemnities and conditions as set out in schedule 18 of the Development Partnership Agreement;

11.2 The Tenant is to comply with and perform the obligations within the Development Partnership Agreement in relation to Freedom of Information and
Confidentiality (Schedule 21), Anti-Corruption (Schedule 17) and TUPE (Schedule 22).

12. LEGISLATION AND PLANNING

12.1 The Tenant is (where the same are legally binding) to comply with all statutes, other legislation and any notice, order, proposal, requisition, direction or other communication from any public authority in respect of the Premises, their use and occupation or the carrying out of any works to the Premises and indemnify the Landlord against any breach of this obligation.

12.2 If the Tenant receives any notice, order, proposal, requisition, direction or other communication from any public authority or third party affecting or likely to affect the Premises, their use and occupation or the carrying out of any works to the Premises, the Tenant is at its own cost immediately to provide a copy to the Landlord.

13. END OF THE TERM

At the end of the Term or on the earlier termination of this Lease in whole or in part, the Tenant and the Landlord to use reasonable endeavours to assist the other in removing any notice relating to this lease and the rights granted and reserved by it from the title number(s) referred to in clauses LR2.1 and LR2.2 of the Land Registry Particulars, and in closing the leasehold title for the lease at the Land Registry.

14. LAND REGISTRY APPLICATIONS

14.1 As soon as reasonably practicable after the date of this Lease, the Tenant named in the Particulars is to apply to the Land Registry for first registration of the title to this Lease and apply for a note of this Lease to be entered on the title number(s) set out in clause LR2.1 of the Land Registry Particulars. As part of the application, the Tenant is to use all reasonable endeavours to ensure that the Land Registry notes the burden of the rights reserved by clause 3.1 on the leasehold title. On completion of the registration, the Tenant is to provide official copies of the new title to the Landlord showing the Tenant registered as proprietor together with a copy of the title plan.

14.2 The Landlord will not be liable to the Tenant for any failure by the Tenant to register this Lease at the Land Registry or to register or note any of the rights granted or reserved by this Lease at the Land Registry either by notice or by way of caution against first registration, whichever is appropriate.

15. ENFORCEMENT

15.1 This Lease is to be governed by and interpreted in accordance with English law.

15.2 Any notice under this Lease is to be served in writing in accordance with section 196 Law of Property Act 1925.

15.3 The courts of England are to have jurisdiction in relation to any disputes between the parties arising out of or related to this Lease.

16. CONTRACTING OUT

The Landlord and the Tenant agree to exclude the provisions of sections 24 to 28 Landlord and Tenant Act 1954 in relation to the tenancy created by this Lease.
The Tenant confirms that before it became contractually bound to enter into the
tenancy created by this Lease:

16.1.1 the Landlord served on the Tenant a notice ("the Notice") dated
[DATE] in relation to the tenancy created by this Lease in a form
complying with the requirements of Schedule 1 to The Regulatory
Reform (Business Tenancies) (England and Wales) Order 2003;

16.1.2 the Tenant, or a person duly authorised by the Tenant, in relation to
the Notice made [a declaration] [a statutory declaration] ("the
Declaration") dated [DATE] in a form complying with the requirements
of Schedule 2 to The Regulatory Reform (Business Tenancies) (England
and Wales) Order 2003; and

16.1.3 where the Declaration was made by a person other than the Tenant,
the declarant was duly authorised by the Tenant to make the
Declaration on the Tenant's behalf.

17. **BREAK RIGHT**

17.1 The landlord may end this Lease at any time after the date of this Lease by
serving written notice on the Tenant at any time where: (1) the Tenant commits
an Event of Default which is not remedied in accordance with the provisions in
the Development Partnership Agreement; or (2) there is a material breach of the
Tenant's Covenants in this Lease or the requirements of the Plot Implementation
Plan.

17.2 If the Landlord has received written notice of any charge, debenture, mortgage
or any other security granted over the Premises by the Tenant it will not exercise
its rights under clause 17.1 unless and until it has:

17.2.1 given written notice to the holder of that security of its intention to do
so together with details of the breach complained of; and

17.2.2 given the holder of that security a reasonable period of time in which
to remedy the breach and the breach has not been remedied in such
period.

17.3 Where the requirements for completion of a Sub-Plot Lease or Plot Lease have
been achieved in accordance with [paragraph 1.5 of Schedule 12] of the
Development Partnership Agreement either the Landlord or the Tenant may
terminate this Building Lease so far as it relates to such part of the Premises by
serving written notice including a plan of the land that is to be subject to the
grant of the relevant Sub-Plot Lease or Plot Lease ("the Relevant Plot") and to be
removed from the demise of this Building Lease and this Lease is to terminate
for such Relevant Plot on the Completion Date (as defined in the Development
Partnership Agreement) for the Relevant Plot and the Completion Date shall be
the break date for the Relevant Plot ("the Break Date").

17.4 So far as they relate to the Relevant Plot the Landlord and Tenant respectively
release each other from the terms of this Lease and from all liability in respect of
any breach of this Lease whether arising before, on or after the Break Date.

17.5 Where the Lease is terminated for a Relevant Plot, this Lease continues to apply
to the Premises excluding the Relevant Plot and any other Relevant Plot in
respect of which the Break Date has occurred previously ("the Retained
Premises").
17.6 Any termination of this Lease pursuant to clause 17.3 does not release any party to it from any breaches of the terms of this Lease in respect of the Retained Premises existing at the relevant Break Date.

17.7 Any termination does not create a surrender and re-grant of the Lease.

17.8 When this Lease ends or is determined as to any part of the Premises it will be without prejudice to any outstanding claims between the Landlord and the Tenant.

18. EXECUTION

The parties have executed this Lease as a deed and it is delivered on the date set out in clause LRI of the Land Registry Particulars.
SCHEDULE 1

Part 1: Registered Title Matters

[Registered Titles for the relevant phase to be inserted]

Part 2: Deeds and Documents

<table>
<thead>
<tr>
<th>Date</th>
<th>Document</th>
<th>Parties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
EXECUTED as a deed by affixing
the common seal of
The Mayor and Burgesses of the London
Borough of Southwark

In the presence of:

Authorised Signatory

SIGNED as a deed by
Notting Hill Housing Trust
acting by a director and its secretary
or two directors

Director

Director / Secretary
Appendix 3

Draft Plot/ Sub-Plot Lease
Dated 2014

(1) THE MAYOR AND THE BURGESSES OF THE LONDON BOROUGH OF SOUTHWARK

(2) NOTTING HILL HOUSING TRUST

[Sub-Plot /Plot] Lease

relating to premises known as [Plot] [Sub Plot] Aylesbury Estate
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### Schedules

1. Part 2: Deeds and Documents .............................................. 21
PARTICULARS

PART 1: LAND REGISTRY PARTICULARS

LR1. Date of lease

LR2. Title number(s)

LR2.1 Landlord’s title number(s) [Relevant title numbers to be inserted]

LR2.2 Other title numbers None

LR3. Parties to this lease

Landlord

The Mayor and Burgesses of the London Borough of Southwark of 160 Tooley Street London SE1 2QH

Tenant

Notting Hill Housing Trust (registered number IP16558R) whose registered office is at Bruce Kenrick House 2 Killick Street London N1 9FL

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.

The premises (referred to in this Lease as “the Premises”) known as [Sub-Plot [Plot] [ ]] Aylesbury Estate shown edged red on Plan 1. The Premises include:

(a) all buildings on them and all alterations, improvements and additions made to them during the Term

(b) Conduits serving the premises at any time during the term

(c) one half severed vertically of all party walls dividing the Premises from any adjoining premises

LR5. Prescribed statements etc

LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003

[NHHT to confirm]
<table>
<thead>
<tr>
<th>LR5.2</th>
<th>This lease is made under, or by reference to, provisions of:</th>
<th>Not applicable.</th>
</tr>
</thead>
<tbody>
<tr>
<td>LR6.</td>
<td>Term for which the Property is leased</td>
<td>250 years from and including the date [the date of this Lease][DATE](referred to in this Lease as &quot;the Term Commencement Date&quot;) (This term is referred to in this Lease as &quot;the Contractual Term&quot;)</td>
</tr>
<tr>
<td>LR7.</td>
<td>Premium</td>
<td>[Premium to be inserted if Plot Lease] [Pro-rata’d Premium of the relevant Plot to be inserted if Sub-Plot Lease, in accordance with the DPA]</td>
</tr>
<tr>
<td>LR8.</td>
<td>Prohibitions or restrictions on disposing of this lease</td>
<td>This Lease contains a provision that prohibits or restricts dispositions.</td>
</tr>
<tr>
<td>LR9.</td>
<td>Rights of acquisition etc</td>
<td>None</td>
</tr>
<tr>
<td>LR9.1</td>
<td>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</td>
<td>None</td>
</tr>
<tr>
<td>LR9.2</td>
<td>Tenant’s covenant to (or offer to) surrender this lease</td>
<td>None</td>
</tr>
<tr>
<td>LR9.3</td>
<td>Landlord’s contractual rights to acquire this lease</td>
<td>None</td>
</tr>
<tr>
<td>LR10.</td>
<td>Restrictive covenants given in this lease by the Landlord in respect of land other than the Property</td>
<td>None</td>
</tr>
<tr>
<td>LR11.</td>
<td>Easements</td>
<td>The rights specified in clause 3.1 for the benefit of the Property</td>
</tr>
<tr>
<td>LR11.1</td>
<td>Easements granted by this lease over the Property for the benefit of other property</td>
<td>The rights specified in clause 3.2.</td>
</tr>
<tr>
<td>LR12.</td>
<td>Estate rentcharge burdening the Property</td>
<td>None.</td>
</tr>
<tr>
<td>LR13.</td>
<td>Application for standard form of</td>
<td>None</td>
</tr>
</tbody>
</table>

1 For the first Sub-Plot or Plot Lease drawn down the date is to be the date of the lease. For subsequent Sub-Plot within a Plot Leases, it will be the date of the first Sub-Plot/Plot Lease. Once this date is know this should be inserted in the agreed form of lease. Each Plot will have its own commencement date commencing on completion of its first Plot Lease.
LR14. Declaration of trust where there is more than one person comprising the Tenant

Not applicable
THIS LEASE is made on the date set out in clause LR1 of the Land Registry Particulars

BETWEEN

(1) the Landlord; and

(2) the Tenant.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 In this Lease, the following words and expressions have the following meanings:

"Accounting Date" [30 April in any year]

"Accounting Period" each period of twelve months ending on and including an Accounting Date but:

(a) In respect of the first Accounting Period means the period from and including the Term Commencement Date to and including the first Accounting Date which is more than three months after the Term Commencement Date; and

(b) In respect of the final Accounting Period means the period from but not including the final Accounting Date before the end of the Term to and including the date on which the Term ends

"Affordable Residential Units" Means the Target Rent Residential Units at the Premises

"Affordable Residential Units Underlease" the underlease of [even date] between the Tenant and [group co] of the Affordable Residential Units (excluding any Shared Equity and Shared Ownership Leases)

"Authorised Use" the use of the Premises described in clause 8.1

"Building Contract" the building contract or contracts for the carrying out of the Development at the Premises pursuant to the Development Partnership Agreement

"Certificate of Practical Completion" the certificate or statement to be issued in accordance with the Building Contract certifying that Practical Completion has taken place

"Commercial Unit" a lettable unit of accommodation forming part of the Premises intended for disposal other than as a Residential Unit (and references to "Commercial Units" are to be construed
"Commercial Unit Occupational Sub-Underlease" 
an Sub-Underlease of a Commercial Unit to be in the form annexed as Appendix [ ] with such amendments as may be agreed by the Landlord and the Tenant (acting reasonably) and references to "Commercial Unit Occupational Sub-Underleases" are to be construed accordingly.

"Common Facilities" 
all conduits, structures, walls, fences, roads, paths, works, services or facilities at the Premises used in common by the Premises and any adjoining premises or by the owners and occupiers of them including any "party structures", "party walls", and "party fence walls" within the meaning of the Party Wall etc Act 1996.

"Communal Areas" 
those parts of the Estate which are designated or provided by the Landlord during the Term for the common use and enjoyment of the tenants and other occupiers of or visitors to the Estate including:

(c) the entrances, exits, paths and other means of pedestrian access and circulation;

(d) the roads, driveways, service areas, forecourts, car-parking areas and other means of vehicular access and circulation; and

refuse areas, landscaped areas and other common facilities and amenities.

"Council Sub-Underlease" 
an Sub-Underlease of a Commercial Unit to be leaseback to the Council such lease to be in the form annexed as Appendix [ ] with such amendments as may be agreed by the Landlord and the Tenant (acting reasonably) (and references to "Council Sub-Underleases" are to be construed accordingly)

"Covenant Date" 
the Date of Practical Completion of all of the Premises

"Date of Practical Completion" 
the date certified in the relevant Certificate of Practical Completion as the date of Practical Completion

"Deeds and Documents" 
the deeds and documents listed in Part 2 of Schedule 1

"Development" 
the mixed tenure residential-led redevelopment of the Premises and other land in accordance
with the Development Partnership Agreement

"Development Partnership Agreement" the development partnership agreement in respect of the Premises and other land dated [ ] 2014 and made between (1) the Landlord and (2) the Tenant

"Development Area" the freehold property comprised in the Title Number(s) shown for identification only edged red on the plan annexed at Appendix 1 as varied from time to time by agreement of the Landlord and the Tenant

"Environmental Law" statutes, regulations and subordinate legislation, European laws, treaties and common law which at any time relate to the pollution or protection of the environment or harm to or the protection of human health and safety or the health of animals and plants

"Estate" [to be defined at Lease completion and should relate to the whole Plot out of which the Lease is granted and should include such additional areas necessary to give proper operational effect to the rights granted]

"Gross Ground Rent" has the meaning as defined in Schedule 2

"Hazardous Material" any substance, whether in solid, liquid or gaseous form, which is capable of causing harm to human health or to the environment whether on its own or in combination with any other substance

"Index" the "all items" CPI Index maintained by the Office of National Statistics or, where such index ceases to be publishes (or where the Parties otherwise agree), such replacement Index as may be agreed by the Landlord and Tenant from time to time

"Insured Risks" the risks set out in clause 5.2

"Interest Rate" the base lending rate from time to time of National Westminster Bank PLC or such comparable rate of interest as the Landlord may reasonably determine

"Intermediate Residential Units" Residential Units offered by the Tenant in accordance with the Development Partnership Agreement and/or the Planning Agreement for Shared Equity, Shared Ownership or other low cost products as may be approved by the Landlord
"Intermediate Residential Unit Occupational Sub-underlease" the Shared Equity Sub-underlease and the Shared Ownership Sub-underlease

"Lettable Parts" those parts of the Premises which are let to occupational tenants or designed to be let to occupational tenants

"Minimum Ground Rent" £300.00 per annum per Private Residential Unit and £200.00 per annum per Intermediate Residential Unit subject to review on an upwards only basis on each tenth anniversary of the date of commencement in each sub-underlease of each Private Residential Unit and each sub-underlease of each Intermediate Residential Unit in accordance with clause 6 of Schedule 2

"Non-Adopted Shared Space" (a) the land shown edged [ ] on the Plan and (b) such other communal areas not adopted by the highways authority or any other statutory body that are be designated as "Non-Adopted Shared Space" by the parties to the Development Partnership Agreement from time to time in accordance with the Non-Adopted Shared Space Strategy and have been laid out (with all construction works completed) as common areas for the Premises and the remainder of the Development Area and are subject to a NASS Lease from time to time or which would have been subject to a NASS Lease if such NASS Lease had not been terminated or otherwise brought to an end

"NASS Lease" any "NASS Lease" entered into pursuant to the Development Partnership Agreement

"NASS Manager" [details to be inserted on completion pursuant to the DPA]

"Non-Adopted Shared Space Strategy" [details of NASS Strategy current at the date of the Lease to be annexed] with such amendments as may be agreed in writing by the Landlord and the Tenant (acting reasonably) from time to time

"Occupational Leases" the Intermediate Residential Unit Occupational Sub-underleases, the Commercial Unit Occupational Sub-underleases, and the Private Residential Occupational Sub-underleases

"Occupational Tenants" the tenants of the Occupational Leases

"Plan 1" the plan annexed hereto marked "Plan 1"

"Planning Agreement" [details of Planning Agreement to be inserted]
"Practical Completion" the whole of the Development Works on the Premises being practically completed in accordance with the terms of the Building Contract

"Principal Rent" the quarterly rent reserved by this lease being a sum equal to the total aggregated Gross Ground Rent received on or before the relevant Quarter Day the Principal Rent is due for payment by the Tenant under this Lease (or received by any tenant of any Underlease) for all completed Private Residential Units at the Premises pursuant the relevant Occupational Leases to the extent such Gross Ground Rent has not already paid to the Landlord in accordance with the provisions of clause 4 and Schedule 2 of this Lease

"Private Residential Units" any Residential Units that are not Affordable Residential Units nor Intermediate Residential Units but excluding the Private Rental Units

"Private Residential Occupational Sub-underleases" Sub-underleases of any Residential Units not being Target Rent Occupational Unit Sub-underleases or Intermediate Residential Unit Occupational Sub-underleases

"Private Units Underlease" the underlease of [even date] between the Tenant and the Private Units Underlessee of the Private Units

"Private Units Underlessee" [NHA details to be inserted]

"Private Units" the Private Residential Units and the Commercial Units

"Private Rental Units Underlease" the underlease of [even date] between the Tenant and the Private Units Underlessee of the Private Units

"Private Rental Units Underlessee" Notting Hill Market Rent Limited (registered number 6091982)

"Private Units" the Private Residential Units and the Commercial Units

"Quarter" The period commencing the on a Quarter Day and expiring the day before the next Quarter Day

"Quarter Days" 25 March, 24 June, 29 September and 25 December in each year

"Registered Provider" [a provider of social housing as defined in section 80 of the Housing and Regeneration Act 2008]
“Registered Title Matters”  the rights granted and reserved and the covenants and other matters contained in the entries on the title numbers (as at the dates) specified in Part 1 of Schedule 1, copies of which are attached to this Lease

“Residential Units”  those units of residential accommodation to be constructed within the Premises whether as Private Residential Units, Intermediate Residential Units or Affordable Residential Units

“RICS”  Royal Institution of Chartered Surveyors

“SE/SO Units Underlease”  the underlease of [even date] between the Tenant and the SE/SO Units Underlessee of the Intermediate Residential Units including Shared Equity and Shared Ownership Units

“SE/SO Units Underlessee”  Notting Hill Home Ownership Limited (IP number: 23066R)

“Shared Equity”  Residential Units offered by way of a Shared Equity Sub-Underlease to be on a shared equity basis with no rent payable on the portion of the equity retained by the Registered Provider

“Shared Equity Sub-underlease”  the form of sub-underlease substantially in the form of the draft lease (to be on a shared equity basis with no rent payable on the portion of the equity retained by the Registered Provider) annexed as Appendix [ ] with such reasonable amendments as the Tenant may propose and the Landlord approve (such approval not to be unreasonably withheld or delayed)

“Shared Ownership”  Residential Units offered to existing long leaseholders at the Aylesbury Estate on a shared ownership basis by way of a Shared Ownership Sub-underlease

“Shared Ownership Sub-underlease”  the form of lease substantially in the form of the draft annexed at Appendix [ ] with such reasonable amendments as the Tenant may propose and the Landlord approve (such approval not to be unreasonably withheld or delayed)

“Staircased Intermediate Lease”  an Intermediate Residential Unit that has been fully “staircased” so that the Occupational Tenant has acquired all the equity in the Intermediate Residential Unit from the Registered Provider, in accordance with the Planning Agreement and the terms of the Intermediate Residential Unit Sub-underlease.
"Sub-underlease" any leasehold interest deriving from an Underlease permitted by this Lease however remote, including:

(a) any Private Residential Occupational Sub-underleases;

(b) any Target Rent Unit Occupational Sub-underleases;

(c) any Intermediate Residential Unit Occupational Sub-underleases;

(d) any Commercial Unit Occupational Sub-underleases

(e) any Council Sub-Underlease

and any other tenancy document or agreement giving a person the right to occupy the whole or any part of the Premises

"Target Rents"

the "target rents" set by reference to the formula provided by the government of England and Wales (or such materially equivalent replacement designation which sets rents to be charged on occupational units)

"Target Rent Unit Occupational Sub-underlease"

Sub-underleases of the Residential Units to be let at Target Rents pursuant to the Development Partnership Agreement and/or the Planning Agreement such Sub-underleases to be substantially in the form at Appendix [ ] with such reasonable amendments as the Tenant may propose and the Landlord approve (such approval not to be unreasonably withheld or delayed) and references to "Target Rent Unit Occupational Sub-underleases" is to be construed accordingly

"Target Rent Residential Units"

Residential Units let at Target Rents pursuant to the Affordable Units Underlease

"Term"

the Contractual Term and any continuation of it

"Title Numbers"

[details to be inserted on a Plot by Plot basis]

"Underleases"

as the context requires all or any of the following:

(a) the Private Units Underlease;

(b) the Affordable Units Underlease;
(c) any Sub-Underleases; and
(d) any other permitted underleases granted out of this Lease or any underleases
in each case in the form permitted this Lease

"Units"
any Private Residential Units, Intermediate Residential Units or Affordable Residential Units constructed at the Premises from time to time

"Use Classes Order"
the Town and Country Planning (Use Classes) Order 1987 (as enacted at the date of this Lease)

"Waste"
any discarded, unwanted or surplus substance irrespective of whether it is capable of being recycled or recovered or has any value

"Working Days"
means Monday to Friday excluding public holidays and the period between 24th December and 2nd January

1.2 In this Lease:

1.2.1 unless otherwise indicated, references to clauses and Schedules are to clauses of and Schedules to this Lease;

1.2.2 references to any statute or other legislation include references to any subsequent statute or legislation directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute or legislation and to all orders, by-laws, directions and notices made or served under them;

1.2.3 references to the Landlord and the Tenant include their respective successors in title and, in the case of individuals, include their personal representatives;

1.2.4 references to the Premises include any part of them unless specific reference is made to the whole of them;

1.2.5 references to adjoining premises include any premises adjoining or near to the Premises and references to adjoining premises owned by the Landlord include any adjoining premises owned by the Landlord at any time during the Term;

1.2.6 references to this Lease include any deed or document which is supplemental to, varies or is ancillary to this Lease from time to time;

1.2.7 references to the end of the "Term" include the determination of the Term before the end of the Contractual Term;

1.2.8 "Including" means "including, without limitation";
1.2.9 "Indemnify" means to indemnify against all actions, claims, demands and proceedings taken or made against the person receiving the indemnity and all proper and reasonable costs, damages, expenses, liabilities and losses incurred by the person receiving the indemnity;

1.2.10 references to the Tenant include, and the Tenant's covenants bind, any underrant or other person in occupation of the Premises or deriving title under the Tenant, their successors in title, and any other person under the Tenant's or their control including employees, agents, workmen and invitees;

1.2.11 any covenant by the Tenant not to do any act or thing includes a covenant not to permit or allow the doing of that act or thing;

1.2.12 where two or more people form a party to this Lease, the obligations they undertake may be enforced against them all jointly or against each of them individually; and

1.2.13 if any provision is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder of this Lease is to be unaffected.

1.3 The Particulars form part of this Lease and words and expressions set out in the Particulars are to be treated as defined terms in this Lease.

1.4 The parties to this Lease do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

1.5 This Lease is a "new tenancy" for the purposes of section 1 Landlord and Tenant (Covenants) Act 1995.

2. LETTING, TERM AND TERMINATION

2.1 In consideration of the Premium, which the Landlord has received, the Landlord lets the Premises to the Tenant for the Contractual Term reserving the Principal Rent.

2.2 The Tenant may quietly enjoy the Premises throughout the Term without any interruption by the Landlord or anyone lawfully claiming under or in trust for the Landlord.

2.3 The Landlord may enter onto the whole or any part of the Premises and by so doing end this Lease if the Tenant materially breaches any of its obligations in this Lease.

2.4 Without prejudice to clause 2.5 the Landlord will not exercise its right under clause 2.3 unless and until it has:

2.4.1 given written notice to the Tenant of its intention to do so together with details of the breach complained of; and

2.4.2 given the Tenant a reasonable period of time in which to remedy the breach and the breach has not been remedied in such period.
2.5 If the Landlord has received written notice of any charge, debenture, mortgage or any other security granted over the Premises by the Tenant it will not exercise its rights under clause 2.3 unless and until it has:

2.5.1 given written notice to the holder of that security of its intention to do so together with details of the breach complained of; and

2.5.2 given the holder of that security a reasonable period of time in which to remedy the breach and the breach has not been remedied in such period.

2.6 When this Lease ends it will be without prejudice to any outstanding claims between the Landlord and the Tenant.

3. RIGHTS GRANTED

3.1 Rights granted

The Premises are let together with the following rights for the benefit of the Tenant, so far as the Landlord is able to grant them, to be enjoyed in common with the Landlord and any others entitled to use them:

3.1.1 to use the means of pedestrian and vehicular access and circulation in the Non-Adopted Shared Space for access to and from the Premises and, in case of emergency only, all fire escape routes (if any) through the Non-Adopted Shared Space, whether or not forming part of the Communal Areas;

3.1.2 to use the conduits on the Estate serving the Premises for the passage or transmission of utilities to and from the Premises;

3.1.3 support and protection for the Premises from the remainder of the Estate; and

3.1.4 a right to enter and remain upon such unbuilt on parts of the Estate so much as is reasonably necessary on not less than 48 hours’ prior notice (except in case of emergency) with or without workmen, plant and equipment:

3.1.4.1 to install new conduits on the Estate and connect to them for the passage and transmission of utilities to and from the Premises and any adjoining premises;

3.1.4.2 to connect to and use any conduits within or passing through the Premises for the passage or transmission of utilities to and from the Premises and any adjoining premises;

Provided that where such rights relate to parts of the Estate that are not yet subject to a Lease to the Tenant the route of such rights must be approved by the Landlord (acting reasonably) and the Landlord may refuse consent where such rights are not consistent with the detailed planning permission for the Development [such detailed planning permission as annexed to this Lease]

3.1.5 to erect scaffolding on the Estate in connection with the rights granted in this clause 3.1 and any works to be carried out pursuant to those rights subject to the Tenant ensuring that the scaffolding does not
materially prevent access to the Estate nor, so far as reasonably practicable having regard to the nature of scaffolding, materially interfere with the Landlord’s use and enjoyment of the Estate;

3.1.6 the right to build on, alter, add to, redevelop or extend in any way the Premises even though the access of light and air to the Estate may be affected and without being liable to pay any compensation to the Landlord. This clause constitutes a consent for the purposes of section 3 Prescription Act 1832.

3.2 RESERVATIONS

The following rights are reserved out of the letting for the benefit of the Landlord and any other person having express or implied authority from the Landlord to benefit from them:

3.2.1 a right to enter and remain upon so much as is necessary of the Premises on not less than 48 hours’ prior notice (except in case of emergency) with or without workmen, plant and equipment:

3.2.1.1 to ascertain whether the Tenant has complied with the Tenant’s obligations under this Lease;

3.2.1.2 to inspect the state of repair and condition of the Premises and prepare any schedule of condition or dilapidations;

3.2.1.3 to carry out any repairs, remove and make good any unauthorised alterations or carry out any works which the Tenant should have carried out in accordance with the Tenant’s obligations under this Lease;

3.2.1.4 to install new conduits within the Premises and connect to them for the passage and transmission of utilities to and from adjoining premises;

3.2.1.5 to connect to and use any conduits within or passing through the Premises for the passage or transmission of utilities to and from any adjoining Premises;

3.2.1.6 to erect scaffolding outside the Premises in connection with the rights reserved in this clause 3.2 and any works to be carried out pursuant to those rights subject to the Landlord ensuring that the scaffolding does not materially prevent access to the Premises nor, so far as reasonably practicable having regard to the nature of scaffolding, materially interfere with the Tenant’s use and enjoyment of the Premises;

3.2.1.7 to procure the delivery of the NASS Services pursuant to rights granted by a NASS Lease;

3.2.2 the right to build on, alter, add to, redevelop or extend in any way any adjoining premises owned by the Landlord or to permit the owner of any adjoining premises to do so in relation to their property even though the access of light and air to the Premises may be affected and without being liable to pay any
compensation to the Tenant. This clause constitutes a consent for the purposes of section 3 Prescription Act 1832; and

3.2.3 [the right to use all fire escape routes running through the Premises in case of emergency only. [this will only be needed if there are shared fire escape facilities with Council accommodation]]

3.3 The Tenant is to permit the exercise of the rights granted in clause 3.1 and the Landlord is to permit the exercise of the rights reserved in clause 3.2 and neither of them will obstruct or prevent these rights being exercised in accordance with the terms of this Lease.

3.4 The rights granted in clause 3.1 (Rights granted) are subject to the Tenant and any other person exercising the rights with the express or implied authority of the Tenant:

3.4.1 ensuring that as little nuisance, damage, annoyance or inconvenience as reasonably practicable is caused to the Landlord or the other tenants or occupiers of the Estate or any Adjoining Premises in the exercise of the rights;

3.4.2 ensuring that no breach of the covenant for quiet enjoyment given by the Landlord to the other tenants or occupiers of the Estate is caused in the exercise of the rights;

3.4.3 making good as soon as reasonably possible all physical damage to the Estate caused in the exercise of the rights.

3.5 When exercising the rights reserved in clause 3.2 (Rights reserved) the Landlord and any other person exercising the rights with the express or implied authority of the Landlord are to:

3.5.1 ensure that as little nuisance, damage, annoyance or inconvenience is caused to the Tenant or the other tenants or occupiers of the Premises in the exercise of the rights as reasonably practicable;

3.5.2 make good as soon as reasonably possible all physical damage caused to the Premises in the exercise of the rights.

3.6 The letting is made subject to and with the benefit of the Registered Title Matters so far as they are still subsisting capable of taking effect and affect the Premises and the Deeds and Documents.

3.7 So far as they are still subsisting, capable of taking effect and affect the Premises, the Tenant is to comply with the title matters set out in clause 3.6 and is to indemnify the Landlord against any breach of them occurring after the date hereof.

3.8 The letting is made subject to all rights of light and air and all other legal or equitable easements and rights belonging to or enjoyed by any other property.

3.9 This Lease does not confer upon the Tenant or the Landlord any rights or privileges over any other property except as expressly set out in this Lease and any rights implied by section 62 Law of Property Act 1925 or the rule in Wheeldon v Burrows are expressly excluded.
4. **RENTS PAYABLE**

4.1 Subject to clause 4.4 the Tenant is to pay to the Landlord during the Term without making any legal or equitable set-off, counterclaim or deduction unless required to do so by law the Principal Rent quarterly in arrears on the Quarter Days.

4.2 The Tenant is to comply with its obligations at Schedule 2 in relation to the calculation and collection of the Gross Ground Rent.

4.3 The Principal Rent and any other sums payable under this Lease are exclusive of VAT. Where, under the terms of this Lease, a supply is made that is subject to VAT, the person receiving the supply is to pay the VAT to the person making the supply and a valid VAT invoice is to be issued by the person making the supply.

4.4 If the Tenant does not pay any sums due to the Landlord under this Lease, whether or not reserved as rent, within fourteen days of the due date for payment the Tenant is to pay interest on those sums, both after as well as before judgment, at 3% per annum above the Interest Rate for the period from and including the due date for payment to and including the date of actual payment.

4.5 The Landlord may direct at any time for the Principal Rent or any part thereof to be paid by the Tenant directly to the NASS Manager for performance of the tenant's obligations in the NASS Lease.

5. **INSURANCE**

5.1 The Tenant is to Insure or procure the insurance of the Premises with substantial and reputable insurers or through underwriters at Lloyd's against the risks and for the cover stated in clause 5.2 and may separately insure against public and employer's liability in respect of the Premises.

5.2 The Tenant's insurance will cover full rebuilding, site clearance, professional fees and VAT taking into account cover for the effects of inflation and escalation of costs and fees. The insurance will be against the risks of fire, lightning, explosion, earthquake, landslip, subsidence, riot, civil commotion, aircraft, aerial devices, storm, flood, water, theft, impact by vehicles, malicious damage and third party liability provided insurance against such risks is available in the London marketplace on reasonable commercial terms (and any other risks reasonably required by the Tenant) so far as cover against such risks is ordinarily available in the United Kingdom insurance market upon reasonable commercial terms for properties similar to the Premises and in the same area as the Premises.

5.3 The Tenant will seek to ensure that any policy exclusions and excesses fall within normal commercial practice in the United Kingdom insurance market for properties similar to the Premises and in the same area as the Premises and that the Landlord's interest is noted on the policy (whether generally or specifically).

5.4 On reasonable written request the Tenant is to give to the Landlord a written summary of the Tenant's insurance policies taken out in accordance with clause 5.1 and evidence that they are in force.

5.5 The Tenant will use reasonable endeavours to obtain any consents required to reinstate any damage to or destruction of the Premises by any of the Insured Risks. Subject to those consents being obtained and remaining unrevoked, the
Tenant will apply the insurance proceeds received under the buildings insurance in reinstating damage to or destruction of the Premises as soon as reasonably practicable after the date of the damage or destruction, the Tenant making good any shortfall in the proceeds of insurance from its own moneys.

5.6 When reinstating any damage to or destruction of the Premises, the Tenant may make changes in the design, layout and specification of the Premises and may use materials of a different quality, specification or type to those used in the original Premises so long as the area of the Premises is not materially altered and the means of access to them and the services provided to the Premises are not materially less convenient.

5.7 If it is not possible to reinstate any damage to or destruction of the Premises due to reasons beyond the control of the Tenant, the Tenant will not be obliged to comply with its obligations in clause 5.5 and the insurance monies received by the Tenant will belong to the Tenant absolutely.

5.8 The Tenant is:

5.8.1 to comply with the requirements of the insurers of the Premises; and

5.8.2 to notify the Landlord immediately in writing of any damage to or destruction of the Premises by any of the Insured Risks of which the Tenant becomes aware.

6. **COSTS AND OUTGOINGS**

6.1 The Tenant is to pay all outgoings of whatever nature in relation to the Premises including business rates and utilities costs (including standing charges and taxes payable on utility costs). This obligation does not require the Tenant to pay any such outgoings arising from any dealing by the Landlord with its Interest in the Premises or to income or corporation tax payable by the Landlord on the Rents or any other sums due under this Lease.

6.2 The Tenant is to be responsible for and to indemnify the Landlord against all proper and reasonable costs and expenses and any VAT payable on them for which the owner or occupier of the Premises is responsible in respect of the Common Facilities.

6.3 The Tenant is to pay to the Landlord on demand the proper and reasonable costs and expenses of the Landlord's solicitors, surveyors and other professional advisors and bailiff's fees and commissions including any irrecoverable VAT arising from:

6.3.1 the preparation and service of any notice and the taking of any proceedings by or on behalf of the Landlord under sections 146 or 147 Law of Property Act 1925 or under the Leasehold Property (Repairs) Act 1938, whether or not forfeiture is avoided by an order of the court;

6.3.2 any application made by the Tenant for the Landlord's consent for or approval of any matter under this Lease whether or not consent or approval is given (unless the Landlord acts unreasonably in withholding that consent or approval (or by attaching conditions) where the Landlord is required by this
Lease or otherwise to act reasonably) or the application is withdrawn;

6.3.3 the preparation and service of any notice or schedule of dilapidations during or within six months after the end of the Term; and

6.3.4 the preparation and service by the Landlord of any notice under section 6 Law of Distress Amendment Act 1908 or section 17 Landlord and Tenant (Covenants) Act 1995.

6.4 The Tenant is to indemnify the Landlord in respect of:

6.4.1 any damage to or destruction of the Premises;

6.4.2 any injury to or death of any person;

6.4.3 damage to any property;

6.4.4 the infringement, disturbance or destruction of any rights or easements; or

6.4.5 other matters arising from the state of repair and condition of the Premises

resulting from any negligence of the Tenant or breach of the Tenant’s covenants in this Lease.

7. REPAIRS, MAINTENANCE AND ALTERATIONS

7.1 Subject to clause 7.5 the Tenant is to:

7.1.1 keep the Premises and any buildings on them and all tenant’s and trade fixtures in good and substantial repair and condition and, when necessary, renew or replace them;

7.1.2 keep the exterior of the buildings at the Premises in good decorative condition; and

7.1.3 keep any parts of the Premises that are not built on clean and tidy and free from weeds with any landscaped areas planted and well tended and any parking spaces, roads, pavements and service areas properly surfaced.

7.2 Following the service of any notice, whether by the Landlord or any public authority, the Tenant is to carry out any repairs or other works to the Premises required by that notice within the period specified in the notice or, if no period is specified, within a reasonable period after the receipt of the notice. The Landlord may serve notice under this clause 7.2 only to specify repairs or other works that are required to remedy any breach by the Tenant of its obligations under this Lease and any period specified must be reasonable in all the circumstances.

7.3 If the Tenant does not comply with clause 7.2, the Tenant is to permit the Landlord to enter and remain upon the Premises with or without workmen, plant and materials to carry out the repairs or other works required. The costs incurred by the Landlord in carrying out the repairs or other works are to be paid
by the Tenant to the Landlord on demand as a debt and not as rent together
with interest on those costs at 3% per annum above the Interest Rate calculated
from and including the date on which the Landlord incurred them to and
including the date on which they are paid.

7.4 The Tenant is to take any action that the Landlord may properly and reasonably
require in respect of any defects in the Premises which might give rise to a duty
or liability on the part of the Landlord under the Defective Premises Act 1972,
any other statutory provision or at common law.

7.5 The Tenant is not before the date ten years after the Covenant Date to carry out
structural alterations or additions to the buildings at the Premises without the
prior written consent of the Landlord, such consent not to be unreasonably
withheld or delayed.

7.6 Subject to clause 7.5, the provisions of clause 7.1 shall not prevent the Tenant
from redeveloping the Premises, including, where relevant, undertaking works of
demolition, removal or partial demolition and the provisions of clause 7.1 shall
apply to the Premises as redeveloped.

8. USE OF THE PREMISES

8.1 The Tenant is not to use or permit the Use of the Premises other than for the
following uses:

8.1.1 for Private Residential Units as residential dwellings and
purposes ancillary thereto;

8.1.2 for Intermediate Residential Units as residential dwellings and
purposes ancillary thereto subject to clause 8.7, 8.9 and clause
8.10;

8.1.3 for the Affordable Residential Units, for use as an Affordable
Residential Unit (subject to clause 8.9);

8.2 (as to the remainder of the Lettable Parts) for use within Class [relevant Use
Class pertinent to the use permitted by a planning permission to be added] of
the Use Classes Order; and

8.3 for all and any ancillary parking, recreational and other uses ancillary to
residential use;

or (subject to clause 8.7) for such other use as the Landlord may approve (such
approval not to be unreasonably withheld or delayed).

8.4 The Tenant is not to use the Premises:

8.4.1 for any illegal or immoral purpose or any lewd, obscene or
pornographic nature or any activity which in the reasonable
opinion of the Landlord is of such nature; or

8.4.2 in a manner which creates a legal nuisance, physical damage or
annoyance to the Landlord or any tenants or occupiers of any
adjoining premises.

8.5 The Landlord gives no warranty to the Tenant that the Authorised Use is or will
remain a lawful or permitted use for the Premises under planning legislation.
8.6 The Tenant is not to allow any hazardous or contaminative materials to escape into the ground or any watercourse whether or not they form part of the Premises.

8.7 Nothing in clause 8.1.2 shall prevent any lessee of an Intermediate Residential Unit from acquiring a greater equitable interest in such Unit and/or becoming a Staircased Intermediate Residential Unit.

8.8 In the event that any Mortgagee enforces its charge over the Premises and disposes of them then (subject to clause 8.1.1 and 8.1.3) on such disposal the restriction on use at clause 8.1.2 shall no longer apply.

8.9 In the event that any lease of an Affordable Residential Unit exercises a statutory right to acquire such Unit then the restriction on use at clause 8.1.3 shall cease to apply and it will henceforth be subject to the user restriction at clause 8.1.1.

8.10 Where an Intermediate Residential Unit has become a Staircased Intermediate Residential Unit the Authorised Use for relevant Staircased Intermediate Residential Unit is to be residential use.

9. LEGISLATION AND PLANNING

9.1 The Tenant is (where the same are legally binding) to comply with all statutes, other legislation and any notice, order, proposal, requisition, direction or other communication from any public authority in respect of the Premises, their use and occupation or the carrying out of any works to the Premises and indemnify the Landlord against any breach of this obligation.

9.2 If the Tenant receives any notice, order, proposal, requisition, direction or other communication from any public authority or third party affecting or likely to affect the Premises, their use and occupation or the carrying out of any works to the Premises, the Tenant is at its own cost immediately to provide a copy to the Landlord.

10. ASSIGNMENT AND UNDERLETTING

10.1 The Tenant is not to assign part only of the Premises.

10.2 [During the first [20] years after the Covenant Date, in addition to the Tenant's obligations under section 40 Landlord and Tenant Act 1954, following a written request from the Landlord the Tenant is to supply written details to the Landlord of:

10.2.1 the full names and addresses of anyone in occupation of the Premises for uses other than residential uses, including the Tenant; and

10.2.2 the business carried on by the occupier at the Premises

to the extent that such information is in the possession of the Tenant (or can be properly obtained by the Tenant) and its supply would not breach any legal requirement upon the Tenant.]

10.3 The Tenant is not to underlet save in accordance with clause 11.
11. UNDERLEASES AND MANAGEMENT

11.1 The Tenant is not to underlet save by the SE/SO Units Underlease, the Private Rental Underlease, the Council Sub-Underlease, the Private Residential Underlease and the Affordable Units Underlease [and in here other relevant underleases as per planning permission uses such as extra care, council works, non-residential user etc] unless approved in writing by the Landlord and save as provided for by clause 11.2 and 11.3.

11.2 The Tenant is to procure that any Undertenant (no matter how remote) of Private Residential Units or Units subject to Intermediate Leases is only to grant sub-underleases which require the payment of a rent in a sum which shall be no lower than the Minimum Ground Rent for the relevant Unit as adjusted from time to time and is to indemnify the Landlord for any losses of the Landlord arising due to the breach of this provision.

11.3 The Tenant is to procure that any tenant of the Affordable Units Underlease may not grant sub-underleases save as Target Rent Unit Occupational Sub-Underleases which are in the form set out at Appendix 2 and otherwise comply with the provisions of this Lease insofar as they are applicable to the Sub-Underlease premises and exclude any obligation to pay the Principal Rent.

11.4 The Tenant is to procure that the tenant of the SE/SO Units Underlease procures that any tenant of the Intermediate Residential Units:

11.4.1 does not grant sub-underleases save for Shared Equity Sub-Underleases or Shared Ownership Sub-Underleases; and

11.4.2 otherwise complies with the requirements of clause 11.7 so far as they affect such Sub-Underleases;

No material variations are to be made to the Target Rent Occupational Sub-Underleases and Intermediate Residential Unit Occupational Sub-Underleases without the Landlord's consent.

11.5 Subject to clause 11.2, for the avoidance of doubt all Target Rent Underleases (unless otherwise agreed in writing by the Council):

11.5.1 Must not reserve rents greater than the Target Rents;

11.5.2 must prohibit service charge increases of greater than the percentage increase in CPI plus [□]% per annum;

11.5.3 must not charge ground rents or any other rents (excluding service charge and insurance rent).

11.6 The Tenant is to perform and observe all of the covenants and obligations of the landlord under the Underleases (to the extent that it is landlord under them) and is to procure compliance with the landlord's covenants and obligations in the Underleases.

11.7 In relation to each Underlease the Tenant is (and is to procure that any Undertenants are):

11.7.1 to take all reasonable and proper steps to ensure the prompt payment of any Gross Ground Rent recoverable under any further Sub-Underleases deriving from the relevant Underlease;
11.7.2 not to agree (or permit the agreement) of any reduction in the rent payable under the Underleases;

11.7.3 not to capitalise (or permit the capitalising of save where the affect of any Statute or exercise of statutory rights requires this) the rent payable under the Underleases or accept the payment of it more than one quarter in advance; and

11.7.4 to review (or procure the review) of the rents under the Underleases in accordance with any rent review provisions contained within them.

12. **END OF THE TERM**

At the end of the Term, the Tenant is to return the Premises to the Landlord with vacant possession save in relation to the Underleases or any rights or underleases arising out of or in connection with the Underleases.

13. **LAND REGISTRY APPLICATIONS**

13.1 As soon as reasonably practicable after the date of this Lease, the Tenant named in the Particulars is to apply to the Land Registry for first registration of the title to this Lease and apply for a note of this Lease to be entered on the title number(s) set out in clause LR2.1 of the Land Registry Particulars. As part of the application, the Tenant is to use reasonable endeavours to ensure that the Land Registry notes the burden of the rights reserved by clause 3.2 on the leasehold title. On completion of the registration, the Tenant is to provide official copies of the new title to the Landlord showing the Tenant registered as proprietor together with a copy of the title plan.

13.2 The Landlord will not be liable to the Tenant for any failure by the Tenant to register this Lease at the Land Registry or to register or note any of the rights granted or reserved by this Lease at the Land Registry either by notice or by way of caution against first registration, whichever is appropriate.

14. **ENFORCEMENT**

14.1 This Lease is to be governed by and interpreted in accordance with English law.

14.2 Any notice under this Lease is to be served in writing in accordance with section 196 Law of Property Act 1925.

14.3 The courts of England are to have jurisdiction in relation to any disputes between the parties arising out of or related to this Lease.

15. **ENVIRONMENTAL LAW**

15.1 Compliance with environmental law

The Tenant is to comply with all requirements of Environmental Law and is not to use the Premises for the production, storage, use, handling or disposal of any Hazardous Material or Waste for which a permit, licence, consent, registration, authorisation or exemption is required under Environmental Law.
15.2 Compliance with notices

The Tenant is at its own cost:

15.2.1 to supply the Landlord with copies of all notices, directions, reports or correspondence concerning any contamination of the Premises or any migration or other escape of Hazardous Materials or Waste which may result in proceeding being taken or threatened under Environmental Law; and

15.2.2 to take and complete promptly and diligently all actions or precautions required by such notice, direction, report or correspondence.

15.3 Prevention of contamination

The Tenant is not to do or omit to do anything that would or may cause any Hazardous Materials or Waste to escape, leak or be spilled or deposited on the Premises, discharged from the Premises or migrate to or from the Premises.

16. EXECUTION

The parties have executed this Lease as a deed and it is delivered on the date set out in clause LR1 of the Land Registry Particulars.
SCHEDULE 1

Part 1: Registered Title Matters

[Registered Titles for the relevant phase to be inserted]

Part 2: Deeds and Documents

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<th>Date</th>
<th>Document</th>
<th>Parties</th>
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1. **Definitions**

In this Schedule, the following words and expressions have the following meanings:

- **"Ground Rents Certificate"** the certificate to be produced by the Tenant under **paragraph 4.1 of this Schedule** (production of Ground Rents Certificate)

- **"Gross Ground Rent"** has the definition set out at paragraph 2

- **"Ground Rent Records"** all accounts and other written or computer records or documents which are, or in the reasonable opinion of the Landlord ought to be maintained for the purpose of recording and verifying the Gross Ground Rents and includes:
  
  (a) tax returns and records;

  (b) bank records and statements

- **"Base Index Value"** the Index figure published for the calendar month preceding the commencement of the term of the relevant Sub-Underlease

- **"Relevant Percentage"** the percentage, calculated using the formula:

  \[ 100 \times \frac{A-B}{B} \]

  where:

  A is the Review Index Value

  B is the Review Base Value

  provided that if the Relevant Percentage is less than zero, the Relevant Percentage will be deemed to be zero.

- **"Review Base Value"** on the first Review Date, the Base Index Value and, on each subsequent Review Date, the Review Index Value for the previous Review Date

- **"Review Date"** Each tenth anniversary of each Sub-Underlease of any Private Residential Units or Intermediate Residential Units

- **"Review Index Value"** the Index figure published for the calendar month preceding the relevant Review Date
such alternative index or comparable measure of price inflation as the Landlord reasonably requires or, at the Landlord's option, such adjustments to the Base Index Value, the Review Base Value or the Review Index Value as the Landlord reasonably requires to take account of any change in the base figure used to calculate the Index.

**Unit Ground Rent**

All monies payable as rent (excluding service charges and insurance rents) by the Occupational Tenant pursuant to an Occupational Lease to be no less than the Minimum Ground Rent.

2. **Gross Income**

The Gross Ground Rent are (subject to paragraph 2.2 below) the aggregate of the total of all moneys or other consideration received or receivable by or on behalf of the Tenant or any Undertenants as rents (excluding service charges and insurance rents) pursuant to any Underleases relating to Private Residential Units or Staircased Intermediate Lease (however remote).

2.1 The Tenant is to procure that at any time the rents for all Private Residential Units or Units subject to Staircased Intermediate Leases constructed at the Premises are to be no lower than the Minimum Ground Rent for each relevant Unit and that all Underleases include rent review provisions in accordance with paragraph 6 of this Schedule.

2.2 The Tenant is to procure the collection of the Gross Ground Rent as soon as reasonably practicable as they fall due and is to procure that similar obligations are imposed on any Undertenants (and the Tenant is to enforce such obligations where necessary to comply with the provisions of this paragraph).

2.3 The following are not to be included in the Gross Ground Rent:

2.3.1 sums received or receivable in respect of VAT;

2.3.2 sums payable as a bona fide service charge for the provision of services pursuant to the lease or as bona fide insurance rents; and

2.3.3 capital payments payable for the first grant of the lease or an assignment or subsequent sales or purchases;

3. **Ground Rents Records**

3.1 The Tenant is to:

3.1.1 maintain the Ground Rents Records fully and accurately throughout the Term;

3.1.2 retain on the Premises or in some other place where the Landlord can reasonably inspect them Ground Rents Records for no fewer than the three most recent consecutive Accounting Periods; and

3.1.3 allow the Landlord and its accountants and other authorised agents to have access to and inspect the Ground Rents Records.
3.2 The Tenant acknowledges to the Landlord that it owes the Landlord a duty of the
good faith to maintain full and accurate Ground Rent Records to enable the
Landlord properly and accurately to determine the Gross Ground Rents and the
Principal Rent.

3.3 The Landlord may at any time require the Ground Rent Records to be audited by
an Independent firm of chartered accountants. If such an audit shows that the
Gross Ground Rents for any Accounting Period has been understated by more
than 5%, the cost of the audit is to be paid by the Tenant to the Landlord on
demand as additional rent.

4. **Ground Rents**

4.1 All Gross Ground Rents received within a Quarter (whether or not relating to that
are Quarter) are to be paid by the Tenant to the Landlord as the Principal Rent
on the next Quarter Day, and the Tenant is to provide a summary of the
payments made within ten working days of such Quarter Day.

4.2 Within thirty Working Days after the end of each Accounting Period, the Tenant
is to deliver a Ground Rents Certificate to the Landlord signed by a professionally
qualified independent accountant from a reputable firm of chartered accountants
certifying the amount of the Gross Ground Rents during such Accounting Period.

4.3 The Tenant warrants to the Landlord that each Ground Rents Certificate will state
accurately the amount of Gross Ground Rents received and receivable during the
relevant Accounting Period and the quarterly payments paid to the Landlord and
the Tenant acknowledges to the Landlord that it owes a duty of the utmost good
faith to the Landlord in this respect.

4.4 Upon receipt of a Ground Rents Certificate, the Landlord may serve a written
demand on the Tenant for the Gross Ground Rents or any balance of it found to
be due taking into account any quarterly payments already paid by the Tenant.

4.5 The Tenant is to pay the amount of Gross Ground Rents demanded by the
Landlord within fourteen Working Days after the service of the demand.

4.6 For the purposes of clause 4.6 (Interest on late payment), the due date for
payment of the Gross Ground Rents for each Accounting Period is to be the date
ten Working Days after the date on which the Landlord serves the demand for it
under paragraph 4.4 (Landlord’s demand).

4.7 If it appears from any inspection or audit of the Ground Rents Records or from
any other circumstances whatsoever that any further Ground Rents is payable
for an Accounting Period for which the Tenant has already paid the rent
demanded under paragraph 4.4 (Landlord’s demand), the Tenant is to pay such
further Ground Rents to the Landlord within fourteen days of a written demand.

5. **Default provisions**

5.1 If the Tenant does not deliver a Ground Rents Certificate within the period
required by paragraph 4.1 (Production of Ground Rents Certificate), the Tenant
is to pay to the Landlord on demand on account of its liability to pay the Principal
Rent an amount equal to the outstanding Gross Ground Rent payable to the
Landlord.

6. If, on receipt of a Ground Rents Certificate for an Accounting Period outside the
period required under paragraph 4.1 (Production of Ground Rents Certificate),
the amount paid on account of the Ground Rents Rent under paragraph 5.1 (Failure to produce Ground Rents Certificate) exceeds the Ground Rents Rent payable by reference to the Ground Rents Certificate, the Landlord is to set the excess against the next payment of Principal Rent payable by the Tenant under this Lease or, at the end of the Term or following an assignment of this Lease with the consent of the Landlord, repay the amount of the excess to the Tenant without interest. Rent review of Occupational Leases

6.1 For each Occupational Lease of Private Residential Units or any Intermediate Residential Units that are subject to a Staircased Intermediate Lease the Tenant is to procure each Sub-Underlease is to contain provisions of equivalent effect to those set out in this paragraph 7.

6.2 The Unit Ground Rent for each relevant lease as per the types of lease referred to in paragraph 6.1 is to be reviewed to the figure, rounded up to the nearest ten pounds, calculated by increasing the Unit Ground Rent reserved immediately before the Relevant Review Date by the Relevant Percentage. The reviewed Unit Ground Rent will be payable from and including the relevant Review Date.

6.3 As soon as reasonably practicable after the publication of the Index for the month preceding the relevant Review Date, the landlord of the relevant lease as per the types of lease referred to in paragraph 6.1 is to notify the tenant of the relevant lease as per the types of lease referred to in paragraph 6.1 in writing of the Unit Ground Rent payable from and including the relevant Review Date. In the absence of manifest error, the landlord's calculation of the Unit Ground Rent payable from and including the relevant Review Date is to be binding on the tenant.

6.4 The landlord of the relevant lease as per the types of lease referred to in paragraph 6.1 may give written notice to the tenant specifying a Revised Index to be used for the calculation of the rent review if:

6.4.1 the reference base used to compile the Index changes after the date of this Lease or there is some other substantial change in the method used to compile the Index;

6.4.2 the Index is published at less frequent intervals than as at the date of this Lease;

6.4.3 publication of the Index is suspended or ceases completely; or

6.4.4 it becomes impossible or impracticable to calculate any change in the value of the Index for any other reason.

6.5 Either the Landlord or the Tenant of the may refer any dispute about the provisions set to an independent chartered surveyor of not less than 10 years' standing experienced in the review of rents in respect of premises
similar to and in the same locality as the Premises who will act as an expert in accordance with the Arbitration Act 1996.
EXECUTED as a deed by affixing
the common seal of
The Mayor and Burgesses of the London
Borough of Southwark

in the presence of:

Authorised Signatory

SIGNED as a deed by
Notting Hill Housing Trust
acting by a director and its secretary
or two directors

Director

Director / Secretary
Appendix 4

Draft Council Lease
DATED 2014

[ • ] (1)

AND

[ • ] (2)

LEASE OF [COMMERCIAL UNIT] [• ]
[ • ]

DRAFT DATE: 24.03.14

NOTE: LONG TERM LEASE GRANTED AT A PREMIUM WITH NOMINAL GROUND RENT
NOTE: GUARANTOR PROVISIONS NOT INCLUDED
NOTE: LANDLORD AND TENANT ACT 1954 NOT EXCLUDED

NOTE: SEEK LEGAL ADVICE BEFORE USING THIS TEMPLATE DOCUMENT
## Land Registry Particulars

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<th><strong>LR1. Date of Lease</strong></th>
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<tbody>
<tr>
<td><strong>LR2. Title number(s)</strong></td>
<td><strong>LR2.1 Landlord’s title number(s)</strong></td>
</tr>
<tr>
<td>[   ]</td>
<td>[   ]</td>
</tr>
<tr>
<td><strong>LR2.2 Other title numbers</strong></td>
<td>None</td>
</tr>
<tr>
<td><strong>LR3. Parties to this lease</strong></td>
<td><strong>Landlord</strong></td>
</tr>
<tr>
<td>[   ] (company number [   ]) whose registered office is at [   ]</td>
<td></td>
</tr>
<tr>
<td><strong>Tenant</strong></td>
<td>[   ] (company number [   ]) whose registered office is at [   ]</td>
</tr>
<tr>
<td><strong>LR4. Property</strong></td>
<td>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.</td>
</tr>
<tr>
<td>That part of the Building known as [   ] (company number [   ]) whose registered office is at [   ] (shown edged [   ]) (company number [   ]) whose registered office is at [   ] on the Plan and described in more detail in Part 2 of Schedule 1, referred to elsewhere in this Lease as the “Premises”</td>
<td></td>
</tr>
<tr>
<td><strong>LR5. Prescribed statements etc.</strong></td>
<td><strong>LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.</strong></td>
</tr>
<tr>
<td>[   ]</td>
<td></td>
</tr>
<tr>
<td><strong>LR5.2 This lease is made under, or by reference to, provisions of:</strong></td>
<td></td>
</tr>
<tr>
<td>[   ]</td>
<td></td>
</tr>
<tr>
<td><strong>LR6. Term for which the Property is leased</strong></td>
<td>The term is as follows:</td>
</tr>
<tr>
<td>The term of 125 years from and including the Term Commencement Date, referred to elsewhere in this Lease as</td>
<td></td>
</tr>
<tr>
<td>LR7. Premium</td>
<td>the &quot;Contractual Term&quot;</td>
</tr>
<tr>
<td>-------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>LR8. Prohibitions or restrictions on disposing of this lease</td>
<td>the sum of [ • ] POUNDS (£ [ • ] )</td>
</tr>
<tr>
<td>LR9. Rights of acquisition etc.</td>
<td>This lease contains a provision that prohibits or restricts dispositions.</td>
</tr>
<tr>
<td>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</td>
<td>None</td>
</tr>
<tr>
<td>LR9.2 Tenant’s covenant to (or offer to) surrender this lease</td>
<td>None</td>
</tr>
<tr>
<td>LR9.3 Landlord's contractual rights to acquire this lease</td>
<td>None</td>
</tr>
<tr>
<td>LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property</td>
<td>None</td>
</tr>
<tr>
<td>LR11. Easements</td>
<td>LR11.1 Easements granted by this lease for the benefit of the Property</td>
</tr>
<tr>
<td></td>
<td>Clause 3.2 and Part 3 of Schedule 1</td>
</tr>
<tr>
<td>LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property</td>
<td>Clause 3.2 and Part 4 of Schedule 1</td>
</tr>
<tr>
<td>LR12. Estate rentcharge burdening the Property</td>
<td>None</td>
</tr>
<tr>
<td>LR13. Application for standard form of restriction</td>
<td>None</td>
</tr>
<tr>
<td>LR14. Declaration of trust where there is more than one person comprising the Tenant</td>
<td>None</td>
</tr>
</tbody>
</table>
## ADDITIONAL PARTICULARS

<table>
<thead>
<tr>
<th>Building</th>
<th>The building known as [●] of which the Premises form part, shown edged [●] on the Plan and described in more detail in Schedule 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Hours</td>
<td>The hours of 8.00am to 6.00pm Monday to Friday (inclusive) and 9.00am to 6.00pm on Saturdays and 10.00am to 5.00pm on Sundays, excluding all Bank or other public holidays</td>
</tr>
<tr>
<td>Ground Rent</td>
<td>Means:</td>
</tr>
<tr>
<td></td>
<td>For the first 25 years of the Term the yearly rent of £300 per annum (exclusive of Value Added Tax)</td>
</tr>
<tr>
<td></td>
<td>For the next 25 years of the Term the yearly rent of £600 (exclusive of Value Added Tax) (years 26-50)</td>
</tr>
<tr>
<td></td>
<td>For the next 25 years of the Term the yearly rent of £1,200 (exclusive of Value Added Tax) (years 51-75)</td>
</tr>
<tr>
<td></td>
<td>For the next 25 years of the Term the yearly rent of £2,400 (exclusive of Value Added Tax) (years 76-100)</td>
</tr>
<tr>
<td></td>
<td>For the next 25 years of the Term the yearly rent of £4,800 (exclusive of Value Added Tax) (years 101-125)</td>
</tr>
<tr>
<td>Landlord’s Solicitors</td>
<td>[●]. DX [●]. Tel no. [●]. Fax no. [●]</td>
</tr>
<tr>
<td>Permitted Use</td>
<td>[The use of the Premises as offices within class B1 of the Town and Country Planning (Use Classes) Order 1987]</td>
</tr>
<tr>
<td>Tenant’s Solicitors</td>
<td>[●]. DX [●]. Tel no. [●]. Fax no. [●]</td>
</tr>
<tr>
<td>Term Commencement Date</td>
<td>The date of this Lease</td>
</tr>
</tbody>
</table>
THIS LEASE is made on the date set out in the Land Registry Particulars

BETWEEN:

(1) The Landlord; and
(2) The Tenant

1 DEFINITIONS
In this Lease, unless the contrary intention appears, and where appropriate:

“1995 Act” means the Landlord and Tenant (Covenants) Act 1995;

“Alterations” means any alterations, additions or other works to the Premises;

“Authorised Guarantee Agreement” means an authorised guarantee agreement for the purposes of s16 of the 1995 Act;

“Common Parts” means all those parts of the Building provided by the Landlord from time to time for common use by the tenants and occupiers of the Building;

“Conduits” means all conducting media and ancillary apparatus used for the passage or transmission of Utilities or the provision of any of the Services;

“EPC” means energy performance certificate and recommendation report, as such terms are defined in the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007;

“Estimated Service Charge” means, in respect of each Service Charge Year, such sum as the Landlord may specify as being a reasonable estimate of the Service Charge for that Service Charge Year;

“Excluded Items” means the costs incurred in providing the Excluded Services;

“Excluded Services” means the services set out in Part 3 of the Schedule 2;

“Group Company” means any company which is, in relation to another company, a member of the same group of companies as that company within the meaning of s42 Landlord and Tenant Act 1954;

“Insurance Event” means any damage to or destruction of the Building by any of the Insured Risks which at the date of such destruction or damage is covered by an insurance policy maintained by the Landlord under this Lease;

“Insurance Rent” means the sums payable by the Tenant under clause 13.4;

“Insured Risks” means fire; lightning; explosion; aircraft or other aerial devices and articles dropped from them; earthquake; riot; civil commotion; malicious damage; flood; storm; or tempest; bursting or overflowing of water tanks, apparatus or pipes; impact;
terrorism and subsidence and such other risks as the Landlord may from time to time consider appropriate PROVIDED THAT the Landlord shall not be obliged to insure against terrorism and/or subsidence if in the Landlord's opinion such risks are not available on the London insurance market on reasonable terms and at reasonable costs;

"Interest" means interest charged at the Interest Rate, both before and after any judgment, and calculated on a daily basis from the date due for payment to the date on which payment is received and compounded with rests on the Quarter Days;

"Interest Rate" means 4% per annum above the base rate for the time being of Barclays Bank plc (or such other bank as the Landlord may from time to time nominate) or, if no such base rate can be ascertained, such other rate of interest as the Landlord may from time to time reasonably specify;

"Items of Expenditure" means the items of service charge expenditure set out in Part 2 of Schedule 2;

"Lease" means this lease and any document supplemental to it;

"Lettable Areas" means those parts of the Building which are from time to time let or designed to be let to occupational tenants (which parts include without limitation the Residential Areas) and of those parts: (i) only those parts referred to in paragraphs 1.1 to 1.15 of Part 2 of Schedule 1, but (ii) excluding those parts referred to in paragraph 2.1 to 2.5 of Part 2 of Schedule 1 and including the Residential Areas;

"Method Statement" means the written statement and accompanying plans relating to the proposed Alterations;

"Plan" means the plan annexed to this Lease;

"Premium" means the amount of £[●] (● pounds) which has been paid prior to the Term Commencement Date by the Tenant to the Landlord;

["Quarter Days" means 25 March, 24 June, 29 September and 25 December;]

"Rents" means the rents payable by the Tenant under clause 5.1;

"Residential Areas" those parts of the Building which are from time to time used or are designed to be used exclusively for residential purposes;

"Residential Common Parts" those accessways in the Building provided by the Landlord from time to time for exclusive use by the tenants and occupiers of the Residential Areas;

"Retained Parts" means the whole of the Building excluding the Lettable Areas;

"Service Charge" means, in respect of each Service Charge Year, such fair proportion as the Landlord may determine of the expenditure, including the Items of Expenditure,
incurred by the Landlord in or in connection with providing the Services during that Service Charge Year;

"Service Charge Year" means the period from 1 April to 31 March inclusive, or such other period as the Landlord may properly determine and notify the Tenant in writing;

"Services" means (subject to clause 14.1(c)) the services listed in Part 1 of Schedule 2;

"Tenant's Covenants" means all the obligations in this Lease to be complied with by the tenant;

"Term" means the Contractual Term granted by this Lease;

"Utilities" means the drainage of surface water and sewerage and the supply or transmission of gas, electricity, telecommunications, water and any other supplies or services made to or consumed in the Building; and

"Value Added Tax" includes any future tax of a similar nature.

2 INTERPRETATION

In this Lease, unless the contrary intention appears, and where appropriate:-

2.1 the definitions on the preceding pages headed "Land Registry Particulars" and "Additional Particulars" apply to this Lease;

2.2 obligations which are entered into by more than one person shall be deemed to be joint and several;

2.3 references to one gender include all other genders and vice versa;

2.4 references to the singular include the plural and vice versa;

2.5 references to the parties include their successors in title;

2.6 references to persons include individuals, companies, corporations, firms, partnerships, government bodies and agencies;

2.7 titles and headings are for reference only and shall not affect the interpretation of this Lease;

2.8 references to a statute mean that statute as amended, consolidated or re-enacted at the relevant time and any statutory instrument, regulation or order made under it which is then in force and references to statutes in general include statutes in existence or enacted at any time in the future;

2.9 references to an indemnity mean an indemnity against all actions, claims, demands and proceedings made against the Landlord and all costs, expenses, liabilities and losses incurred directly or indirectly by the Landlord and "indemnify" and "indemnified" shall be construed accordingly;

2.10 if any provision in this Lease is held to be illegal, void, invalid or unenforceable for any reason, the legality, validity and enforceability of the remainder of this Lease shall not be affected;

Error! Unknown document property name. Error! Unknown document property name.
2.11 references to the Premises or the Building include any part of them;

2.12 references to the end of the Term include the determination of the Term before the end of the Contractual Term, whether by re-entry, surrender or otherwise;

2.13 where the Tenant requires the consent of the Landlord to any alterations, [any change to the Permitted Use,] or any assignment, such consent shall not be effective unless given by way of a formal licence signed as a deed and any other consent or approval shall be in writing;

2.14 any document entered into pursuant to this Lease shall be in such form and contain such restrictions and conditions as the Landlord shall reasonably require;

2.15 any obligation on the Tenant to obtain the consent of the Landlord shall include, where required under any document, an obligation to obtain such consent from the holder of any superior interest and any mortgagee, and nothing contained in this Lease shall impose any obligation on any such person to act reasonably;

2.16 any reference to the date of assignment shall mean the date of the deed of assignment or transfer of this Lease and any covenants given to the Landlord on any assignment of this Lease shall take effect from such date;

2.17 any obligation on the Tenant includes an obligation on the Tenant to ensure that any person deriving title under the Tenant and its and their agents, employees, licensees and any other person under its or their control comply with that obligation and any reference to an act or default of the Tenant includes an act or default of those persons;

2.18 references to a “proper proportion” mean such proportion as is reasonably determined by the Landlord (or its surveyor) whose decision shall be binding, except in the case of manifest error;

2.19 the words “including” and “include” shall be deemed to be followed by the words “without limitation”;

2.20 any obligation on the Tenant not to do an act includes an obligation not to permit that act to be done;

2.21 if there is any conflict between the Plan and the description of the Premises in Part 2 of Schedule 1, then the latter shall prevail; and

2.22 references to “working days” mean any day from Monday to Friday (inclusive) and shall exclude any Bank or other public holiday, Saturday or Sunday.

3 CREATION OF LETTING

3.1 Grant of lease

In consideration of the Premium (receipt of which the Landlord acknowledges) and of the Tenant’s Covenants the Landlord lets the Premises to the Tenant for the Contractual Term.

3.2 Rights and reservations

The Premises are let:

(a) together with the rights set out in Part 3 of Schedule 1, so far as the Landlord has the power to grant them, in favour of the Tenant and any person deriving title
under the Tenant, to be enjoyed in common with the Landlord and every person authorised by the Landlord (including those to whom the Landlord shall grant or has granted such rights) and all others having like or similar rights, unless otherwise stated in Part 3 of Schedule 1;

(b) subject to the rights set out in Part 4 of Schedule 1, in favour of the Landlord and every person authorised by the Landlord and all others who are or may become entitled to exercise them; and

(c) subject to the title matters set out in Part 5 of Schedule 1 and all other rights, easements, covenants, and privileges enjoyed over or against the Premises or the Building, so far as any of them are still subsisting and capable of taking effect.

3.3 No implied rights

The Tenant shall not be entitled to the benefit of or to enforce any right, easement, covenant or agreement in respect of the Premises or the Building, except those expressly granted in clause 3.2(a), and s62 Law of Property Act 1925 shall not apply to this Lease.

3.4 Modification of rights

The Landlord shall be entitled to:

(a) vary or end the rights granted in Part 3 of Schedule 1, without any liability to the Tenant if it grants such alternative rights as may be necessary for the reasonable enjoyment of the Premises; and

(b) exercise the rights in Part 4 of Schedule 1, without any liability to the Tenant except as set out in Part 4 of Schedule 1.

4 REGISTRATION

The Tenant shall register the Lease promptly after completion of the Lease. On completion of the registration, the Tenant shall supply to the Landlord official copies showing the Tenant registered as the proprietor of the registered title to the Lease and all easements granted and/or reserved by the Lease properly noted against the affected titles.

5 PAYMENTS

5.1 In addition to the Premium which has been paid by the Tenant to the Landlord, the Tenant shall pay to the Landlord by way of rent without any abatement, counterclaim, deduction, reduction or set off whatsoever (except as required by law):

(a) from and including the Term Commencement Date, the Ground Rent (apportioned (if applicable) on a daily basis) being due on the Term Commencement Date and thereafter on the 31 March in every year of the Term (or such other annual date as the Landlord may, from time to time, nominate);

(b) from and including the date of this Lease, the Insurance Rent, in accordance with clause 13.4;

(c) from and including the date of this Lease, the Service Charge which shall be payable by equal monthly payments in advance on the first day of each calendar month; and
(d) any other sums payable under this Lease.

5.2 Interest on late payments
The Tenant shall pay on demand Interest on any sums due to the Landlord which are not paid (or not accepted by the Landlord so as not to waive any breach of the Tenant's Covenants) within five working days of the due date for payment.

5.3 Value Added Tax
All sums payable by the Tenant under this Lease for taxable supplies of goods or services shall be treated as being exclusive of the Value Added Tax chargeable on such sums. The Tenant shall pay on demand all Value Added Tax properly demanded by the Landlord.

5.4 Outgoings and rates
The Tenant shall pay and indemnify the Landlord against all rates, taxes, charges and outgoings assessed or charged on the Premises or payable by the owner or occupier of them (except any tax, other than Value Added Tax, payable by the Landlord on the Rents, or any tax payable on the grant of this Lease or on any other dealing by the Landlord with its interest in the Premises or the Building).

5.5 Valuations
The Tenant shall not agree or propose to alter the rating valuation of the Premises without the Landlord's consent, such consent not to be unreasonably withheld or delayed.

5.6 Loss of rating relief
The Tenant shall pay to the Landlord on demand an amount equal to any rating relief which the Landlord is unable to claim after the Term has ended as a result of the Tenant having made such a claim.

5.7 Utilities
The Tenant shall pay for all Utilities used by the Tenant and any related meter rents, installation charges and connection charges. In the absence of direct assessment of any of the Utilities, the Tenant shall pay to the Landlord on demand a proper proportion of the cost of the Tenant's use of the Utilities and any related rents and charges.

5.8 Landlord's costs
The Tenant shall pay on a full indemnity basis and on demand all proper charges and expenses incurred by or on behalf of the Landlord (including legal and surveying fees and the Landlord's own administration and management expenses) for and in connection with:

(a) the preparation and service of any notice and/or any proceedings under ss146 and/or 147 Law of Property Act 1925 and/or the Leasehold Property (Repairs) Act 1938, whether or not forfeiture is avoided other than by relief granted by the Court;
(b) the preparation and service of any notice and/or schedule relating to
dilapidations served during or within 12 months after the end of the Term;
(c) the recovery of any arrears of Rent or other sums due to the Landlord under this
Lease;
(d) the preparation and service of any notice pursuant to s6 Law of Distress
Amendment Act 1908;
(e) the preparation and service of any notice under s17 of the 1995 Act;
(f) any action taken by the Landlord to ensure that the Tenant makes good or has
made good any breach of the Tenant’s Covenants, including without limitation
any survey carried out to ascertain the nature and extent of any such breach; and
(g) any application for consent to any matter for which the consent of the Landlord is
required under this Lease, whether such consent is granted or not, unless the
Landlord acts unreasonably in refusing consent.

5.9 Indemnity
The Tenant shall keep the Landlord indemnified against any breach of the Tenant’s
Covenants or any act or default of the Tenant in relation to the Premises or the Building.

6 REPAIRING OBLIGATIONS

6.1 Repair

(a) The Tenant shall:

(i) keep the Premises and the tenant’s fixtures in good and substantial repair
and condition;

(ii) replace any landlord’s fixtures (including plant and equipment) in the
Premises with new articles of a similar kind and quality if they become
incapable of repair;

(iii) replace within the three months before the end of the Term any carpets,
curtains and other floor and window coverings in the Premises with new
ones of a similar kind and quality and in colours first approved by the
Landlord; and

(iv) replace any damaged or destroyed external glazing serving the Premises
with glazing of the same specification, appearance and quality as
previously.

(b) Clause 6.1(a) shall not apply to damage following an Insurance Event, except to
the extent that payment of the insurance monies is withheld as a result of some
act or default of the Tenant.

6.2 Decoration

In every fifth year of the Term if required by the Landlord and within the three months
before the end of the Term, the Tenant shall decorate the interior of the Premises in a
good and workmanlike manner and with appropriate materials of good quality to the
reasonable satisfaction of the Landlord, using colours and materials which in all cases
shall be first approved by the Landlord.
6.3 Clean

The Tenant shall keep the Premises clean and tidy, with all of the interior surfaces of the windows and other glazing in the Premises being cleaned at least once every month.

6.4 Conduits

The Tenant shall:

(a) keep the Conduits which form part of the Premises clean and unobstructed and not do anything that causes any obstruction or damage to any of the Conduits serving the Premises or the Building; and

(b) take all necessary precautions against the bursting or overflowing of any Conduit, tank or water apparatus that forms part of the Premises (whether by frost damage or otherwise).

6.5 Remedy breaches on notice

(a) Within three months of receiving notice from the Landlord of any breach of the Tenant’s Covenants relating to the repair and condition of the Premises, or immediately in case of emergency, the Tenant shall complete all works required to remedy such breach.

(b) If the Tenant fails to remedy the breach specified within the requisite time, the Tenant shall permit the Landlord and any person authorised by the Landlord to enter the Premises and remedy the breach and all costs incurred by the Landlord shall be a debt payable by the Tenant as additional rent on demand to the Landlord on a full indemnity basis.

7 Use

7.1 Title Matters

The Tenant shall comply with the conditions, covenants, restrictions and other matters contained or referred to in the deeds and documents specified in Part 5 of Schedule 1 to this Lease.

7.2 Permitted Use

The Tenant shall use the Premises only for the Permitted Use.

7.3 No warranty as to use

Nothing in this Lease or in any consent or licence granted by the Landlord shall imply or warrant that the Premises may lawfully be used under any town and country planning legislation for the Permitted Use or any other use.

7.4 Prohibited uses

The Tenant shall not use the Premises:-

(a) for any religious, public or political meeting;

(b) for the sale or production of alcohol;
(c) for residential purposes or allow any person to sleep in the Premises;
(d) as a club, sex shop, amusement arcade, betting office, staff agency or employment agency;
(e) as pet shop;
(f) for any illegal or immoral purposes;
(g) for any noxious, noisy or offensive trade or business;
(h) for the preparation or cooking of food (including re-heating) other than where such preparation is of a minor nature and solely relates to the preparation of food for consumption by staff working at the Premises during their lunch or other breaks;
(i) for the reception of goods to be washed, cleaned or repaired (whether such would be carried out by employees or by the public) as a laundry, launderette or dry cleaners;
(j) for the sale of hot foods for consumption (whether on or off the Premises);
(k) as a funeral parlour for a sale by auction; or
(l) outside the Business Hours, except in accordance with clause 7.6.

7.5 Restrictions on use

The Tenant shall not:

(a) allow any fish, bird, reptile or animal, other than guide dogs, anywhere in the Premises or the Building;
(b) do anything that may, in the reasonable opinion of the Landlord, be or grow to be a nuisance, annoyance, disturbance, inconvenience or damage to the Landlord or the other tenants and occupiers in the Building or in any adjoining or nearby property;
(c) overload the electrical systems of the Premises or the Building or connect any equipment to such electrical systems except in accordance with the design and specification of such electrical systems;
(d) overload the floors, or suspend any excessive weight from the ceilings or walls of the Premises or overload the lifts serving the Premises and not be unduly noisy or cause vibration or electrical or other interference;
(e) bring upon, store or use on the Premises any materials, substances or liquids of a specially hazardous, combustible, inflammable, explosive, dangerous or offensive nature;
(f) obstruct the Common Parts or any means of escape or other facilities serving the Premises or the Building;
(g) discharge anything into the Conduits which is or may become corrosive or harmful or cause any blockage or damage to them;
(h) install or operate any machinery or mechanical equipment in or on the Premises, except for office machinery and equipment used by the Tenant in the normal operation of its business;
(i) that does not breach clause 6.5(b); and  
(ii) that does not cause any noise or vibration which can be heard or felt outside the Premises  
(i) install or operate any radio transmitters or other broadcasting equipment (other than normal handheld mobile telephones);  
(j) play or use any musical instrument, radio, music or sound player which produces sound in the Premises so that it can be heard outside the Premises;  
(k) erect, exhibit or hang any signs, advertisements, placards, flags, posters, aerials, poles, masts or satellite dishes or any other thing whatsoever on the exterior of the Premises or any other parts of the Building unless permitted to do so under clause 3.2(a); or  
(l) store any refuse in the Premises except in suitable containers for that purpose, with all food waste and other pungent or perishable refuse being removed from the Premises daily and all other refuse being removed from the Premises weekly.

7.6 Use of the Premises outside Business Hours

The Tenant may, with the prior consent of the Landlord, use the Premises and have access to them outside the Business Hours, subject to the Tenant observing the following terms and conditions:

(a) the Tenant shall use only those parts of the Common Parts as the Landlord may designate;  
(b) the Tenant shall comply with the reasonable requirements of the Landlord regarding the use of the Common Parts and the security of the Building; and  
(c) the Tenant shall comply with clause 14.8.

7.7 Regulations

The Tenant shall:

(a) comply with the provisions of all statutes and the requirements of any competent authority in relation to the Premises and the Common Parts and shall carry out and maintain at its own cost all works and arrangements required under any statute, whether imposed on the Tenant or any other person, so far as they relate to the Premises;  
(b) give to the Landlord a copy of every notice, direction, order, proposal, licence, consent or permission relating to the Premises made or given under any statute within five working days of receipt (or sooner in cases of emergency) and, if required by the Landlord, the Tenant shall at its own cost make or join the Landlord in making such objections, applications or representations relating to them as the Landlord may reasonably require;  
(c) comply with all requirements and recommendations of the local fire officer in respect of the Premises and the Building or their use;  
(d) implement such recommendations contained in any EPC which relate to the Premises or the Building (in so far as such recommendations relate to the Premises) as are reasonably requested by the Landlord; and
(e) comply with all reasonable regulations made by the Landlord at any time for the management of the Building and the exercise of the rights granted to the Tenant under clause 3.2(a).

7.8 Defective Premises

The Tenant shall do everything necessary to comply with the Defective Premises Act 1972. In particular, the Tenant shall:

(a) immediately notify the Landlord of any defect in the Premises or the Building which may give rise to a duty of care on the Landlord under that Act;

(b) not do anything which might breach any duty of care; and

(c) display or maintain on the Premises any notices which the Landlord may reasonably require.

7.9 No new covenants

The Tenant shall not enter into any covenant with any person other than the Landlord relating to the Premises or require any assignee or undertenant to give covenants that would restrict the use of the Premises to a greater extent than the restrictions on use contained in this Lease.

7.10 Covenants in other leases

Nothing in this Lease shall give the Tenant any right to enforce or to receive the benefit of or to prevent the release or modification of any covenant or condition in any lease (other than this Lease), deed or document relating to the Premises, the remainder of the Building or any adjoining or nearby property.

8 ENCRYCHMENTS

8.1 Loss of existing rights

The Tenant shall not stop-up, darken or obstruct any window or other opening belonging to the Premises or the Building or do anything which may lead to any rights benefiting the Premises or the Building being lost.

8.2 Creation of new rights

The Tenant shall not permit any encroachment to be made which may lead to rights being acquired by any person over the Premises or the Building and shall at its own cost take such action as the Landlord may reasonably require to prevent any rights being acquired over the Premises or the Building or any rights benefiting the Premises or the Building being lost.

8.3 Notification

The Tenant shall give to the Landlord immediate notification of any interference with or any encroachment of any right enjoyed by the Premises or the Building or of any attempt to acquire any right over the Premises or the Building.
9 ALTERATIONS

9.1 Prohibited alterations

The Tenant shall not carry out any Alterations except as permitted in clause 9.2.

9.2 Non-structural alterations

Notwithstanding clause 9.1, but subject to clauses 9.3 and 9.4, the Tenant may carry out Alterations that are internal and non-structural without the prior consent of the Landlord.

9.3 Energy efficiency

The Tenant shall not carry out any Alterations which might adversely affect the energy performance of the Premises or the Building or which might reduce the energy rating contained in any EPC for the Premises or the Building.

9.4 General provisions

In respect of all Alterations, the Tenant shall at its own cost:

(a) provide the Landlord in triplicate with plans, drawings and specifications showing the Premises before and after the proposed Alterations;

(b) where relevant provide the Landlord with a Method Statement before the proposed Alterations;

(c) provide the Landlord with full details of the impact of the Alterations on the energy performance of the Premises or the Building or on the energy rating contained in any EPC for the Premises or the Building;

(d) obtain all necessary consents to the Alterations;

(e) give the insurers of the Building full details of the Alterations and obtain their approval to them;

(f) carry out the Alterations with good quality materials, in a good, substantial and workmanlike manner, in accordance with the terms of consents obtained for the Alterations and with the requirements of the local planning and other authorities;

(g) comply with the requirements of any statute which affects the Alterations or the manner in which they are carried out;

(h) carry out the Alterations to the reasonable satisfaction in all respects of the Landlord;

(i) in a manner which creates as little nuisance, inconvenience, disturbance or annoyance to the Landlord or to the tenants and other occupiers of the Building or of any adjoining or nearby premises as is reasonably practicable nor infringe the rights of any such persons;

(j) in a manner which does not make the Premises or the Building or any adjoining or nearby premises or any plant or machinery unsafe or unsound or interrupt any services supplied to the Building.
(k) give to the Landlord full details of the reinstatement value of the Alterations, excluding any tenant's fixtures forming part of the Alterations, for insurance purposes; [and]

(l) remove the Alterations and reinstate the Premises to the satisfaction of the Landlord at the end of the Term, unless and to the extent that the Landlord notifies the Tenant in writing otherwise; [and]

(m) [●]  

9.5 Indemnity
The Tenant shall indemnify the Landlord in respect of any matter arising out of the execution, retention and use of any Alterations.

10 PLANNING
10.1 Tenant's obligations
The Tenant shall comply with the provisions of all town and country planning legislation (including, but not limited to, the Town and Country Planning Act 1990) insofar as they relate to the Premises and to the use of the Common Parts and shall not:

(a) make any application for planning permission or any application for a determination that planning permission is not required without the prior consent of the Landlord. Consent shall not be unreasonably withheld or delayed if the application relates to a matter for which the Landlord cannot unreasonably withhold or delay its consent under this Lease; or

(b) carry out any Alterations or change the use of the Premises until all necessary planning permissions have been obtained and approved in writing by the Landlord. Subject to clause 10.2, the Landlord shall not unreasonably withhold or delay its approval where it has given consent to the application for planning permission being made.

10.2 Approval of permissions
The Landlord shall be entitled to:

(a) impose reasonable conditions to the giving of its approval; and

(b) withhold its approval to any planning permission if any conditions contained in or omitted from it or its duration would, in the reasonable opinion of the Landlord, have or be likely to have an adverse effect on the value of the Landlord's interest in the Building at any time during or after the end of the Term.

11 ALIENATION
11.1 Assignment
(a) Assignment of part
The Tenant shall not assign part only of the Premises.
(b) Assignment of whole

The Tenant shall not assign the whole of the Premises unless:

(i) the conditions (which are specified for the purposes of s19(1A) Landlord and Tenant Act 1927) in clause (c) are satisfied;

(ii) the circumstances (which are specified for the purposes of s19(1A) Landlord and Tenant Act 1927) in clause (d) do not apply; and

(iii) the Tenant obtains the prior consent of the Landlord, such consent not to be unreasonably withheld or delayed.

(c) Conditions for assignment

The Landlord shall not be required to consent to any assignment unless on or before the date of the assignment:

(i) the Landlord receives a direct covenant from the assignee that it shall comply with the Tenant’s Covenants until the date it is released from its obligations under the 1995 Act;

(ii) the Landlord receives a direct covenant by way of a guarantee and indemnity that the assignee shall comply with the Tenant’s Covenants from the date of the assignment until the date when the assignee is released from its obligations under the 1995 Act from:

(1) the Tenant by way of an Authorised Guarantee Agreement; and

(2) any guarantor or guarantors reasonably required by the Landlord, whose financial status shall be acceptable to the Landlord acting reasonably and who shall be resident or incorporated in the United Kingdom;

(iii) if required by the Landlord, any guarantor of the Tenant covenants directly with the Landlord by way of guarantee and indemnity that the Tenant shall comply with its Authorised Guarantee Agreement pursuant to clause (ii)(1); and

(iv) if reasonably required by the Landlord, a rent deposit deed in respect of the Rents for an amount equivalent to not less than £[• • •] (exclusive of Value Added Tax), shall be provided to the Landlord for such period as the Landlord may reasonably require.

(d) Prohibited circumstances

The Landlord shall not be required to consent to any assignment if:

(i) the Tenant has not complied with the Tenant’s Covenants;

(ii) the assignee is not, in the Landlord’s reasonable opinion, of sufficient financial standing to comply with the Tenant’s Covenants;

(iii) the assignee is an individual resident in or a company incorporated in a jurisdiction outside the United Kingdom in respect of which there is no applicable treaty for the mutual enforcement of civil judgments;

(iv) the assignee enjoys diplomatic, sovereign or any other form of immunity;
(v) the assignee is a Group Company of the Tenant, unless the Landlord is provided with reasonable evidence that the covenant strength of the assignee is not less than that of the Tenant, disregarding any Authorised Guarantee Agreement given by the Tenant to the Landlord; or

(vi) in the reasonable opinion of the Landlord, the value of the Landlord's interest in the Premises or the Building would be diminished or otherwise adversely affected by the proposed assignment, on the assumption, if not the fact, that the Landlord wishes to sell its interest immediately after the proposed assignment.

11.2 Charging

(a) Charging of part
The Tenant shall not charge part only of the Premises.

(b) Charging of whole
The Tenant shall not charge the whole of the Premises without the prior consent of the Landlord, such consent not to be unreasonably withheld or delayed.

11.3 Underlettings

(a) Underletting of part
The Tenant shall not underlet part only of the Premises.

(b) Underletting of Whole
The Tenant shall not underlet the whole of the Premises without the prior consent of the Landlord.

(c) Landlord's consent
The consent referred to in clause 11.3(b) shall not be unreasonably withheld or delayed BUT it is agreed that the Landlord may require that prior to any such underletting it shall approve the form of underlease (such approval provided that the provisions of clause (e) have been complied with) not to be unreasonably withheld or delayed.

(d) Undertenant's covenants
Before the grant of any underlease, the Tenant shall procure that the undertenant enters into direct covenants with the Landlord:

(i) to comply with the covenants on the part of the undertenant contained in the underlease until the undertenant is released from those obligations under the 1995 Act;

(ii) to procure that any assignee of the underlease enters into a direct covenant with the Landlord on the same terms as in this clause (b); and

(iii) that the undertenant will not further sublet the premises demised by the underlease whether whole or part.
(e) **Terms of the underlease**

Any underlease of the Premises shall:

(i) only include covenants and provisions as are not inconsistent with or impair the due performance and observance of the Tenant's Covenants;

(ii) contain a valid agreement excluding the application of ss24 to 28 (inclusive) of the 1954 Act to the underlease;

(iii) contain provisions prohibiting the creation of any further underleases of the whole or any part of the premises comprised in the underlease; and

(iv) contain provisions for re-entry on the same terms as in this Lease;

(f) **Tenant's obligations in relation to the underlease**

The Tenant shall:

(i) enforce the undertenant's covenants at its own cost and not waive any breach of them;

(ii) not accept a surrender of part only of the Premises;

not grant any licence or consent under the terms of any underlease without the prior consent of the Landlord, such consent not to be unreasonably withheld or delayed where the Landlord could not unreasonably withhold or delay its consent to a similar application under this Lease.

11.4 **General Provisions**

In relation to any assignment:

(a) the provisions of clause 11.1 shall operate without prejudice to the Landlord's right to withhold consent in any other circumstances where this would be reasonable or to impose any further conditions on the grant of consent where it would be reasonable to do so; and

(b) any guarantee and indemnity to be given to the Landlord, including under any Authorised Guarantee Agreement, shall be in the form of Schedule 3 incorporating such changes as the Landlord may reasonably require.

11.5 **Sharing occupation**

Except for any arrangement or underletting permitted under the terms of this Lease, the Tenant shall not share the occupation or part with or share the possession of the Premises or hold this Lease on trust for any other person.

11.6 **Group Companies**

Clause 11.5 shall not prevent the Tenant from sharing the occupation of the Premises with any Group Company of the Tenant, on condition that:

(a) no relationship of landlord and tenant is created;

(b) the sharing of occupation shall cease immediately upon that company ceasing to be a Group Company of the Tenant; and
(c) the Tenant gives written notice to the Landlord of the identity of that company and its relationship to the Tenant, prior to occupation being granted by the Tenant.

11.7 Notification of dealings

Within 15 working days of any assignment, charging or underletting of the Premises or the assignment of any underlease or the grant of any sub-underlease relating to the Premises, the Tenant shall give to the Landlord written notice of the disposition concerned and two certified copies of each of the documents giving effect to it, and shall pay to the Landlord's Solicitors a reasonable fee of not less than £60 (exclusive of Value Added Tax) for its registration.

11.8 Registration of assignments

Where any assignment is registrable at the Land Registry, the Tenant shall register the assignment as soon as reasonably practicable after the date of the assignment. On completion of the registration, the Tenant shall supply to the Landlord official copies showing the assignee registered as the proprietor of the registered title to the Lease and shall pay to the Landlord's Solicitors a reasonable registration fee of not less than £70 (exclusive of Value Added Tax).

11.9 Release of Landlord

The Tenant shall not unreasonably withhold or delay its consent to a request made by any person under s6 or s7 of the 1995 Act for a release from all or any of the covenants in this Lease to be complied with by the Landlord.

11.10 Disclosure of information

The Tenant shall provide to the Landlord immediately on request full details of all occupants of the Premises and the terms of their occupation.

12 EPC

12.1 The Landlord shall, at the request and cost of the Tenant, provide to the Tenant a copy of any valid EPC held by the Landlord in respect of the Premises or the Building.

12.2 The Tenant shall not knowingly invalidate any EPC in respect of the Premises or the Building. If the Tenant breaches this clause 12.2, all costs incurred by the Landlord in connection with the preparation of a new EPC shall be a debt payable by the Tenant to the Landlord on demand on a full indemnity basis.

12.3 The Tenant shall promptly provide the Landlord with a copy of any EPC obtained by the Tenant in respect of the Premises or the Building.

13 INSURANCE

13.1 Landlord to insure

The Landlord shall for the length of the Contractual Term, insure with a reputable insurance office or through reputable underwriters, and through such agency as the Landlord may from time to time determine:-
the Building (other than glazing) against damage or destruction by the Insured Risks in its full reinstatement cost, including the cost of demolition, site clearance, hoarding, shoring up, obtaining all planning permissions, building regulation and all other consents required, complying with the requirements of any statute or public or any other authority, all professional fees, and all other incidental expenses, together in each case with Value Added Tax;

(b) [its property owner's] and public liability in respect of the Building; and

c) such other insurances as the Landlord may consider appropriate in connection with the Building.

13.2 Insurance details

The Landlord shall at the written request of the Tenant, but not more than once a year, provide reasonable evidence of the terms of the insurance policy and of payment of the last premium.

13.3 Insurance provisos

The Landlord's obligations under clause 13.1 shall not apply to the extent that:

(a) insurance cover for properties similar to the Building is not ordinarily available with reputable insurance offices in the United Kingdom or underwriters against the Insured Risks on reasonable commercial terms;

(b) the insurers may apply excesses, exclusions, limitations and conditions;

(c) any policy of insurance is made void or voidable by any act or default of the Tenant; and

(d) the Tenant fails to notify the Landlord of the reinstatement value of any Alterations in accordance with clause 9.4(k).

13.4 Insurance Rent

The Tenant shall pay to the Landlord as additional rent on demand a proper proportion of:

(a) the costs incurred by the Landlord in complying with its obligations under clause 13.1;

(b) the amount of any excess which may be deducted or disallowed by the insurers upon the settlement of any insurance claim;

(c) the costs incurred by the Landlord in valuing the Building at reasonable intervals for insurance purposes; and

(d) the costs incurred by the Landlord in preparing and making any insurance claim under any insurance policy maintained by the Landlord in relation to the Building.

13.5 Tenant's obligations

The Tenant shall:

(a) comply with the requirements and recommendations of the insurers of the Building, so far as they relate to the Premises or the use of the Common Parts;
(b) not do or bring anything upon the Premises or any other part of the Building which may cause any policy of insurance effected by the Landlord under this Lease to become void or voidable or any sums payable under such policy to be irrecoverable;

(c) not do or bring anything upon the Premises or any other part of the Building which may increase the premium payable for any policy of insurance effected by the Landlord;

(d) give notice to the Landlord immediately upon any event occurring which might lead to a claim under or invalidate the insurance policy relating to the Building or might increase the insurance premium payable for the Building or might constitute an Insured Risk;

(e) except as specifically required under this Lease and except as to tenant's fixtures and contents, not to effect any insurance policy in relation to the Premises or the Building. If the Tenant breaches this clause 13.5(e), it shall hold the benefit of any insurance monies which it receives in respect of such insurance on trust for the Landlord and shall pay such sums to the Landlord immediately on receipt; and

(f) pay on demand to the Landlord any irrecoverable insurance monies and increases in insurance premiums resulting from any breach of the Tenant's Covenants.

13.6 Tenant to insure

The Tenant shall:-

(a) keep insured with an insurance office which is, in the Landlord's responsible opinion, reputable:-

(i) all glazing forming part of the Premises in its full reinstatement cost; and

(ii) such third party and other risks as the Landlord shall reasonably require;

(b) produce to the Landlord on demand any policy relating to the insurance referred to in clause (a) and reasonable evidence that such policy is in force; and

(c) replace any damaged or destroyed external glazing serving the Premises with glazing of the same specification, appearance and quality as previously.

Provided that where the Tenant is the London Borough of Southwark it shall be permitted to self-insure and shall not be in breach of its obligations in this clause where it does so. [To be reviewed per lease as insurance must be taken out where structural parts are let and on assignment and underletting]

13.7 Suspension of Ground Rent

If following an Insurance Event, the Premises are rendered unfit for occupation and use or inaccessible, the Ground Rent shall be suspended until the date on which the Premises have been reinstated so as to be fit for occupation and use and made accessible.
13.8 Landlord’s obligation to rebuild Premises

(a) In this clause 13.8, references to the Premises shall include such parts of the Common Parts as are reasonably necessary for the use and enjoyment of the Premises by the Tenant.

(b) Following an Insurance Event, unless any insurance monies are withheld due to any act or default of the Tenant and are not made good by the Tenant under clause 13.5(f), the Landlord shall use its reasonable endeavours to obtain any planning permissions and other consents required to rebuild or reinstate the Premises, but without any obligation to appeal against a refusal or failure to grant planning permission or any other consent.

(c) Subject to all necessary planning permissions and consents being obtained and the Tenant paying to the Landlord any sums due under clause 13.5(f), the Landlord shall apply such of the insurance monies as are received from the insurers in respect of the Premises by virtue of clause 13.1(a) towards the rebuilding or reinstatement of the Premises with all reasonable speed.

(d) In rebuilding or reinstating, the Landlord shall be entitled to use materials of a different quality, type or specification and may make reasonable changes in the original design, layout or specification of the Premises, so long as the extent of the Premises is not materially altered.

(e) The Landlord shall not be liable to rebuild or reinstate if prevented by one or more of the following reasons:

(i) the Landlord failing (despite using reasonable endeavours) to obtain the necessary planning permissions and consents;

(ii) any planning permissions or consents being granted subject to a condition which the Landlord reasonably considers to be unreasonable; or

(iii) any other reason beyond the Landlord’s reasonable control.

In such circumstances, all insurance monies received shall [belong to the Landlord]/[be apportioned between the Landlord and the Tenant in accordance with the estimated values of their respective interests in the Premises such proportion to be determined in the case of dispute by arbitration].

13.9 Termination on destruction of Building

If an Insurance Event occurs which damages or destroys the Building and it is likely, in the reasonable opinion of the Landlord, that it will be impossible to rebuild and reinstate the Building within the period for which the Landlord is obliged to insure pursuant to clause 13.1, the Landlord may serve on the Tenant not less than six months’ prior written notice and this Lease shall end on the date when such notice expires and all insurance monies received or receivable by the Landlord shall [belong to the Landlord]/[be apportioned between the Landlord and the Tenant in accordance with the estimated values of their respective interests in the Premises such proportion to be determined in the case of dispute by arbitration].
13.10 **Termination on destruction of Premises**

If an Insurance Event occurs which renders the Premises unfit for occupation and use or inaccessible, and they have not been reinstated and made accessible within the period for which the Landlord is obliged to insure pursuant to clause 13.1:

(a) the Tenant may serve not less than six months' prior written notice on the Landlord, and subject to clauses (b) and (c) below, this Lease shall end on the date when such notice expires and all insurance monies received or receivable by the Landlord shall [belong to the Landlord](1) be apportioned between the Landlord and the Tenant in accordance with the estimated values of their respective interests in the Premises such proportion to be determined in the case of dispute by arbitration;

(b) if the Premises have been made fit for occupation and use and are accessible by the date any notice served by the Tenant under clause (a) expires, this Lease shall not end;

(c) if any insurance monies have been withheld due to any act or default of the Tenant, any notice served by the Tenant under clause (a) shall be ineffectible; and

(d) any dispute about the operation of this clause 13.10 may be submitted at the request of the Landlord or the Tenant to arbitration.

13.11 **Commission**

The Landlord shall be entitled to retain for its own benefit any commission or agency fee paid or allowed by the insurers.

14 **SERVICES**

14.1 **Landlord's obligations**

(a) In providing the Services, the Landlord shall not be liable to the Tenant for any failure, interruption or delay in the supply of the Services which results from:

(i) any Insured Risk, any mechanical or other breakdown, inclement weather, labour disputes, any shortage of fuel, water or materials or any other reason beyond the Landlord's reasonable control provided such failure or interruption could reasonably have been prevented or shortened by the Landlord;

(ii) any inspection, repair, maintenance, servicing or replacement of the Building, the Conduits or any other plant or machinery used in the provision of the Services;

(iii) the Landlord shall use reasonable endeavours to restore services as soon as possible.

(b) The Landlord shall not be liable to the Tenant for any disrepair to the Retained Parts unless and until the Landlord fails to comply with its obligation to repair within a reasonable time of receiving actual notice of any such disrepair.

(c) The Landlord (acting reasonably) shall be entitled at its discretion to withhold, add to or alter the Services, or alter the manner in which they are provided, if the...
Landlord considers that it is desirable to do so, provided that it does not conflict with the principles of good estate management.

14.2 Excluded Services

Notwithstanding any other provisions in this Lease the Landlord shall have no obligation to provide the Excluded Services or to incur Excluded Items.

14.3 Calculation of Service Charge

(a) The Service Charge may include:

(i) the cost of providing Services and Items of Expenditure incurred in a previous Service Charge Year, which have not been included in any previous Service Charge; and

(ii) such provision for anticipated expenditure in respect of providing any of the Services as the Landlord reasonably considers desirable in the interests of good estate management.

(b) The Service Charge shall not be increased to reflect the fact that any Lettable Areas are vacant.

(c) The Service Charge shall not include:

(i) any capital expenditure incurred prior to the date of this Lease in connection with the original construction and equipping of the Building;

(ii) any expenditure for which any tenants or occupiers of the Building are individually responsible;

(iii) the cost of making good any damage or destruction to the Building caused by any risk covered by any insurance policy maintained by the Landlord pursuant to clause 13.1; and

(iv) the cost of marketing and letting any vacant Lettable Areas.

14.4 Payment of Service Charge

(a) As soon as reasonably practicable after the end of each Service Charge Year, the Landlord shall provide the Tenant with a certified statement showing the Service Charge and a summary of the expenditure incurred by the Landlord in providing the Services in that Service Charge Year. The statement shall be binding on the Tenant, except in the case of manifest error.

(b) Pending the calculation of the Service Charge for each Service Charge Year, the Tenant shall pay to the Landlord as additional rent the Estimated Service Charge by equal quarterly payments in advance on the Quarter Days.

(c) If the Landlord does not notify the Tenant of the amount of the Estimated Service Charge before the beginning of any Service Charge Year:

(i) the Tenant shall continue to pay the Service Charge at the rate payable for the preceding Service Charge Year; and

(ii) within five working days of the Landlord notifying the Tenant of the Estimated Service Charge, the Tenant shall pay to the Landlord as additional rent any difference between the preceding Service Charge and the Estimated Service Charge.
14.5 Adjustments

(a) If the Service Charge for any Service Charge Year is less than the Estimated Service Charge, the overpayment shall be credited against the next payments to be made by the Tenant under clause 14.4(b), or, in the case of the last year of the Term, shall be returned to the Tenant following the statement provided under clause 14.4(a) for that Service Charge Year.

(b) If the Service Charge for any Service Charge Year exceeds the Estimated Service Charge, the underpayment shall be paid by the Tenant to the Landlord as additional rent within five working days of the statement referred to in clause 14.4(a) being delivered to the Tenant.

(c) The obligations contained in clauses (a) and (b) shall continue beyond the end of the Term.

14.6 Supplemental charge

If, in any Service Charge Year, the Landlord reasonably desires or is required to pay any costs in respect of the Services and the money held by the Landlord on account from the Estimated Service Charge is insufficient for this purpose, the Landlord shall be entitled to demand a further sum on account of the Service Charge for that Service Charge Year. The Tenant shall pay such sum as additional rent to the Landlord within five working days of demand.

14.7 Evidence in support of Service Charge

For a period of two months after delivery of each statement to the Tenant under clause 14.4(a), the Landlord shall at the cost of the Tenant use reasonable endeavours to make available to the Tenant all relevant vouchers and receipts relating to the Service Charge referred to in that statement at such location as the Landlord may reasonably specify for the purpose of inspection during normal office hours.

14.8 Extension of Business Hours

If the Tenant uses the Premises outside the Business Hours, the Tenant shall pay to the Landlord as additional rent the whole, or a proper proportion, of the costs attributable to the provision of any Services outside the Business Hours and any associated Items of Expenditure.

14.9 Service Charge disputes

The Tenant shall not be entitled to dispute the Service Charge on the grounds that any of the Services or Items of Expenditure could have been provided or incurred at a cost lower than that incurred by the Landlord.

15 END OF THE TERM

At the end of the Term, the Tenant shall:

15.1 return the Premises to the Landlord with vacant possession, repaired, cleaned and maintained in accordance with the Tenant's Covenants;
15.2 unless and to the extent that the Landlord notifies the Tenant in writing otherwise, 
reinstate all Alterations and restore the Premises to the state and condition in which the 
Tenant first took possession of them;
15.3 return all keys and security passes to the Premises and the Building to the Landlord;
15.4 deliver to the Landlord the original Lease and all other title deeds and documents 
relating to the Premises; and
15.5 execute such deed or document as the Landlord shall require in order to cancel any entry 
or title relating to this Lease at the Land Registry.

16 GUARANTEE PROVISIONS
16.1 Guarantee and indemnity

The Guarantor covenants with the Landlord that the Tenant shall comply with the 
Tenant's Covenants until the Tenant is released from them under the 1995 Act. This 
covenant is a guarantee and indemnity for the purposes of Schedule 3 and incorporates 
its provisions.

16.2 Tenant's Guarantor to join in licences

If the Tenant requires the consent of the Landlord under the terms of this Lease, the 
Tenant shall procure that any person who may from time to time be a guarantor of the 
Tenant's Covenants shall be a party to any formal licence and shall confirm that its 
obligations as guarantor of the Tenant's Covenants shall continue in full force and effect.

17 QUIET ENJOYMENT

The Tenant shall be entitled quietly to enjoy the Premises throughout the Term, without 
any interruption by the Landlord or any person lawfully claiming under or in trust for 
the Landlord.

18 AGREEMENTS AND PROVISOS
18.1 Re-entry

Without prejudice to any other right remedy or power contained in this Lease or 
otherwise available to the Landlord, the Landlord shall be entitled to re-enter the 
Premises (or any part of them in the name of the whole) and terminate this Lease if:

(a) the Rents, or any part of them, remain unpaid 14 days after becoming due 
(whether formally demanded or not);
(b) the Tenant or any guarantor of the Tenant, is in material breach of any of its 
obligations under this Lease of such nature as to have a material adverse effect on 
either the value of the Landlord's reversionary interest in the Building or on the 
use or occupation of the dwellings or other premises (or any of them) within the 
Building and any such breach is not remedied within a reasonable time of notice 
from the Landlord to the Tenant specifying in reasonable detail such breach

and then the Term will absolutely cease but without prejudice to any rights or remedies 
which may have accrued to the Landlord against the Tenant or to the Tenant against the
Landlord in respect of any breach of covenant or other term of this Lease (including the breach in respect of which the re-entry is made). Provided Always that notice of contemplation of re-entry shall first be served on any mortgagee with an interest in the Premises in respect of which details have previously been provided to the Landlord and no re-entry shall be effected until the expiry of twenty eight (28) days after the service of any such notice.

18.2 Exclusion of compensation

The Tenant shall not be entitled to any compensation under any statute or otherwise at the end of the Term, so far as the law allows.

18.3 Tenant’s property

If, at the end of the Term, the Tenant leaves any property belonging to the Tenant on the Premises, the Landlord shall be entitled at the cost of the Tenant to remove such property from the Premises. If the Tenant fails to collect such property within five working days of being requested to do so in writing by the Landlord or if the Landlord is unable to make such request, within ten working days of the Landlord’s first attempt to do so:

(a) the Landlord shall be entitled, as the agent for the Tenant, to sell such property;

(b) the Tenant shall indemnify the Landlord against any liability incurred by the Landlord to any third party whose property shall have been sold by the Landlord in the bona fide mistaken belief (which shall be presumed unless the contrary be proved) that such property belonged to the Tenant;

(c) the Tenant shall indemnify the Landlord against any damage caused to the Premises and any liability of the Landlord caused by or related to the presence of the Tenant’s property in the Premises;

(d) the Landlord shall be entitled to use any proceeds of sale to defray any costs properly incurred in connection with the removal, storage and sale of such property and to discharge any other sums which may still be due to the Landlord under the terms of this Lease, and

(e) if the Landlord, having made reasonable efforts, is unable to locate the Tenant, the Landlord shall be entitled to retain such proceeds of sale absolutely, unless the Tenant claims them within three months of the date on which the Tenant vacated the Premises.

18.4 Disputes with adjoining occupiers

If any dispute arises between the Tenant and the tenants or occupiers of other parts of the Building or any adjoining or nearby property as to any matter in connection with the use of the Premises and any other part of the Building or any adjoining or nearby property or as to the boundary structures separating the Premises from any other property it shall be decided by the Landlord or in such manner as the Landlord shall direct.

18.5 Entire understanding

This Lease embodies the entire understanding of the parties relating to the Premises and to all matters dealt with by any of the provisions of this Lease.
18.6  **Representations**

The Tenant acknowledge that in entering into this Lease no reliance has been placed upon any representation, warranty or statement (whether oral, written or implied) made by or on behalf of the Landlord, (other than the written replies of the Landlord’s Solicitors to the written enquiries made by the Tenant’s Solicitors but only in respect of enquiries not capable of independent verification by the Tenant by inspection, survey or searches or enquiry of any local or other public authority or body, whether or not actually made).

18.7  **Notices**

(a) Any notice to be given under this lease shall be in writing.

(b) Any notice may be served on the recipient at its address set out in the Particulars (or such other address as that party may specify in writing to the other from time to time) or, during the first 12 months of the Contractual Term only, on the recipient’s solicitors identified in the Particulars (or such other solicitors as may be specified in writing to the other party from time to time).

(c) Any notice served by DX shall be deemed to be received on the first working day after being sent.

(d) Any notice served by first class post, special delivery or recorded post shall be deemed to be received on the second working day after being sent.

(e) Any notice served by second class post shall be deemed to be received on the third working day after being sent.

(f) Any notice served by fax shall be deemed to be received when the sender has received confirmation that the notice has been transmitted, unless transmission takes place after 4.30 pm on any day in which case the notice shall be deemed to be received at 9.00 am on the next working day.

(g) Any notice shall be valid if given by the solicitors acting on behalf of the party serving the notice.

(h) Notice may not be served by electronic mail.

18.8  **New Tenancy**

This Lease creates a “new tenancy” for the purposes of s1 of the 1995 Act.

18.9  **Contracts (Rights of Third Parties) Act 1999**

Unless this Lease states otherwise, the parties do not intend to confer any right or benefit which is enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 upon any party who is not a party to this Lease.

18.10  **Arbitration**

Where any matter may be referred to arbitration under this Lease, the matter is to be submitted to a single arbitrator under the Arbitration Act 1996, and the arbitrator shall be appointed by agreement between the Landlord and the Tenant or, in the absence of agreement, by the President of the Royal Institution of Chartered Surveyors, or the next
available officer, on the application of either the Landlord or the Tenant. The arbitrator shall not have the power to order the rectification, setting aside or cancellation of the Lease.

18.11 Outstanding liabilities on termination
When this Lease ends, whether by effluxion of time, or otherwise, it shall be without prejudice to outstanding liabilities of any party to any other party.

18.12 Jurisdiction
This Lease shall be governed and construed in accordance with English law and the English courts shall have exclusive jurisdiction in relation to any disputes between the Landlord and the Tenant and/or the Guarantor arising out of or related to this Lease.

18.13 Charities Act 2011

18.14 Execution
The parties have signed this Lease as a deed and it is intended to be and shall be delivered on the date of this Lease.

SCHEDULE 1

Part 1

The Building

The Building:-

1. includes all Conduits from time to time within or leading to the Building that serve it, but excludes those that form part of the public mains;
2. includes all landlord’s fixtures forming part of the Building from time to time;
3. includes all additions, alterations and improvements made to the Building from time to time; and
4. excludes any tenant’s fixtures forming part of the Building from time to time.

Part 2

The Premises

1. [THE PREMISES INCLUDE:-
1.1 all non-structural or non-load bearing walls and columns within the Premises;
1.2 the inner half, severed vertically, of any non-structural or non-load bearing walls and columns that divide the Premises from other parts of the Building;
1.3 the internal plaster surfaces and finishes of the walls of the Premises, including those on any structural or loadbearing walls and columns within or enclosing the Premises;
all ceiling finishes;

all internal windows (including the frames and fitments and all glazing);

all doors and door frames in all walls within or enclosing the Premises and all door furniture and glazing within the doors;

all other glazing (whether in partitions or otherwise);

all floor finishes, floor screeds and raised floor systems;

all carpets or other floor coverings provided or paid for by the Landlord;

all sanitary and hot and cold water apparatus and equipment within and exclusively serving the Premises;

[the air space above the suspended ceiling systems and the suspended ceiling systems and light fittings];

[all external windows (including the frames and fitments and all glazing) [and the whole of any non-structural parts of the shop frontage or other frontage];]

all Conduits within or leading to the Premises that exclusively serve the Premises, but excludes those that form part of the public mains;

all other landlord’s fixtures that exclusively serve the Premises; [and]

all Alterations, except to the extent that they comprise tenant’s fixtures. [and]

[ ]

THE PREMISES EXCLUDE:

all structural or loadbearing walls and columns and the structural slabs of any roofs and floors;

[all external windows (including the frames and fitments and all glazing)];

all Conduits and landlord’s fixtures within the Premises which do not exclusively serve the Premises;

[the air space above the suspended ceiling systems and the suspended ceiling systems and light fittings]; [and]

all tenant’s fixtures and chattels. [and]

[ ]

Part 3

[Rights granted to the Tenant]

[REFUSE
The right with others to use the refuse disposal and collection areas within the Building for the depositing of normal office refuse ready for collection.]

[CONDUITS
The right to the passage of Utilities through any Conduits that serve the Premises and that do not form part of the public mains.]
3 [SUPPORT
The right of support, shelter and protection for the Premises from the remainder of the Building.]

4 [SIGNS
The right to display at the entrance to the Premises a sign stating the Tenant’s name and business, of such type and size and in such position as the Landlord may reasonably determine.]

5 [  •  ]

5.1 [  •  ]

Part 4

[Rights reserved to the Landlord and others]

1 [CONDUITS
The right to the passage of Utilities through any Conduits which are now or may at any time be in, under or over the Premises and the right to create new services or easements in, under or over the Premises and to connect into and use any existing Conduits or lay new Conduits in, under or over the Premises.]

2 [THE BUILDINGS
2.1 The right at any time to raise the height of, build on, rebuild, alter, demolish, develop, repair, clean, decorate or carry out any other works to any part of the Building and any adjoining or nearby property and the right to erect new buildings of any height on any part of the Building and any adjoining or nearby property, in each case in such manner as the Landlord thinks fit.

2.2 In exercising the rights in paragraph 2.1 of Part 4 of this Schedule 1, the Landlord shall be entitled to build on or into any external wall of the Premises and to oversail cranes and their loads over the Premises and erect scaffolding against any external wall of the Premises for the duration of the works being carried out.

2.3 The Tenant shall not be entitled to claim against the Landlord for any interference in the right and passage of light and air to the Premises arising from the exercise of the rights in this paragraph 2.]

3 [ENTRY ON THE PREMISES
3.1 The right at any time to enter and remain on the Premises with or without plant, machinery and equipment:-
(a) to exercise the rights reserved in Part 4 of this Schedule 1;
(b) to inspect, clean, maintain, repair, connect, remove, lay, replace, alter and carry out any other works to or in connection with the Conduits and the Services;
(c) to carry out any works in respect of any easement or services benefiting the Premises, the remainder of the Building and any adjoining or nearby property;
(d) to view the state and condition of the Premises, the remainder of the Building and any adjoining or nearby property including, where necessary, opening up any part or parts of the floors, ceilings and walls of the Premises;
(e) to remedy any breach of the Tenant’s Covenants;
(f) to carry out any repairs, decoration, alterations, works of refurbishment, cleaning and any other works to the Building and/or any adjoining or nearby property, or to do anything which the Landlord may or is obliged to do under this Lease or otherwise;
(g) in connection with any requirements of the insurers of the Building;
(h) to value the Premises or the Building, whether for insurance purposes or otherwise;
(i) to prepare for the disposal of the Landlord’s or any superior interest in the Premises or the Building or, in the last six months of the Term, the reletting of the Premises;
(j) to affix on the exterior of the Premises notices for the sale or, in the last six months of the Term, the reletting of the Premises;
(k) to comply with its obligations to any superior landlord or mortgagee;
(l) to measure and assess the Premises and carry out works pursuant to and in connection with any EPC; and
(m) any other reasonable purpose.

3.2 On the exercise of any rights of entry on the Premises (except where the Tenant is in breach of the Tenant’s Covenants), the person entering shall give reasonable prior notice to the Tenant (except in cases of emergency), cause as little damage and inconvenience as reasonably practicable in the exercise of the rights and make good any damage caused to the Premises in the exercise of those rights.

4 [SUPPORT
The right of support, shelter and protection from the Premises for the remainder of the Building and any adjoining or nearby property.]

5 [EMERGENCY
The right, in common with the Tenant, in cases of emergency only, to use any fire escape routes within the Premises designated by the Landlord for use as a means of escape in case of fire.]

6 [  
6.1 [  ]
Part 5

Title matters

[The matters contained in the Property Register the Charges Register of Title Number [ ], as at the date of this Lease.]

SCHEDULE 2

Part 1

The Services

1 MAINTAINING RETAINED PARTS
Inspecting, repairing, maintaining, treating, cleaning, decorating, servicing, altering, replacing and rebuilding the Retained Parts, (excluding the external glazing serving the Premises) and all plant, machinery, equipment and Conduits.

2 HEATING
Providing central heating and, if the Landlord considers appropriate, air conditioning, to the Common Parts at such temperatures as the Landlord reasonably considers to be adequate for such hours and at such times of the year as the Landlord reasonably considers necessary or desirable.

3 LIGHTING
Providing lighting to the Common Parts, where appropriate, at such times as the Landlord reasonably considers necessary or desirable.

4 MAINTENANCE OF FIRE EQUIPMENT
Providing, inspecting, operating, maintaining and, when in the reasonable opinion of the Landlord necessary, and replacing fire prevention and fire fighting equipment including fire alarms, extinguishers, detectors and sprinkler systems in the Common Parts.

5 CLEANING
Cleaning the external glazing of the Building and all glazing and window-frames in the Retained Parts, except where the individual responsibility of any tenant or occupier of the Building, and cleaning other external Retained Parts and providing and maintaining facilities and equipment for these purposes.

6 REFUSE DISPOSAL
Procuring the collection and disposal of refuse from the Building, and providing receptacles and plant and equipment for these purposes.

7 SECURITY
Providing such security measures for the Building as the Landlord shall from time to
time determine, including security guards, alarms, closed circuit television systems and
barriers.

8 
SIGNs
Providing, maintaining and, when in the reasonable opinion of the Landlord necessary,
and replacing, name boards and other signage at such locations in the Building and of
such design and size as the Landlord shall determine.

9  
9.1 

Part 2

Items of Expenditure

1. The cost of inspecting, repairing, maintaining and replacing the Retained Parts and all
plant, machinery, equipment and conduits, including all plant and machinery relating to
lifts, heating and air conditioning.

2. The payment of all existing and future rates, taxes, duties, charges, assessments,
impositions and outgoings payable in respect of all or any part of the Retained Parts.

3. All payments to any local or other competent authority, person or body towards or in
connection with the carrying out of all or any of the Services.

4. The cost of compliance with any statute or any directions, requirements or
recommendations of any competent authority or of any insurers of the Building.

5. The cost of abating any nuisance to the Building, in so far as no tenant or occupier of the
Building is liable for the same.

6. The cost of taking any steps which the Landlord reasonably deems desirable or
appropriate in making representations against or otherwise contesting the operation of
the provisions of any statute or any directions or requirements of any competent
authority relating to the Building.

7. The cost of entering into any contracts for the carrying out of all or any of the Services
and other functions and duties that the Landlord reasonably considers necessary.

8. The cost of inspecting, repairing maintaining, treating, cleaning, decorating, servicing,
replacing, lighting and marking any roads, paths, yards, party walls, fences or other
structures or services or other areas used or available to be used in common by all or any
of the occupiers of the Building and the occupiers of any adjoining premises.

9. The cost of preparing and supplying to the tenants and occupiers of the Building copies
of any regulations made by the Landlord pursuant to clause 7.7.

10. The cost of any policy or policies of insurance for insuring the plant, equipment and
machinery in the Building against sudden and unforeseen damage and breakdown and
for insuring any glazing in the Building.
11. The cost of preparing, submitting and settling any insurance claim relating to the
Building not charged under clause 13.4(d).

12. The cost of carpeting, re-carpeting or otherwise covering such parts of the Retained Parts
as the Landlord shall from time to time reasonably consider desirable or appropriate.

13. The cost of providing furniture and fittings in the main entrance hall and lift lobbies of
the Building.

14. The cost of providing, maintaining and, where the Landlord reasonably considers it
necessary, replacing any architectural or ornamental features, any floral and other
decorations and any plants, shrubs, trees, flowers, garden and grassed areas in the
Retained Parts.

15. The cost of the oil, gas, electricity or other energy supplies needed to provide any of the
Services.

16. The cost of providing, where appropriate, toilet requisites and hygiene services in the
lavatories in the Common Parts including the supply, maintenance, repair and renewal
of receptacles, plant and equipment for these purposes.

17. The cost of employing such staff and other personnel as the Landlord shall reasonably
consider necessary or desirable for the carrying out of the Services or in connection with
any of the Items of Expenditure, including:-

   (a) the payment of fees, expenses, salaries, gratuities, bonuses, annuities,
       redundancy and other termination payments, pensions, pension contributions,
       social security and National Insurance contributions and any statutory levies or
       emoluments in respect of such staff or personnel; and

   (b) the cost of providing uniforms, protective clothing, tools, appliances, vehicles,
       materials and equipment for the proper performance of the duties of such staff
       or personnel;

   (c) the cost of providing for such staff or personnel residential or other
       accommodation, including a management office, such cost to include all
       outgoings and all utility charges and the cost of repairs, renewals and
       redecoration in respect of such accommodation and the actual or a proper
       notional rent for such accommodation.

18. The fees, expenses and commissions payable, on a full indemnity basis, to any solicitor,
auditor, accountant, surveyor, valuer, architect, engineer, managing agent or other
professional whom the Landlord may from time to time employ in connection with the
maintenance or management of the Building, including the cost of preparation [and

19. The Landlord’s management and administration expenses and, where management of
the Building is undertaken by the Landlord or any Group Company of the Landlord, a
sum equal to 10% of service charge expenditure in the relevant Service Charge Year by
way of a management fee.

20. The cost, on a full indemnity basis, of enforcing, or attempting to enforce:-

   (a) any term, covenant or condition or exercising, or attempting to exercise any right
       of re-entry contained in any lease, underlease, licence or agreement relating to all
       or any part of the Building unless for the non-payment of yearly rent; and
(b) any warranty or other obligation owed to the Landlord, whether in contract or in tort, relating to the design or construction of the Building less any sums actually recovered by the Landlord from any third party on account of such costs.

21. Interest, commission, banking charges and fees in respect of any monies borrowed to finance the provision of any of the Services or the Items of Expenditure.

22. The cost of providing any of the Services outside the Business Hours, where the Landlord reasonably considers it appropriate to do so, having regard to the level of occupation of the Building outside the Business Hours.

23. The fees and expenses incurred by or on behalf of the Landlord in respect of any facility, right or thing used in common between the Building and any adjoining or nearby premises.

24. The cost of obtaining and, where in the reasonable opinion of the Landlord desirable for improving the energy efficiency of the Premises or the Building, implementing any recommendations in any EPC for the Premises or the Building.

25. The cost of any other works, facilities or services of any kind whatsoever which the Landlord reasonably considers necessary or desirable for the better use and enjoyment of the Building (during or after the end of the Term) or for the more efficient management of the Building.

26. [●●]

Part 3

Excluded Services

1. The maintenance, repair, cleaning, replacement and/or improvement of any lifts in the Building.

2. The inspection, keeping in good repair and condition, maintenance, treatment, cleaning, decoration, servicing, alteration, replacement, renewal, improvement, lighting of the Residential Common Parts.

3. [●●]

SCHEDULE 3

Guarantee Provisions

1. Defined Terms

In this Schedule, unless the contrary intention appears, and where appropriate:

"Covenantr" means the party who has responsibility for complying with the Obligations, excluding the Guarantor;

"Default Event" means:

(i) the receipt by the Landlord of actual notice of the disclaimer of this Lease by a trustee in bankruptcy or liquidator of the Covenantr or by the Crown;
(ii) if the Covenanator is a company, the receipt by the Landlord of actual notice that the Covenanator has been dissolved, struck off the register of companies or has otherwise ceased to exist; or

(iii) the ending of this Lease pursuant to clause 18.1;

"Guarantee" means any guarantee and indemnity given to the Landlord under this Lease by:

(i) the Guarantor under clause 16.1;
(ii) the Tenant in accordance with clause 11.1(c)(ii)(I);
(iii) any guarantor of any assignee of this Lease in accordance with clause 11.1(c)(ii);
(iv) any guarantor of the Tenant in accordance with clause 11.1(c)(iii); or
(v) any other person in accordance with the terms of this Lease.

"Guarantor" means the party giving the Guarantee;

"New Lease" means a lease of the Premises

(i) for a term of years commencing on the date of the Default Event and expiring on the date upon which the Contractual Term would have expired;
(ii) containing redecoration dates which occur on the dates upon which the Premises were to be redecorated under this Lease; and
(iii) otherwise containing the same terms and conditions as this Lease; and

"Obligations" means the obligations in this Lease to which the Guarantee relates.

2 GUARANTEE AND INDEMNITY
The Guarantor covenants with and guarantees to the Landlord as primary obligor that the Obligations shall be complied with and, as a separate primary obligation, that it shall indemnify the Landlord against any breach of them.

3 ORDER OF CLAIMS
The Guarantor acknowledges to the Landlord that the Landlord may make any claim against the Guarantor without first making demand of the Covenanator or pursuing any other remedy available to the Landlord in respect of the Obligations.

4 PRESERVATION OF GUARANTEE
4.1 The Guarantor acknowledges to the Landlord that the Guarantee is a continuing guarantee and shall not be released or varied by:

(a) any Default Event or any act which would constitute a Default Event on the receipt of actual notice of that act by the Landlord;
(b) the surrender of any part of the Premises;
(c) any variation of this Lease;
(d) any concession, time, indulgence or release given by the Landlord to the
Covenantor or any co-guarantor; or
(e) any other act or thing which would, but for this paragraph 4, release or vary the
Guarantee.

4.2 The Guarantor covenants with the Landlord that it shall not seek to discharge, alter,
compromise or impair its liability under this Lease in any agreement, arrangement,
scheme or composition proposed by and entered into by the Tenant, or by a party to any
such arrangement.

4.3 The Guarantor covenants with the Landlord, as a separate primary obligation, that if the
Tenant proposes or enters into any agreement, arrangement, scheme or composition
which has the effect of discharging, altering, compromising or impairing its liability or
the liability of the Guarantor under this Lease, the Guarantor shall indemnify the
Landlord against any such discharge, alteration, compromise or impairment.

5 PRIORITY OF CLAIMS
The Guarantor covenants with the Landlord that, unless and until all of the Obligations
have been complied with:

5.1 The Guarantor shall not claim any rights of subrogation against the Covenantor, prove or
claim in competition to the Landlord in any liquidation, bankruptcy, agreement,
arrangement, scheme, composition, moratorium, receivership or administration of or
concerning the Covenantor or take any guarantee, indemnity or other security or other
right from the Covenantor in respect of all or any of the liabilities of the Guarantor under
this Lease; and

5.2 Any monies which the Guarantor receives from any procedure or action of any of the
kinds referred to in paragraph 5.1 shall be paid to the Landlord, and every guarantee,
indemnity or other security or other right referred to in paragraph 5.1 shall be held on
trust for the benefit of the Landlord.

6 DISCHARGE CONDITIONAL
The Guarantor acknowledges to the Landlord that, if any payment made by the
Covenantor, the Guarantor or any co-guarantor is ordered to be refunded under any law
relating to bankruptcy, liquidation or insolvency, the Landlord may claim from the
Guarantor as if such payment had not been made and any release, discharge or
settlement between the Guarantor and the Landlord shall take effect subject to this
condition.

7 SET OFF, COUNTERCLAIM AND OTHER DEDUCTIONS
The Guarantor covenants with the Landlord that the Guarantor shall make any payments
due from it under the Guarantee in full and on demand, without any deduction or
withholding by way of set off, counterclaim, taxation or otherwise, except as required by
law, in which case the Guarantor shall pay such increased amount as is necessary to
ensure that the Landlord receives, after all such deductions and withholdings, the full
amount.
8 NEW LEASE
The Guarantor acknowledges to the Landlord that, at any time within the period of six
months after a Default Event occurs, the Landlord shall be entitled to serve written notice
on the Guarantor requiring the Guarantor to accept the grant of a New Lease as tenant.
Where there is more than one Guarantor, the Landlord shall be entitled to serve the
notice on any of them.

9 GUARANTOR’S OBLIGATIONS IN RELATION TO NEW LEASE
The Guarantor covenants with the Landlord that, if the Landlord requires the Guarantor
to accept the grant of a New Lease, the Guarantor shall:

9.1 execute and deliver to any superior landlord a counterpart of any licence to underlet
which may be required for the grant of the New Lease. The licence to underlet shall
contain such covenants as may be properly required of the Guarantor as undertenant;

9.2 if required by the Landlord, do all things reasonably necessary for the purposes of
obtaining a valid agreement to exclude the operation of ss24-28 Landlord and Tenant Act
1954 in relation to the New Lease;

9.3 accept the grant of the New Lease and execute and deliver to the Landlord a counterpart
of the New Lease; and

9.4 the costs and disbursements of the Landlord’s Solicitors and other professional advisers
on a full indemnity basis arising from the grant of the New Lease and the enforcement of
the Guarantee, together with any irrecoverable Value Added Tax incurred by the
Landlord.

10 EFFECT OF THE GRANT OF A NEW LEASE
The Guarantor acknowledges to the Landlord that the grant of a New Lease shall not
prejudice any rights of the Landlord against the Guarantor or any co-guarantor in respect
of any liability under the Guarantee, or any other guarantee or security held by the
Landlord in respect of the Obligations insofar as that liability relates to any period prior
to the date of the Default Event.

11 NO NEW LEASE
The Guarantor covenants with the Landlord that if a Default Event occurs and for any
reason the Landlord does not require the Guarantor to accept the grant of a New Lease
under paragraph 8, the Guarantor shall pay to the Landlord on demand an amount equal
to all sums which would have been payable under this Lease but for the Default Event
for the period commencing on the date of the Default Event and ending on the date
twenty four months after the Default Event or, if earlier, the date upon which the
Landlord re-lets the Premises.
Executed as a deed by
[● ● ]
acting by a director
and its secretary/two directors

) ) ) )
	Director

) ) )
Secretary/Director

Executed as a deed by
[● ● ] acting by a director
and its secretary/two directors

) ) )
	Director

) ) )
Secretary/Director
Appendix 5

Draft Legal Charge
Dated 2014

(1) Notting Hill Housing Trust

(2) The Mayor and Burgesses of the London Borough of Southwark

__________________________

Legal charge

__________________________

relating to property known as [Plot [ ]] Aylesbury Estate Southwark
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PARTICULARS

Date

Mortgagor Notting Hill Housing Trust (registered number IP16558R) whose registered office is at Bruce Kenrick House 2 Killick Street London N1 9FL.

Mortgagee The Mayor and Burgesses of the London Borough of Southwark of 160 Tooley Street London SE1 2QH

Lease A lease dated [DATE] made between (1) the Mortgagee and the Mortgagor and (2) [NAME OF TENANT] together with any deeds and documents now or at any time after the date of this Legal Charge varying or supplemental or ancillary to that lease.

Development Agreement Partnership A development partnership agreement dated [DATE] made between (1) the Mortgagee and (2) the Mortgagor

Property The leasehold property known as [Plot [ ] Aylesbury Estate forming part of the freehold land registered under the Title Numbers

Title Numbers [TITLE NUMBER(S)].
THIS LEGAL CHARGE is made on the date set out in the Particulars

BETWEEN

(1) the Mortgagor; and

(2) the Mortgagee.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Defined terms

In this Legal Charge, the following words and expressions have the following meanings:

"1925 Act" Law of Property Act 1925

"Charged Property" the Property, debts, rights and undertaking charged to the Mortgagee by the Mortgagor by this Legal Charge and includes, where applicable, any property charged by any other security given to the Mortgagee by the Mortgagor

"Event of Default" any of the events of default set out in clause 5.1

"Expenses" all fees proper and reasonable legal and professional fees and unpaid interest and all other expenses and costs, on a full indemnity basis, together with Value Added Tax, Incurred in connection with:

(a) taking, perfecting, enforcing or exercising any power under this Legal Charge; or

(b) any breach of any provision of and the protection, realisation or enforcement of this Legal Charge

"Insolvency Act" Insolvency Act 1986

"Interest" interest calculated in accordance with the Development Partnership Agreement and a
Secured Amount as per limb (i) of that definition as may be agreed from time to time between the parties and if not agreed in accordance with the usual practice of the Mortgagee from time to time both before and after Judgment

any lease of the whole or any part of the Property and includes:

(a) any underlease, sublease, tenancy or licence and any agreement for a lease, underlease, sublease, tenancy or licence; and

(b) any agreement for the sharing of occupation of the Property.

"Permitted Disposal"

means a Planning Agreement or the disposal by way of a lease or otherwise of any interest in the Property (Including without limitation contracts for) in respect of:-

(a) sites for Service Installations required for a development of the Property to be a Relevant Authority; and/or

(b) areas of open space to be adopted by a Relevant Authority or areas on which any community facility is required to be provided pursuant to a Planning Agreement which is necessary in order to implement a Planning Permission; and/or

(c) land required to be disposed of to comply with a Planning Agreement which is necessary in order to implement a Planning Permission; and/or

(d) land to be disposed of to a highway authority for the purpose of adoption of roads and footpaths and/or cycleways to be constructed on the
Property; and/or
(e) any Unit or Units which have been constructed; and/or
(f) easements or wayleaves; and/or
(g) heat and power plant.

"Planning Agreement"

an agreement obligation or undertaking in respect of and affecting the Property to be made pursuant to any one or more of the following:-

(a) section 106 of the 1990 Act;
(b) section 38 and/or section 278 Highways Act 1980 and/or section 104 Water Industry Act 1991;
(c) section 33 Local Government (Miscellaneous Provisions) Act 1982;
(d) any agreement with the local water authority or other Relevant Authority as to the water supply to or drainage of surface water and effluent from the Property or any agreement with any Relevant Authority relating to any of the Services.

"Planning Permission"

any planning permission for development of the Property.

"Receiver"

any receiver or manager appointed by the Mortgagor under this Legal Charge or pursuant to any statute, including the 1925 Act but does not include an administrative receiver.

"Relevant Authority"

any authority or body or company (whether public or otherwise) having jurisdiction in each instance in respect of the matter referred to or any aspect of it including, without prejudice to the generality of the foregoing, the highways authority, the planning authority, the drainage undertakings, the gas, water, electricity and
telecommunications suppliers and any other authority, body or company to whom the powers of such authority, body or company are delegated.

all monies, obligations, liabilities whatsoever for principal, interest or otherwise which may now or at any time in the future be due, owing or incurred by the Mortgagor to the Mortgagee under the Development Partnership Agreement or any other agreement or arrangement between the Mortgagor and the Mortgagee payable in relation to the Property:

(a) whether:

(i) present or future, actual or contingent;

(ii) alone or jointly or severally with others;

(b) in whatever name or style; and

(c) together with all Expenses and Interest

any legal charge, debenture, mortgage, pledge, hypothecation, lien, assignment or other form of security or trust arrangement granting any legal or equitable charge over the Charged Property, whether fixed or floating, or conferring priority of payment

means the drainage of surface water and effluent and the supply of water, gas, electricity and telephone and telecommunications services and any other date.

ditches, sewers, drains, pipes, manholes, culverts, ponds, soakaways, channels, watercourses, conduits, pumping stations, balancing facilities, channels, pipes, outlets, mains, wire, cables, ducts, flues, poles,
ventilation shafts, electricity substations, gas governors and all other ancillary equipment and apparatus now or within the perpetuity period to be laid and used for the conduct of Services.

"Warranties" the warranties given by the Mortgagor to the Mortgagee in clause 8

"Working Days" means Monday to Friday inclusive excluding public holidays and the period between 23rd December and 2nd January inclusive.

1.2 Construction

In this Legal Charge:

1.2.1 the clause headings do not affect its interpretation;

1.2.2 unless otherwise indicated, references to clauses and Schedules are to clauses of and Schedules to this Legal Charge and references in a Schedule to a Part or paragraph are to a Part or paragraph of that Schedule;

1.2.3 references to any statute or statutory provision include references to:

1.2.3.1 all Acts of Parliament and all other legislation having legal effect in the United Kingdom; and

1.2.3.2 any subsequent statutes directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute and also include any orders, regulations, instruments or other subordinate legislation made under that statute;

1.2.4 references to the Mortgagee and the Mortgagor include their respective successors in title to this Legal Charge and, in the case of individuals, their personal representatives.

1.2.5 references to the Property and the Charged Property include any part of them;

1.2.6 references to this Legal Charge include any deeds and documents varying or supplemental or ancillary to this Legal Charge or entered into pursuant to the terms of this Legal Charge;
1.2.7 references to the powers of the Mortgagee or the Receiver are references to the respective powers, discretions and rights given to the Mortgagee or a Receiver under this Legal Charge, the 1925 Act, the Insolvency Act or otherwise given to or exercisable by the Mortgagee or the Receiver;

1.2.8 "Including" means "Including, without limitation";

1.2.9 "Indemnify" means to indemnify against all actions, claims, demands and proceedings taken or made against the Mortgagee or any Receiver and all proper and reasonable costs, damages, expenses, liabilities and losses incurred by the Mortgagee or any Receiver;

1.2.10 where two or more persons form a party to this Legal Charge, the obligations they undertake may be enforced against them all jointly or against each individually; and

1.2.11 if any provision is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder of this Legal Charge is to be unaffected.

1.3 Particulars

The Particulars form part of this Legal Charge and words and expressions set out in the Particulars are to be treated as defined terms in this Legal Charge.

1.4 Effect of this Legal Charge

This Legal Charge is in addition to, and does not operate so as in any way to prejudice or affect, or be prejudiced or affected by, any other security or guarantee which the Mortgagee may now or at any time after the date of this Legal Charge hold for or in respect of the Secured Amounts.

1.5 Contracts (Rights of Third Parties) Act 1999

The parties to this Legal Charge do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

2. CHARGE

2.1 Covenant to pay

The Mortgagor covenants with the Mortgagee to pay the Secured Amounts to the Mortgagee together with interest to and including the date of discharge within 10 Working Days of the due date for payment in accordance with the terms of the Development Partnership Agreement.
2.2 Charges

The Mortgagor with full title guarantee charges to the Mortgaghee the Property by way of first fixed legal mortgage.

2.3 Continuing security

This Legal Charge is made for securing the payment and discharge of Secured Amounts. It is a continuing security and will not be discharged by any payment on account of the whole or any part of the Secured Amounts.

2.4 Release

If and when no further Secured Amounts are due to the Mortgaghee and the Mortgagor has paid all Secured Amounts which have become due to the Mortgaghee, the Mortgaghee will at the request of the Mortgagor release the Charged Property from this Legal Charge.

2.5 Land Registry restriction

The Mortgagor is to apply to the Land Registrar on Land Registry form RX1 to enter a restriction on the register of the title number allocated to the Property by the Land Registry in the following Land Registry standard form:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date of this Legal Charge] or a conveyancer."

3. COVENANTS

3.1 Restriction on further security

The Mortgagor is not to create or permit any further Security to be created in or over the Charged Property save in accordance with the Development Partnership Agreement.

3.2 Disposals of the Property

The Mortgagor is not to sell or otherwise dispose of the Property or any legal or equitable interest in the Property without the consent of the Mortgaghee other than any Permitted Disposal which may be made without any consent and when made shall be free of this Legal Charge.

3.3 Insurance of the Property

The Mortgagor is to insure the buildings and fixed plant, machinery and fixtures forming part of the Property in accordance with the Development Partnership Agreement.
3.4 **Repair and condition of the Property**

The Mortgagor is to keep all buildings and fixed plant, machinery and fixtures forming part of the Property in a good state of repair and condition as is consistent with a well managed construction site.

3.5 **Alterations**

The Mortgagor is not without the prior written consent of the Mortgagee to carry out any development on the Property within the meaning of section 55 Town and Country Planning Act 1990 save as permitted pursuant to the Development Partnership Agreement.

3.6 **Rights of access**

The Mortgagor is to permit the Mortgagee and any Receiver to enter and remain on the Property with or without workmen, plant and materials to carry out any inspection, survey or valuation of the Property, to ascertain whether any breach of the covenants in this clause 3 has occurred and to remedy, at the Mortgagor's cost, any breach of these covenants which has occurred.

3.7 **Expenses**

The Mortgagor is to pay all Expenses due to the Mortgagee within 10 Working Days of demand. If the Mortgagor does not do so, the Expenses will bear Interest from and including the date of demand to and including the date of actual payment.

4. **VARIATION OF STATUTORY POWERS**

4.1 **Consolidation of mortgages**

The restrictions on the consolidation of mortgages in section 93 of the 1925 Act do not apply to this Legal Charge.

4.2 **Power of leasing**

The restriction on the powers of the Mortgagee or the Receiver to grant Leases or to accept the surrender of Leases in sections 99 and 100 of the 1925 Act do not apply to this Legal Charge.

4.3 **Power of sale**

For the purposes only of section 101 of the 1925 Act, the Secured Amounts become due and the statutory power of sale and other powers of enforcement arise immediately following an Event of Default.
4.4 **Exercise of power of sale**

Section 103 of the 1925 Act does not apply to this Legal Charge and all moneys secured by this Legal Charge are immediately payable immediately following an Event of Default.

4.5 **Protection for buyers**

A buyer from, tenant or other person dealing with the Mortgagee or the Receiver will not be concerned to enquire whether any of the powers which they have exercised or purported to exercise have arisen or become exercisable.

4.6 **Mortgagee's powers**

The power of sale and the other powers conferred by the 1925 Act or otherwise are extended and varied to authorise the Mortgagee in its absolute discretion to do all or any of the things or exercise all or any of the powers which a Receiver is empowered to do under this Legal Charge.

5. **EVENTS OF DEFAULT**

5.1 This Legal Charge will become immediately enforceable and the powers of the Mortgagee and the Receiver exercisable in any of the following events:

5.1.1 the Mortgagor does not pay the Secured Amounts in accordance with this Legal Charge;

5.1.2 an Event of Default as defined in the Development Partnership Agreement.

6. **APPOINTMENT OF RECEIVERS**

6.1 **Appointment of receivers**

At any time after the Mortgagee's power of sale has become exercisable, the Mortgagee may appoint one or more than one Receiver in respect of the Charged Property.

6.2 **Removal of restrictions on appointment**

None of the restrictions imposed by the 1925 Act in relation to the appointment of receivers or to the giving of notice or otherwise will apply.

6.3 **Joint and several powers**

If more than one Receiver is appointed the Receiver may act jointly and severally or individually.
6.4 **Additional or alternative receivers**

The Mortgagee may remove the Receiver and appoint another Receiver and the Mortgagee may also appoint an alternative or additional Receiver.

6.5 **Agent of the Mortgagor**

The Receiver will, so far as the law permits, be the agent of the Mortgagor.

6.6 **Mortgagor’s liability**

The Mortgagor alone will be responsible for the acts or defaults of the Receiver and will be liable on any contracts or obligations made or entered into by the Receiver.

6.7 **Liability for default**

The Mortgagee will not be responsible for any misconduct, negligence or default of the Receiver.

6.8 **Continuation of powers following liquidation or bankruptcy**

The powers of the Receiver will continue in full force and effect following the liquidation or bankruptcy of the Mortgagor.

6.9 **Receiver’s remuneration**

The remuneration of the Receiver may be fixed by the Mortgagee but will be payable by the Mortgagor. The amount of the remuneration will form part of the Secured Amounts.

6.10 **General powers of a Receiver**

A Receiver will have the power on behalf and at the cost of the Mortgagor:

6.10.1 to do or omit to do anything which the Mortgagor could do or omit to do in relation to the Property; and

6.10.2 to exercise all or any of the powers conferred on the Receiver or the Mortgagee under this Legal Charge or conferred upon receivers by the Insolvency Act, the 1925 Act or any other statutory provision (whether or not the Receiver was appointed pursuant to the relevant statutory provision).

6.11 **Specific powers of a Receiver**

Without limitation to the powers of the Receiver, the Receiver will have full power and discretion:
6.11.1 to take possession of and generally manage the Charged Property;

6.11.2 to carry out on the Property any new works or complete any unfinished works of building, reconstruction, maintenance, furnishing or equipment;

6.11.3 to purchase or acquire any land and purchase, acquire or grant any interest in or right over land;

6.11.4 to sell, charge, grant or accept surrenders of leases, licences to occupy or franchises or otherwise deal with and dispose of the Charged Property without restriction

6.11.5 to carry into effect and complete any transaction by executing deeds or documents in the name of or on behalf of the Mortgagor;

6.11.6 to take, continue or defend any proceedings, enter into any arrangement or compromise and, where appropriate, refer any dispute to arbitration or expert determination;

6.11.7 to remove, store, sell or otherwise deal with any fixtures and fittings;

6.11.8 to insure the Charged Property and any works and effect indemnity insurance or other similar insurance and obtain bonds and give indemnities and security to any bondsmen;

6.11.9 to employ advisers, consultants, managers, agents, workmen and others on such terms and for such remuneration as the Receiver in the Receiver's absolute determination thinks fit;

6.11.10 to purchase materials, tools, equipment, goods or supplies on such terms and at such price as the Receiver in the Receiver's absolute determination thinks fit;

6.11.11 to borrow moneys from the Mortgagee or others on the security of the Charged Property or otherwise on such terms as the Receiver may in the Receiver's absolute discretion think fit for the purpose of exercising any of the rights, powers, authorities and discretions conferred on the Receiver by or pursuant to this Charge or for any other purpose; and

6.11.12 to do any other acts which the Receiver may consider to be Incidental or conducive to any of the Receiver's powers or to the realisation of the Charged Property.
6.12 **Application of proceeds**

Sections 109(6) and 109(8) of the 1925 Act will not apply to a Receiver appointed under this **clause 6**.

7. **DISTRIBUTIONS**

7.1 **Subject to section 176A Insolvency Act**, the net proceeds arising from the exercise of the powers of the Receiver will, subject to any claims ranking in priority to the Secured Amounts, be applied in or towards discharging in the following order of priority:

7.1.1 the costs, charges and expenses incurred and payments made by the Receiver in connection with or as a result of the exercise of the Receiver’s powers and the costs, charges and expenses of and incidental to the Receiver’s appointment;

7.1.2 the remuneration of the Receiver;

7.1.3 the Secured Amounts in such order as the Mortgagee may determine; and

7.1.4 the claims of those entitled to any surplus.

8. **WARRANTIES**

8.1 The Mortgagor warrants to the Mortgagee that:

8.1.1 neither the execution of this Legal Charge by the Mortgagor nor compliance with its terms will:

8.1.1.1 conflict with or result in any breach of any law or enactment or any deed, agreement or other obligation or duty to which the Mortgagor is bound; or

8.1.1.2 cause any limitation on any of the powers of the Mortgagor or on the right or ability of the directors of the Mortgagor to exercise those powers to be exceeded;

8.1.2 all consents required by the Mortgagor for the execution, delivery, issue, validity or enforceability of this Legal Charge have been obtained and have not been withdrawn;

8.1.3 no person having any charge or other form of security over the Property or any other assets of the Mortgagor has enforced or given notice of its intention to enforce such security; and

8.1.4 no Event of Default has occurred or is continuing.
9. **EXCLUSION OF LIABILITY**

9.1 **Liability for loss and damage**

Neither the Mortgagee nor any Receiver will be liable to the Mortgagor for any loss or damage incurred by the Mortgagor arising out of the exercise of their respective powers or any attempt or failure to exercise those powers.

9.2 **Mortgagor's indemnity**

The Mortgagor agrees with the Mortgagee to indemnify the Mortgagee and any Receiver in respect of:

9.2.1 any exercise of the powers of the Mortgagee or the Receiver or any attempt or failure to exercise those powers; and

9.2.2 anything done or omitted to be done in the exercise or purported exercise of the powers under this Legal Charge or under any appointment duly made under the provisions of this Legal Charge.

10. **POWERS**

10.1 **Execution of documents**

The Receiver will have power, either in the name of the Mortgagor or in the name of the Receiver, to execute documents and do all acts or things which may be necessary under this Legal Charge or in exercise of the Receiver’s powers.

10.2 **Time for compliance**

The Mortgagee may from time to time waive or authorise, on such terms and conditions, if any, as it deems expedient, any breach or proposed breach by the Mortgagor of the Mortgagor’s obligations or conditions contained in this Legal Charge without prejudice to the Mortgagee’s rights and remedies in respect of any subsequent breach of them.

10.3 **Other indebtedness**

The Mortgagor authorises the Mortgagee to receive from the holder of any prior or subsequent charge details of the state of account between such holder and the Mortgagor.

10.4 **No liability as mortgagee in possession**

Entry into possession of the Property, for whatever reason, will not render the Mortgagee or any Receiver liable to account as mortgagee in possession.
10.5 Independence of Legal Charge

This Legal Charge is entered into as an entirely separate document to any other arrangement which might be entered into from time to time between the Mortgagee and the Mortgagor or the Mortgagee and any other person. Irrespective of the validity or enforceability of any such other arrangement the Mortgagor and the Mortgagee declare that, and it is intended that, this Legal Charge will remain as a valid security and in full force and effect in any event.

10.6 Power to open new account

If the Mortgagee receives notice of a subsequent mortgage or charge relating to the Property, it will be entitled to close any account and to open a new account in respect of the closed account. If the Mortgagee does not open such new account, it will be treated as if it had done so at the time when it received such notice and:

10.6.1 no monies credited to the new account after the date of such notice will be appropriated towards, or have the effect of discharging, the monies owing to the Mortgagee upon the closed account; and

10.6.2 the opening of any new account by the Mortgagee will not prejudice any right or remedy of the Mortgagee arising as a result of a default by the Mortgagor.

10.7 Consolidation of accounts

The Mortgagee may at any time after this Legal Charge has become enforceable and without notice to the Mortgagor combine or consolidate all or any of the Mortgagor's then existing accounts with, and liabilities to, the Mortgagee and set off or transfer any sum or sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of the liabilities of the Mortgagor to the Mortgagee on any other account or in any other respects. The Mortgagee is to notify the Mortgagor in writing that such a transfer has been made.

10.8 Use and disposal of chattels

If the Mortgagee or the Receiver obtains possession of the Property, the Mortgagee or the Receiver may use and remove, store or sell any chattels on the Property without being under any liability to the Mortgagor other than to account for the net proceeds of the sale. All expenses and liabilities incurred by the Mortgagee or the Receiver in connection with the removal, storage and sale of the chattels will form part of the Secured Amounts.
10.9 **Severance of fixtures**

Upon any sale or other disposition in exercise of the powers contained or implied by this Legal Charge the Mortgagee or any Receiver may sever any fixtures from the Property and sell them apart from the Property without taking possession of the Property and apply the net proceeds of such sale in or towards satisfaction of the Secured Amounts.

11. **NOTICES**

11.1 **Form of notices**

Any notice served under this Legal Charge is to be:

11.1.1 in writing;

11.1.2 signed by an officer of the party serving the notice or by its solicitors;

11.1.3 delivered by hand, first class post, pre-paid or recorded delivery or fax at the address of the party on whom it is served set out above or such other address which they may notify in writing to the other parties at any time.

11.2 **Time of receipt**

If a notice is received after 4.00 pm on a working day, or on a day which is not a working day, it is to be treated as having been received on the next working day.

11.3 **Deemed receipt**

Unless the time of actual receipt is proved, a notice served by the following means is to be treated as having been received:

11.3.1 if delivered by hand, at the time of delivery;

11.3.2 if sent by post, on the second working day after posting; or

11.3.3 if sent by fax, at the time of transmission.

12. **LAW AND JURISDICTION**

12.1 **Governing law**

This Legal Charge is to be governed by and interpreted in accordance with English law.
12.2 Jurisdiction

The courts of England are to have jurisdiction in relation to any disputes between the parties arising out of or related to this Legal Charge. This clause operates for the benefit of the Mortgagee who retains the right to sue the Mortgagor and enforce any judgment against the Mortgagor in the courts of any competent jurisdiction.

13. EXECUTION

The Mortgagee and the Mortgagor have executed this Legal Charge as a deed and it is delivered on the date set out in the Particulars.
EXECUTED as a deed by affixing the common seal of The Mayor and Burgesses of the London Borough of Southwark

In the presence of:

Authorised Signatory

SIGNED as a deed by Notting Hill Housing Trust acting by a director and its secretary or two directors

Director

Director / Secretary
Appendix 5

Draft Legal Charge
Dated 2014

(1) Notting Hill Housing Trust

(2) The Mayor and Burgesses of the London Borough of Southwark

Legal charge

relating to property known as [Plot [ ]] Aylesbury Estate Southwark
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PARTICULARS

Date

Mortgagor Notting Hill Housing Trust (registered number IP16558R) whose registered office is at Bruce Kenrick House 2 Killick Street London N1 9FL.

Mortgagee The Mayor and Burgesses of the London Borough of Southwark of 160 Tooley Street London SE1 2QH

 Lease A lease dated [DATE] made between (1) the Mortgagee and the Mortgagor and (2) [NAME OF TENANT] together with any deeds and documents now or at any time after the date of this Legal Charge varying or supplemental or ancillary to that lease.

Development Agreement Partnership A development partnership agreement dated [DATE] made between (1) the Mortgagee and (2) the Mortgagor

Property The leasehold property known as [Plot [ ]] Aylesbury Estate forming part of the freehold land registered under the Title Numbers

Title Numbers [TITLE NUMBER(S)].

P-ENG-REPG-CHARGE-02
THIS LEGAL CHARGE is made on the date set out in the Particulars

BETWEEN

(1) the Mortgagor; and

(2) the Mortgagee.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Defined terms

In this Legal Charge, the following words and expressions have the following meanings:

"1925 Act" Law of Property Act 1925

"Charged Property" the Property, debts, rights and undertaking charged to the Mortgagee by the Mortgagor by this Legal Charge and includes, where applicable, any property charged by any other security given to the Mortgagee by the Mortgagor

"Event of Default" any of the events of default set out in clause 5.1

"Expenses" all fees proper and reasonable legal and professional fees and unpaid interest and all other expenses and costs, on a full indemnity basis, together with Value Added Tax, incurred in connection with:

(a) taking, perfecting, enforcing or exercising any power under this Legal Charge; or

(b) any breach of any provision of and the protection, realisation or enforcement of this Legal Charge

"Insolvency Act" Insolvency Act 1986

"Interest" Interest calculated in accordance with the Development Partnership Agreement and a
"Letting"

Secured Amount as per limb (i) of that definition as may be agreed from time to time between the parties and if not agreed in accordance with the usual practice of the Mortgagee from time to time both before and after Judgment

any lease of the whole or any part of the Property and includes:

(a) any underlease, sublease, tenancy or licence and any agreement for a lease, underlease, sublease, tenancy or licence; and

(b) any agreement for the sharing of occupation of the Property.

"Permitted Disposal"

means a Planning Agreement or the disposal by way of a lease or otherwise of any interest in the Property (including without limitation contracts for) in respect of:-

(a) sites for Service Installations required for a development of the Property to be a Relevant Authority; and/or

(b) areas of open space to be adopted by a Relevant Authority or areas on which any community facility is required to be provided pursuant to a Planning Agreement which is necessary in order to implement a Planning Permission; and/or

(c) land required to be disposed of to comply with a Planning Agreement which is necessary in order to implement a Planning Permission; and/or

(d) land to be disposed of to a highway authority for the purpose of adoption of roads and footpaths and/or cycleways to be constructed on the
Property; and/or

(e) any Unit or Units which have been constructed; and/or

(f) easements or wayleaves; and/or

(g) heat and power plant.

"Planning Agreement"

an agreement obligation or undertaking in respect of and affecting the Property to be made pursuant to any one or more of the following:-

(a) section 106 of the 1990 Act;

(b) section 38 and/or section 278 Highways Act 1980 and/or section 104 Water Industry Act 1991;

(c) section 33 Local Government (Miscellaneous Provisions) Act 1982;

(d) any agreement with the local water authority or other Relevant Authority as to the water supply to or drainage of surface water and effluent from the Property or any agreement with any Relevant Authority relating to any of the Services.

"Planning Permission"

any planning permission for development of the Property.

"Receiver"

any receiver or manager appointed by the Mortgagee under this Legal Charge or pursuant to any statute, including the 1925 Act but does not include an administrative receiver

"Relevant Authority"

any authority or body or company (whether public or otherwise) having jurisdiction in each instance in respect of the matter referred to or any aspect of it including, without prejudice to the generality of the foregoing, the highways authority, the planning authority, the drainage undertakings, the gas, water, electricity and
telecommunications suppliers and any other authority, body or company to whom the powers of such authority, body or company are delegated.

all monies, obligations, liabilities whatsoever for principal, interest or otherwise which may now or at any time in the future be due, owing or incurred by the Mortgagor to the Mortgagee under the Development Partnership Agreement or any other agreement or arrangement between the Mortgagor and the Mortgagee payable in relation to the Property:

(a) whether:

(i) present or future, actual or contingent;

(ii) alone or jointly or severally with others;

(b) in whatever name or style; and

(c) together with all Expenses and Interest

any legal charge, debenture, mortgage, pledge, hypothecation, lien, assignment or other form of security or trust arrangement granting any legal or equitable charge over the Charged Property, whether fixed or floating, or conferring priority of payment

means the drainage of surface water and effluent and the supply of water, gas, electricity and telephone and telecommunications services and any other date.

ditches, sewers, drains, pipes, manholes, culverts, ponds, soakaways, channels, watercourses, conduits, pumping stations, balancing facilities, channels, pipes, outlets, mains, wire, cables, ducts, flues, poles,
ventilation shafts, electricity substations, gas governors and all other ancillary equipment and apparatus now or within the perpetuity period to be laid and used for the conduct of Services.

"Warranties" the warranties given by the Mortgagor to the Mortgagee in clause 8

"Working Days" means Monday to Friday inclusive excluding public holidays and the period between 23rd December and 2nd January inclusive.

1.2 Construction

In this Legal Charge:

1.2.1 the clause headings do not affect its interpretation;

1.2.2 unless otherwise indicated, references to clauses and Schedules are to clauses of and Schedules to this Legal Charge and references in a Schedule to a Part or paragraph are to a Part or paragraph of that Schedule;

1.2.3 references to any statute or statutory provision include references to:

1.2.3.1 all Acts of Parliament and all other legislation having legal effect in the United Kingdom; and

1.2.3.2 any subsequent statutes directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute and also include any orders, regulations, instruments or other subordinate legislation made under that statute;

1.2.4 references to the Mortgagee and the Mortgagor include their respective successors in title to this Legal Charge and, in the case of individuals, their personal representatives.

1.2.5 references to the Property and the Charged Property include any part of them;

1.2.6 references to this Legal Charge include any deeds and documents varying or supplemental or ancillary to this Legal Charge or entered into pursuant to the terms of this Legal Charge;
1.2.7 references to the powers of the Mortgagee or the Receiver are references to the respective powers, discretions and rights given to the Mortgagee or a Receiver under this Legal Charge, the 1925 Act, the Insolvency Act or otherwise given to or exercisable by the Mortgagee or the Receiver;

1.2.8 "Including" means "Including, without limitation";

1.2.9 "Indemnify" means to indemnify against all actions, claims, demands and proceedings taken or made against the Mortgagee or any Receiver and all proper and reasonable costs, damages, expenses, liabilities and losses incurred by the Mortgagee or any Receiver;

1.2.10 where two or more persons form a party to this Legal Charge, the obligations they undertake may be enforced against them all jointly or against each individually; and

1.2.11 if any provision is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder of this Legal Charge is to be unaffected.

1.3 **Particulars**

The Particulars form part of this Legal Charge and words and expressions set out in the Particulars are to be treated as defined terms in this Legal Charge.

1.4 **Effect of this Legal Charge**

This Legal Charge is in addition to, and does not operate so as in any way to prejudice or affect, or be prejudiced or affected by, any other security or guarantee which the Mortgagee may now or at any time after the date of this Legal Charge hold for or in respect of the Secured Amounts.

1.5 **Contracts (Rights of Third Parties) Act 1999**

The parties to this Legal Charge do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

2. **CHARGE**

2.1 **Covenant to pay**

The Mortgagor covenants with the Mortgagee to pay the Secured Amounts to the Mortgagee together with interest to and including the date of discharge within 10 Working Days of the due date for payment in accordance with the terms of the Development Partnership Agreement.
2.2 Charges

The Mortgagor with full title guarantee charges to the Mortgagor the Property by way of first fixed legal mortgage.

2.3 Continuing security

This Legal Charge is made for securing the payment and discharge of Secured Amounts. It is a continuing security and will not be discharged by any payment on account of the whole or any part of the Secured Amounts.

2.4 Release

If and when no further Secured Amounts are due to the Mortgagor and the Mortgagor has paid all Secured Amounts which have become due to the Mortgagor, the Mortgagor will at the request of the Mortgagor release the Charged Property from this Legal Charge.

2.5 Land Registry restriction

The Mortgagor is to apply to the Land Registrar on Land Registry form RX1 to enter a restriction on the register of the title number allocated to the Property by the Land Registry in the following Land Registry standard form:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date of this Legal Charge] or a conveyancer."

3. COVENANTS

3.1 Restriction on further security

The Mortgagor is not to create or permit any further Security to be created in or over the Charged Property save in accordance with the Development Partnership Agreement.

3.2 Disposals of the Property

The Mortgagor is not to sell or otherwise dispose of the Property or any legal or equitable interest in the Property without the consent of the Mortgagor other than any Permitted Disposal which may be made without any consent and when made shall be free of this Legal Charge.

3.3 Insurance of the Property

The Mortgagor is to insure the buildings and fixed plant, machinery and fixtures forming part of the Property in accordance with the Development Partnership Agreement.
3.4 Repair and condition of the Property

The Mortgagor is to keep all buildings and fixed plant, machinery and fixtures forming part of the Property in a good state of repair and condition as is consistent with a well managed construction site.

3.5 Alterations

The Mortgagor is not without the prior written consent of the Mortgagee to carry out any development on the Property within the meaning of section 55 Town and Country Planning Act 1990 save as permitted pursuant to the Development Partnership Agreement.

3.6 Rights of access

The Mortgagor is to permit the Mortgagee and any Receiver to enter and remain on the Property with or without workmen, plant and materials to carry out any inspection, survey or valuation of the Property, to ascertain whether any breach of the covenants in this clause 3 has occurred and to remedy, at the Mortgagor's cost, any breach of these covenants which has occurred.

3.7 Expenses

The Mortgagor is to pay all Expenses due to the Mortgagee within 10 Working Days of demand. If the Mortgagor does not do so, the Expenses will bear Interest from and including the date of demand to and including the date of actual payment.

4. VARIATION OF STATUTORY POWERS

4.1 Consolidation of mortgages

The restrictions on the consolidation of mortgages in section 93 of the 1925 Act do not apply to this Legal Charge.

4.2 Power of leasing

The restriction on the powers of the Mortgagee or the Receiver to grant Leases or to accept the surrender of Leases in sections 99 and 100 of the 1925 Act do not apply to this Legal Charge.

4.3 Power of sale

For the purposes only of section 101 of the 1925 Act, the Secured Amounts become due and the statutory power of sale and other powers of enforcement arise immediately following an Event of Default.
4.4 Exercise of power of sale

Section 103 of the 1925 Act does not apply to this Legal Charge and all moneys secured by this Legal Charge are immediately payable immediately following an Event of Default.

4.5 Protection for buyers

A buyer from, tenant or other person dealing with the Mortgagee or the Receiver will not be concerned to enquire whether any of the powers which they have exercised or purported to exercise have arisen or become exercisable.

4.6 Mortgagee's powers

The power of sale and the other powers conferred by the 1925 Act or otherwise are extended and varied to authorise the Mortgagee in its absolute discretion to do all or any of the things or exercise all or any of the powers which a Receiver is empowered to do under this Legal Charge.

5. EVENTS OF DEFAULT

5.1 This Legal Charge will become immediately enforceable and the powers of the Mortgagee and the Receiver exercisable in any of the following events:

5.1.1 the Mortgagor does not pay the Secured Amounts in accordance with this Legal Charge;

5.1.2 an Event of Default as defined in the Development Partnership Agreement.

6. APPOINTMENT OF RECEIVERS

6.1 Appointment of receivers

At any time after the Mortgagee's power of sale has become exercisable, the Mortgagee may appoint one or more than one Receiver in respect of the Charged Property.

6.2 Removal of restrictions on appointment

None of the restrictions imposed by the 1925 Act in relation to the appointment of receivers or to the giving of notice or otherwise will apply.

6.3 Joint and several powers

If more than one Receiver is appointed the Receiver may act jointly and severally or individually.
6.4 **Additional or alternative receivers**

The Mortgagee may remove the Receiver and appoint another Receiver and the Mortgagee may also appoint an alternative or additional Receiver.

6.5 **Agent of the Mortgagor**

The Receiver will, so far as the law permits, be the agent of the Mortgagor.

6.6 **Mortgagor’s liability**

The Mortgagor alone will be responsible for the acts or defaults of the Receiver and will be liable on any contracts or obligations made or entered into by the Receiver.

6.7 **Liability for default**

The Mortgagee will not be responsible for any misconduct, negligence or default of the Receiver.

6.8 **Continuation of powers following liquidation or bankruptcy**

The powers of the Receiver will continue in full force and effect following the liquidation or bankruptcy of the Mortgagor.

6.9 **Receiver’s remuneration**

The remuneration of the Receiver may be fixed by the Mortgagee but will be payable by the Mortgagor. The amount of the remuneration will form part of the Secured Amounts.

6.10 **General powers of a Receiver**

A Receiver will have the power on behalf and at the cost of the Mortgagor:

6.10.1 to do or omit to do anything which the Mortgagor could do or omit to do in relation to the Property; and

6.10.2 to exercise all or any of the powers conferred on the Receiver or the Mortgagee under this Legal Charge or conferred upon receivers by the Insolvency Act, the 1925 Act or any other statutory provision (whether or not the Receiver was appointed pursuant to the relevant statutory provision).

6.11 **Specific powers of a Receiver**

Without limitation to the powers of the Receiver, the Receiver will have full power and discretion:
6.11.1 to take possession of and generally manage the Charged Property;

6.11.2 to carry out on the Property any new works or complete any unfinished works of building, reconstruction, maintenance, furnishing or equipment;

6.11.3 to purchase or acquire any land and purchase, acquire or grant any interest in or right over land;

6.11.4 to sell, charge, grant or accept surrenders of leases, licences to occupy or franchises or otherwise deal with and dispose of the Charged Property without restriction

6.11.5 to carry into effect and complete any transaction by executing deeds or documents in the name of or on behalf of the Mortgagor;

6.11.6 to take, continue or defend any proceedings, enter into any arrangement or compromise and, where appropriate, refer any dispute to arbitration or expert determination;

6.11.7 to remove, store, sell or otherwise deal with any fixtures and fittings;

6.11.8 to insure the Charged Property and any works and effect indemnity insurance or other similar insurance and obtain bonds and give indemnities and security to any bondsmen;

6.11.9 to employ advisers, consultants, managers, agents, workmen and others on such terms and for such remuneration as the Receiver in the Receiver's absolute determination thinks fit;

6.11.10 to purchase materials, tools, equipment, goods or supplies on such terms and at such price as the Receiver in the Receiver's absolute determination thinks fit;

6.11.11 to borrow moneys from the Mortgagee or others on the security of the Charged Property or otherwise on such terms as the Receiver may in the Receiver's absolute discretion think fit for the purpose of exercising any of the rights, powers, authorities and discretions conferred on the Receiver by or pursuant to this Charge or for any other purpose; and

6.11.12 to do any other acts which the Receiver may consider to be Incidental or conducive to any of the Receiver's powers or to the realisation of the Charged Property.
6.12 Application of proceeds

Sections 109(6) and 109(8) of the 1925 Act will not apply to a Receiver appointed under this clause 6.

7. DISTRIBUTIONS

7.1 Subject to section 176A Insolvency Act, the net proceeds arising from the exercise of the powers of the Receiver will, subject to any claims ranking in priority to the Secured Amounts, be applied in or towards discharging in the following order of priority:

7.1.1 the costs, charges and expenses incurred and payments made by the Receiver in connection with or as a result of the exercise of the Receiver’s powers and the costs, charges and expenses of and incidental to the Receiver’s appointment;

7.1.2 the remuneration of the Receiver;

7.1.3 the Secured Amounts in such order as the Mortgagee may determine; and

7.1.4 the claims of those entitled to any surplus.

8. WARRANTIES

8.1 The Mortgagor warrants to the Mortgagee that:

8.1.1 neither the execution of this Legal Charge by the Mortgagor nor compliance with its terms will:

8.1.1.1 conflict with or result in any breach of any law or enactment or any deed, agreement or other obligation or duty to which the Mortgagor is bound; or

8.1.1.2 cause any limitation on any of the powers of the Mortgagor or on the right or ability of the directors of the Mortgagor to exercise those powers to be exceeded;

8.1.2 all consents required by the Mortgagor for the execution, delivery, issue, validity or enforceability of this Legal Charge have been obtained and have not been withdrawn;

8.1.3 no person having any charge or other form of security over the Property or any other assets of the Mortgagor has enforced or given notice of its intention to enforce such security; and

8.1.4 no Event of Default has occurred or is continuing.
9. **EXCLUSION OF LIABILITY**

9.1 **Liability for loss and damage**

Neither the Mortgagee nor any Receiver will be liable to the Mortgagor for any loss or damage incurred by the Mortgagor arising out of the exercise of their respective powers or any attempt or failure to exercise those powers.

9.2 **Mortgagor’s indemnity**

The Mortgagor agrees with the Mortgagee to indemnify the Mortgagee and any Receiver in respect of:

9.2.1 any exercise of the powers of the Mortgagee or the Receiver or any attempt or failure to exercise those powers; and

9.2.2 anything done or omitted to be done in the exercise or purported exercise of the powers under this Legal Charge or under any appointment duly made under the provisions of this Legal Charge.

10. **POWERS**

10.1 **Execution of documents**

The Receiver will have power, either in the name of the Mortgagor or in the name of the Receiver, to execute documents and do all acts or things which may be necessary under this Legal Charge or in exercise of the Receiver’s powers.

10.2 **Time for compliance**

The Mortgagee may from time to time waive or authorise, on such terms and conditions, if any, as it deems expedient, any breach or proposed breach by the Mortgagor of the Mortgagor’s obligations or conditions contained in this Legal Charge without prejudice to the Mortgagee’s rights and remedies in respect of any subsequent breach of them.

10.3 **Other indebtedness**

The Mortgagor authorises the Mortgagee to receive from the holder of any prior or subsequent charge details of the state of account between such holder and the Mortgagor.

10.4 **No liability as mortgagee in possession**

Entry into possession of the Property, for whatever reason, will not render the Mortgagee or any Receiver liable to account as mortgagee in possession.
10.5 **Independence of Legal Charge**

This Legal Charge is entered into as an entirely separate document to any other arrangement which might be entered into from time to time between the Mortgagee and the Mortgagor or the Mortgagee and any other person. Irrespective of the validity or enforceability of any such other arrangement the Mortgagor and the Mortgagee declare that, and it is intended that, this Legal Charge will remain as a valid security and in full force and effect in any event.

10.6 **Power to open new account**

If the Mortgagee receives notice of a subsequent mortgage or charge relating to the Property, it will be entitled to close any account and to open a new account in respect of the closed account. If the Mortgagee does not open such new account, it will be treated as if it had done so at the time when it received such notice and:

10.6.1 no monies credited to the new account after the date of such notice will be appropriated towards, or have the effect of discharging, the monies owing to the Mortgagee upon the closed account; and

10.6.2 the opening of any new account by the Mortgagee will not prejudice any right or remedy of the Mortgagee arising as a result of a default by the Mortgagor.

10.7 **Consolidation of accounts**

The Mortgagee may at any time after this Legal Charge has become enforceable and without notice to the Mortgagor combine or consolidate all or any of the Mortgagor's then existing accounts with, and liabilities to, the Mortgagee and set off or transfer any sum or sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of the liabilities of the Mortgagor to the Mortgagee on any other account or in any other respects. The Mortgagee is to notify the Mortgagor in writing that such a transfer has been made.

10.8 **Use and disposal of chattels**

If the Mortgagee or the Receiver obtains possession of the Property, the Mortgagee or the Receiver may use and remove, store or sell any chattels on the Property without being under any liability to the Mortgagor other than to account for the net proceeds of the sale. All expenses and liabilities incurred by the Mortgagee or the Receiver in connection with the removal, storage and sale of the chattels will form part of the Secured Amounts.
10.9 **Severance of fixtures**

Upon any sale or other disposition in exercise of the powers contained or implied by this Legal Charge the Mortgagee or any Receiver may sever any fixtures from the Property and sell them apart from the Property without taking possession of the Property and apply the net proceeds of such sale in or towards satisfaction of the Secured Amounts.

11. **NOTICES**

11.1 **Form of notices**

Any notice served under this Legal Charge is to be:

11.1.1 in writing;

11.1.2 signed by an officer of the party serving the notice or by its solicitors;

11.1.3 delivered by hand, first class post, pre-paid or recorded delivery or fax at the address of the party on whom it is served set out above or such other address which they may notify in writing to the other parties at any time.

11.2 **Time of receipt**

If a notice is received after 4.00 pm on a working day, or on a day which is not a working day, it is to be treated as having been received on the next working day.

11.3 **Deemed receipt**

Unless the time of actual receipt is proved, a notice served by the following means is to be treated as having been received:

11.3.1 if delivered by hand, at the time of delivery;

11.3.2 if sent by post, on the second working day after posting; or

11.3.3 if sent by fax, at the time of transmission.

12. **LAW AND JURISDICTION**

12.1 **Governing law**

This Legal Charge is to be governed by and interpreted in accordance with English law.
12.2 **Jurisdiction**

The courts of England are to have jurisdiction in relation to any disputes between the parties arising out of or related to this Legal Charge. This clause operates for the benefit of the Mortgagee who retains the right to sue the Mortgagor and enforce any judgment against the Mortgagor in the courts of any competent jurisdiction.

13. **EXECUTION**

The Mortgagee and the Mortgagor have executed this Legal Charge as a deed and it is delivered on the date set out in the Particulars.
EXECUTED as a deed by affixing the common seal of The Mayor and Burgesses of the London Borough of Southwark in the presence of:

Authorised Signatory

SIGNED as a deed by Notting Hill Housing Trust acting by a director and its secretary or two directors

Director

Director / Secretary
Appendix 6

Draft Private Rental Deed
Dated 2014

(1) The Mayor and Burgesses of the London Borough of Southwark

(2) [NAME OF PARTY 2]

Private Rental Deed

gerelating to Unit [ ] [Plot [ ]] Aylesbury Estate Southwark [Address details to be amended]
PARTICULARS

Date

Council

The Mayor and Burgesses of the London Borough of Southwark of 160 Tooley Street London SE1 2QH

Owner[s]

(NAME OF PARTY 2) [(registered number [COMPANY NUMBER])] whose registered office is at [ADDRESS].

[This is to be the party that acquires the Sub-Plot Underlease for the Private Rental Units.]

[DN: addressee details to be inserted]

Additional Overage

has the same meaning given to it in the Principal Deed.

Permitted Disposal

means a Planning Agreement or the disposal by way of a lease or otherwise of any interest in the Premises (including without limitation contracts for) in respect of:-

(a) sites for Service Installations required for a development of the Premises to be a Relevant Authority; and/or

(b) areas of open space to be adopted by a Relevant Authority or areas on which any community facility is required to be provided pursuant to a Planning Agreement which is necessary in order to implement a planning permission; and/or

(c) land required to be disposed of to comply with a Planning Agreement which is necessary in order to implement a planning permission; and/or

(d) land to be disposed of to a highway authority for the purpose of adoption of roads and footpaths and/or cycleways to be constructed on the Premises; and/or

(e) easements or wayleaves;

(f) heat and power plant;

(g) mortgage or charge; and/or
(h) any Private Rental Use tenancy.

**Planning Agreement**
an agreement obligation or undertaking in respect of and affecting the Premises to be made pursuant to any one or more of the following:-

(a) section 106 of the 1990 Act;

(b) section 38 and/or section 278 Highways Act 1980 and/or section 104 Water Industry Act 1991;

(c) section 33 Local Government (Miscellaneous Provisions) Act 1982;

(d) any agreement with the local water authority or other Relevant Authority as to the water supply to or drainage of surface water and effluent from the Property or any agreement with any Relevant Authority relating to any of the Services.

**Premises**
the premises known as [Unit [ ]] [Plot [ ]]. Aylesbury Estate, Southwark. *[DN: Address details to be modified on a plot specific basis]*

**Private Rental Use**
the first letting of the Premises on short term tenancies of no greater than ten years on the open market for private residential purposes.

**Private Rental Use Period**
the period of ten years from the date of the Principal Deed.

**Principal Deed**
a Development Partnership Agreement dated [DATE] made between (1) the Council and (2) Notting Hill Housing Trust.

**Relevant Authority**
any authority or body or company (whether public or otherwise) having jurisdiction in each instance in respect of the matter referred to or any aspect of it including, without prejudice to the generality of the foregoing, the highways authority, the planning authority, the drainage undertakings, the gas, water, electricity and telecommunications suppliers and any other authority, body or company to whom the powers of such authority, body or company are delegated.

**Service Installation**
ditches, sewers, drains, pipes, manholes, culverts, ponds, soakaways, channels, watercourses, conduits, pumping stations, balancing facilities, channels, pipes, outlets, main,
wire, cables, ducts, flues, poles, ventilation shafts, electricity substations, gas governors and all other ancillary equipment and apparatus now or within the perpetuity period to be laid and used for the conduct of Services.

**Services**

means the drainage or surface water and effluent and the supply of water, gas, electricity and telephone and telecommunications services and any other date.

**Statute**

all or any of the following:

(a) any Acts of Parliament and any statutory instruments, rules, orders, regulations, notices, directions, bye-laws and permissions for the time being made under or deriving validity from any Act of Parliament;

(b) any European directive or regulations and rules having the force of law in the United Kingdom; and

(c) any regulations, orders, bye-laws or codes of practice of any local or statutory authority having jurisdiction over Private Rental Use.

**Step-In Agreement**

an agreement so named dated [ ] day of [ ] made between [ ] or such agreement as may be entered into in accordance with the Principal Deed after the date hereof.
THIS DEED is made on the date set out in the Particulars

BETWEEN

(1) The Council; and

(2) The Owner[s].

BACKGROUND

(A) Pursuant to the Principal Deed, Notting Hill Housing Trust (being the developer of the Premises) has agreed with the Council that the Premises are not to be used other than for Private Rental Use for the Private Rental Use Period unless Additional Overage is paid to the Council;

(B) This Deed requires the Owner to comply with the requirement for the Premises to be used for Private Rental Use.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 In this Deed:

1.1.1 the clause headings do not affect its interpretation;

1.1.2 unless otherwise indicated, references to clauses and Schedules are to clauses of and Schedules to this Deed and references in a Schedule to a Part or paragraph are to a Part or paragraph of that Schedule;

1.1.3 references to any statute or statutory provision include references to:

1.1.3.1 all Acts of Parliament and all other legislation having legal effect in the United Kingdom; and

1.1.3.2 any subsequent statutes directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute and also include any orders, regulations, instruments or other subordinate legislation made under that Statute;

1.1.4 references to the Premises include any part of them;

1.1.5 "including" means "including, without limitation";

1.1.6 "indemnify" means to indemnify against all actions, claims, demands and proceedings taken or made against the Council and all costs, damages, expenses, liabilities and losses incurred by the Council;
1.1.7 where two or more people form a party to this Deed, the obligations they undertake may be enforced against them all jointly or against each individually; and

1.1.8 if any provision is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder of this Deed is to be unaffected.

1.2 The Particulars form part of this Deed and words and expressions set out in the Particulars are to be treated as defined terms in this Deed.

2. The parties to this Deed do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

3. **OWNER’S COVENANT**

3.1 The Owner[s] covenants [Jointly and Individually][DN: wording in square brackets to be included where plural Owners only] with the Council that the Owner for the Private Rental Period:

3.1.1 subject to clause 7.3 and clause 3.1.2 will not use the Premises for any other use other than Private Rental Use and will indemnify the Council against all actions, claims, demands and proceedings taken or made against the Council and all costs, damages, expenses, liabilities and losses arising from their breach; and

3.1.2 will not transfer or otherwise dispose of the Premises without ensuring that any transferee or other person to whom a disposal is made enters into a direct covenant with the Council on the terms of this Deed other than any Permitted Disposal.

3.2 The Owner will not be liable for any breach of the requirements of clause 3.1 after it has transferred the whole of its interest in the Premises so long as it procures that its immediate successor in title enters into a deed of covenant with the Council on or before the date of such transfer on the same terms as this Deed.

3.3 Neither the owner nor any person succeeding or deriving title therefrom shall be in breach of this Deed in the event that the terms of a Private Rental Use are required to be modified by Statute or are deemed modified by Statute.

4. **LAND REGISTRY APPLICATION**

4.1 The Owner is to apply to the Land Registrar on form RX1 for a restriction to be entered onto the title number allocated to the Owner’s legal interest in the
Premises in priority to any other interests and in the following Land Registry standard form:

"No disposition of the part of the registered estate shown edged red on the plan by the proprietor of the registered estate, or by the proprietor of any registered charge is to be registered without a certificate signed by The Mayor and Burgesses of the London Borough of Southwark of 160 Tooley Street London SE1 2QH or a conveyancer that the provisions of clause 3.1 of this Deed have been complied with or that they do not apply to the disposition."

4.2 The Council are to take the necessary steps to release the restriction referred to at clause 5.1 above on request of the Owner where:

4.2.1 The Private Rental Use Period has expired; or

4.2.2 Additional Overage for the Premises has been determined in accordance with the provisions of the Development Partnership Agreement and has been paid to the Council;

4.2.3 Subject to and in accordance with any Step-In Agreement.

5. NOTICES

5.1 Any notice served under this Deed is to be:

5.1.1 in writing;

5.1.2 signed by an officer of the party serving the notice or by its solicitors;

5.1.3 delivered by hand, first class post, pre-paid or recorded delivery or fax at the address of the party on whom it is served set out above or such other address which they may notify in writing to the other parties at any time.

5.2 If a notice is received after 4.00 pm on a working day, or on a day which is not a working day, it is to be treated as having been received on the next working day.

5.3 Unless the time of actual receipt is proved, a notice served by the following means is to be treated as having been received:

5.3.1 if delivered by hand, at the time of delivery;

5.3.2 if sent by post, on the second working day after posting; or

5.3.3 if sent by fax, at the time of transmission.
6. **ASSIGNMENT**

6.1 The Council may at any time assign the benefit of this Deed, without the consent of the Owner to its successors in title to the Property.

6.2 The Owner may not assign the benefit of this Deed or hold it in trust for any other person and in accordance with the Principal Deed or a Step-In Agreement.

7. **OTHER**

7.1 The Owner may propose to the Council for its approval such approval not to be unreasonably withheld amendments to the form of this Deed required to facilitate conclusion of a Step-In Agreement.

7.2 Notwithstanding Additional Overage (if any) the Council shall not have a vendor’s lien.

7.3 This Deed shall cease to be of any further force or effect on payment of the full amount of any Additional Overage payable in relation to the Premises in accordance with paragraph 5.6 of Part 1 of Schedule 4 to the Principal Deed whereupon the Owner shall have no further liability under the terms of this Deed and may apply to cancel the Restriction registered against the title to the Premises at the Land Registry and the Council will at the request of the Developer enter into a deed of release of the provisions of this Deed in such form proposed by the Developer and approved by the Council such approval not to be unreasonably withheld.

8. **ENFORCEMENT**

8.1 This Deed is to be governed by and interpreted in accordance with English law.

8.2 The courts of England are to have jurisdiction in relation to any disputes between the parties arising out of or related to this Deed.

9. **EXECUTION**

The Council and the Owner have executed this Deed as a deed and it is delivered on the date set out in the Particulars.
Executed as a deed by affixing
the common seal of
The Mayor and Burgesses of the
London Borough of Southwark

in the presence of:

Authorised Signatory

Signed as a deed by
[NAME OF COMPANY / LLP]
acting by two directors or
one director and its secretary

Signature of director
Signature of director/secretary

Signed as a deed by
[NAME OF INDIVIDUAL]

In the presence of:

Signature of [individual]

Witness Signature:

Witness Name:

Witness Address:
Appendix 8

Plan of the First Development Site
Annexure 11.6: Development Area P.C. Plan / Phasing Diagram

- Phase boundary
- stage boundary
- Plot boundary
- Plot leases

First Development Site

Phase 3

Phase 4

Phase 2
Appendix 10

Draft Shared Equity Lease
DATE:

NOTTING HILL HOME OWNERSHIP LIMITED
as Landlord

[•]

as Leaseholder

NewBuild HomeBuy Lease
(Granted on Shared Ownership terms)

["Shared Equity Lease" for use with Existing residents where no rent is to be charged on retained equity (save for agreed groundrent)]

of flat at [•]

Important Notice for Leaseholders

A guide to the key terms of this Lease is set out in Appendix 3
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<td>LR2. Title number(s)</td>
<td>LR2.1 Landlord’s title number(s)</td>
<td></td>
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<tr>
<td></td>
<td>[●]</td>
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<tr>
<td>LR2.2 Other title numbers</td>
<td>[●]</td>
<td></td>
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<tr>
<td>LR3. Parties to this Lease</td>
<td>Landlord</td>
<td></td>
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<tr>
<td></td>
<td>NOTTING HILL HOME OWNERSHIP LIMITED (company no. IP23066R) whose registered office is at 1 Butterwick Hammersmith London W6 8DL</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tenant</td>
<td></td>
</tr>
<tr>
<td></td>
<td>[●] of [●]</td>
<td></td>
</tr>
<tr>
<td>LR4. Property</td>
<td>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</td>
<td></td>
</tr>
<tr>
<td></td>
<td>As specified in Schedule 1 (The Premises) and Schedule 9 (Defined Terms) of this Lease and defined in this Lease as &quot;the Premises&quot;</td>
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<tr>
<td>LR5. Prescribed statements etc</td>
<td>LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003</td>
<td></td>
</tr>
<tr>
<td></td>
<td>None</td>
<td></td>
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<td>LR5.2 This Lease is made under, or by reference to, provisions of:</td>
<td>Not applicable</td>
<td></td>
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<tr>
<td>LR6. Term for which the Property is leased</td>
<td>The term as specified in this Lease at Clause 2 (The Letting Terms) and as defined in Schedule 9 (Definitions)</td>
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<tr>
<td><strong>LR7.</strong> Premium</td>
<td>£[•]</td>
<td></td>
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<tr>
<td><strong>LR8. Prohibitions or restrictions on disposing of this Lease</strong></td>
<td>This Lease contains a provision that prohibits or restricts dispositions</td>
<td></td>
</tr>
<tr>
<td><strong>LR9. Rights of acquisition etc</strong></td>
<td><strong>LR9.1</strong> 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</td>
<td></td>
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<tr>
<td>None</td>
<td></td>
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</tr>
<tr>
<td><strong>LR9.2</strong> Tenant's covenant to (or offer to) surrender this Lease</td>
<td>As specified in Clause 3.19 (Pre-emption provisions), Schedule 8 (Surrender by Leasholder (Pre-emption)) and Clause 6.8 (Frustration clause)</td>
<td></td>
</tr>
<tr>
<td><strong>LR9.3</strong> Landlord's contractual rights to acquire this lease</td>
<td>Not applicable</td>
<td></td>
</tr>
<tr>
<td><strong>LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property</strong></td>
<td>None</td>
<td></td>
</tr>
<tr>
<td><strong>LR11. Easements</strong></td>
<td><strong>LR11.1</strong> Easements granted by this lease for the benefit of the Property</td>
<td></td>
</tr>
<tr>
<td>As specified in Schedule 3 (Easements, Rights and Privileges)</td>
<td></td>
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<tr>
<td><strong>LR11.2</strong> Easements granted or reserved by this lease over the Property for the benefit of other property</td>
<td>As specified in Schedule 4 (Exceptions and Reservations).</td>
<td></td>
</tr>
<tr>
<td><strong>LR12. Estate rent charge burdening the Property</strong></td>
<td>Not applicable</td>
<td></td>
</tr>
<tr>
<td><strong>LR13. Application for standard form of restriction</strong></td>
<td>The Parties to this Lease apply to enter the following standard form of restriction against the title of the Property:—</td>
<td></td>
</tr>
<tr>
<td><em>No disposition of the registered estate (other than a charge) by the proprietor of</em></td>
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</table>
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 conveyance that the provisions of Clause 3.19.1 (Pre-emption provisions) of the registered lease have been complied with or that they do not apply to the disposition."

<p>| LR14. Declaration of trust where there is more than one person comprising the Tenant | [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 [complete as necessary].] |</p>
<table>
<thead>
<tr>
<th>PARTICULARS</th>
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<tr>
<td>Review Date</td>
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<tr>
<td>Specified Proportion (clause 7)</td>
</tr>
<tr>
<td>Specified Rent</td>
</tr>
</tbody>
</table>
DATED [201]

PARTIES

(1) NOTTING HILL HOME OWNERSHIP LIMITED whose registered office is at 1 Butterwick Hammersmith London W6 8DL registered with the Tenant Services Authority under number SL3119 and which is an Industrial and Provident Society registered under the Industrial and Provident Societies Act 1969 under number IP23066R (the "Landlord")

(2) [the 'Leaseholder']

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 In this Lease the terms defined in the Particulars and in Schedule 9 (Defined Terms) shall have the meanings specified.

1.2 Any obligation on a party to this Lease to do any act includes an obligation to procure that it is done.

1.3 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.

1.4 References to liability include, where the context allows, claims, demands, proceedings, damages, losses, costs and expenses.

1.5 The Clause and paragraph headings in this Lease are for ease of reference only and are not to be taken into account in the interpretation of any provision to which they refer.

1.6 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.

1.7 Unless the contrary intention appears, references:

(a) to defined terms are references to the relevant defined term in the Particulars and Schedule 9 (Defined Terms);

(b) to numbered Clauses and Schedules are references to the relevant Clause in, or Schedule to, this Lease; and

(c) to a numbered paragraph in any Schedule are references to the relevant paragraph in that Schedule.

1.8 Words in this Lease denoting the singular include the plural meaning and vice versa.

1.9 References in this Lease to any statutes or statutory instruments include any statute or statutory instrument amending, consolidating or replacing them respectively from time to time in force, and references to a statute include statutory instruments and regulations made pursuant to it.
1.10 Words in this Lease importing one gender include both genders, and may be used interchangeably, and words denoting natural persons, where the context allows, include corporations and vice versa.

1.11 Words and expressions which appear in the first column of the Particulars, shall in this Lease have the meaning shown opposite them in the second column of the Particulars.

2 THE LETTING TERMS

In consideration of the Premium (receipt of which the Landlord acknowledges), the Specified Rent and the Leaseholder’s covenants in this Lease the Landlord lets the Premises to the Leaseholder:

(a) together with the rights set out in Schedule 3 (Easements, Rights and Privileges) and together with the rights; but

(b) subject to the provisions set out in Schedule 6 (Staircasing Provisions); and

(c) except and reserved to the Landlord the rights set out in Schedule 4 (Exceptions and Reservations);

(d) for the Term;

the Leaseholder paying during the Term the Specified Rent (subject to revision under Schedule 5 (Rent Review)) by equal monthly payments in advance on the first day of each month, the first payment to be made on the date of this Lease.

3 LEASEHOLDER’S COVENANTS

The Leaseholder covenants with the Landlord as follows.

3.1 Pay rent

To

3.1:1 pay the Specified Rent at the times and in the manner mentioned in Clause 2 (The Letting Terms) and all other monies due under this Lease without deduction PROVIDED ALWAYS that for such period as the Original Leaseholder shall be registered at Land Registry as registered proprietor of this Lease the actual amount of the Specified Rent payable pursuant to this clause shall be a sum equivalent to the Minimum Rent.

3.1:2 To make such payments by bankers standing order or direct debit or such other form of electronic transfer as the Landlord may require

3.2 Interest

To pay interest calculated on a day to day basis at an annual rate of 3% above the Base Rate of Barclays Bank PLC for the time being in force on so much of the Specified Rent or any other monies due to the Landlord under this Lease that remain unpaid for a period of 14 days after becoming due for payment.

3.3 Outgoings

3.3.1 To pay Outgoings.
3.3.2  To refund to the Landlord on demand (where Outgoings relate to the whole or part of the Building or other property including the Premises) a fair and proper proportion attributable to the Premises, such proportion to be conclusively determined by the Landlord (who shall act reasonably).

3.4  Repair

To repair and keep the Premises in good and substantial repair and condition (except in respect of damage by risks insured under Clause 5.2 (Insure) unless the insurance money is irrecoverable by reason of any act or default of the Leaseholder).

3.5  Decoration

As often as is reasonably necessary and in the last month of the Term in a proper and workmanlike manner (and in the last month of the Term in colours approved by the Landlord) to paint, paper, treat and generally decorate in a style appropriate to property of a like character all the inside of the Premises previously or usually so painted, papered, treated and decorated.

3.6  Provide floor coverings

[To provide carpets or such other suitable floor coverings to the floors of the Premises.] [To provide carpets with good quality underlay [or such other suitable floor coverings] to all the floors of the Premises excluding bathrooms and kitchens]

3.7  Repair damage to Common Parts

In respect of any damage or disrepair to the Common Parts caused or contributed to by any act, neglect or default of the Leaseholder or the Leaseholder’s family, servants or licensees or by any other person under the control of the Leaseholder, at the option of the Landlord, the Leaseholder will on demand indemnify the Landlord in respect of all costs, charges and expenses incurred the Landlord in repairing, making good, renewing and/or reinstating such damage or disrepair.

3.8  Not to alter

3.8.1  Not to:

(a) make any alterations or additions to the exterior of the Premises;
(b) make any structural alterations or structural additions to the interior of the Premises;
(c) erect any new buildings on the Premises;
(d) in any way interfere with the outside of the Building; or
(e) remove any of the Landlord’s fixtures from the Premises.

3.8.2  Not to make any alteration or addition of a non-structural nature to the interior of the Premises without the previous written consent of the Landlord (such consent not to be unreasonably withheld).
3.9 Comply with requirements of public authorities
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 Premises or any part of the Premises provided that the Leaseholder shall not be liable by virtue of this Clause 3.9 (Comply with requirements of public authorities) to execute or do any works which fall within the scope of Clause 5.3 (Repair redecorate renew structure).

3.10 Provide copies of notices
Promptly to serve on the Landlord a copy of any notice, order or proposal relating to the Premises and served on the Leaseholder by any national, local or other public authority.

3.11 Expenses of the Landlord
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.

3.12 Obtain consents
To obtain all licences, permissions and consents and do all works and things and pay all expenses required or imposed by any existing or future legislation in respect of any works carried out by the Leaseholder on the Premises or any part of the Premises or in respect of any use of the Premises during the Term.

3.13 Landlord's right of inspection and right of repair

3.13.1 To permit the Landlord and its employees or agents at reasonable times to enter the Premises and examine their condition and also to take a schedule of fixtures and fittings in the Premises.

3.13.2 If any breach of covenant, defects, disrepair, removal of fixtures and fittings or unauthorised alterations or additions are found on inspection for which the Leaseholder is liable, then, on notice from the Landlord, to execute to the reasonable satisfaction of the Landlord or the Landlord's surveyor all repairs, works, replacements or removals required within three months (or sooner if necessary) after receipt of notice.

3.13.3 If the Leaseholder fails to comply with a notice under Clause 3.13.2, the Landlord may itself or by its workpeople or agents enter the Premises and execute the repairs, works, replacements or removals.

3.13.4 To pay to the Landlord on demand all expenses incurred under Clause 3.13.3.

3.14 Permit entry
At all reasonable times during the Term on notice to permit the Landlord and the lessees of other premises in the Building with workmen and others to enter the Premises for the purpose of repairing any adjoining or neighbouring premises and for
the purpose of repairing, maintaining and replacing all Service Media or other conveniences belonging to or serving the same, the party so entering making good any damage caused to the Premises.

3.15 Yield up
At the termination of this Lease to quietly yield up the Premises repaired, maintained, cleaned, decorated and kept in accordance with the covenants in this Lease (except in respect of damage by risks insured under Clause 5.2 (Insure) unless the insurance money is irrecoverable by reason of any act or default of the Leaseholder).

3.16 Use
Not to use the Premises for anything other than as a private residence in single occupation.

3.17 Restrictions on use
Not to do any act or thing which may:

(a) render void or voidable any policy of insurance on the Premises or may cause an increased premium to be payable in respect of the Premises;

(b) cause or permit to be caused nuisance, annoyance or disturbance to the owners lessees or occupiers of premises in the neighbourhood or visitors to such premises;

(c) result in any form of harassment or intimidation of any other person, including the Landlord's staff, contractors and agents; or

(d) result in the use of the Premises for any unlawful or immoral purpose.

3.18 Alienation
3.18.1 Not to assign, underlet, charge, mortgage, or part with possession of part only of the Premises.

3.18.2 Not to underlet or part with possession of the whole of the Premises before Final Staircasing has been accomplished.

3.18.3 Not without the prior written consent of the Landlord (such consent not to be unreasonably withheld) to assign the whole of the Premises before Final Staircasing has been accomplished.

3.19 Pre-emption provisions
3.19.1 Subject to Clause 3.19.5, during the Pre-Emption Period the Leaseholder shall not:

(a) assign the whole or part of the Premises;

(b) (after Final Staircasing has been accomplished) underlet the whole of the Premises pursuant to an underlease for a term of more than 21 years otherwise than at a rack rent; or

(c) (after Final Staircasing has been accomplished) enter into an agreement to renew or extend the term of any underlease granted for a term of less than 21 years,
otherwise than as permitted pursuant to the provisions of Clause 3.19.2 and Clause 3.19.3.

3.19.2 If the Leaseholder wishes to assign or underlet upon the terms set out in Clauses 3.19.1(a) and Clause 3.19.1(b) the whole of the Premises 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 Premises, in which case the provisions of Schedule 7 (Assignment of whole to Nominated Purchasers) will apply; or

(b) stating that the Landlord will accept a surrender of this Lease, in which case the provisions of Schedule 8 (Surrender by Leaseholder (Pre-Emption)) will apply.

3.19.3 If the Landlord does not serve a notice under Clause 3.19.2 within the 8 week period specified in Clause 3.19.2 (as to which time shall be of the essence) the Leaseholder may assign or underlet the whole of the Premises subject to Clause 3.19.6 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 3.19.2 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 Premises the procedure set out in Clause 3.19.2 and this Clause 3.19.3 shall be repeated.

3.19.4 The Landlord and the Leaseholder shall apply to the Chief Land Register 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 Clause 3.19.1 (Pre-emption provisions) of the registered lease have been complied with or that they do not apply to the disposition."

3.19.5 Where this Lease is assigned:

(a) under a will or intestacy to a spouse or civil partner;

(b) under Section 24 or 24A of the Matrimonial Causes Act 1973;

(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;

the provisions of Clause 3.19.1 to Clause 3.19.3 will not apply.

3.19.6 For the purposes of any disposal permitted under Clause 3.19.3 or under Clause
3.19.5:

(a) the Leaseholder covenants with the Landlord not to dispose of any estate or
interest in the Premises or any part of it save to a person who has first entered
into a deed of covenant with the Landlord to the same effect as the pre-emption
provisions contained in this Clause 3.19 (Pre-emption provisions); and

(b) the Leaseholder and the Landlord shall apply to the Land Registry (i) to register
a notice of the pre-emption rights in the charges register of the Leaseholder's
title to the Premises and (ii) to enter a restriction in the following form in the
proprietorship register of that 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 written consent signed by the proprietor for the time being of the
estate registered under title number [specify Landlord's title number] or their
conveyancer that the provisions of the deed of covenant dated [ ]
(entered into pursuant to Clause 3.19.6 of the registered lease have been
compiled with or that they do not apply to the disposition."

3.20 Register disposals

Within one month of any assignment, underletting, mortgage, charge or other dealing
with the Leaseholder’s interest in the Premises to give notice of it together with a
certified copy of the document effecting the assignment, mortgage, charge, or
devolution to the Landlord and to pay a reasonable fee to the Landlord for the
registration of the notice.

3.21 Pay Landlord’s administration fees

Upon any assignment of the Leaseholders interest in the Premises to pay to the
Landlords all costs charges and expenses incurred by the Landlord for the purpose of
or incidental to the assignment such sum not being greater than one per cent (1%) of
the Market Value

3.22 Prevent loss of easements

To do such acts and things as may reasonably be required by the Landlord to prevent
any easement or right belonging to or used with the Premises from being obstructed or
lost and not knowingly to allow any encroachment to be made on or easement acquired
over the Premises and in particular not to allow the right of access of light from or over
the Premises to any neighbouring property to be acquired.
3.23 Superior Title
To observe and perform the restrictive and other covenants referred to in the Landlord’s title so far as the same are now subsisting and affect the Premises and to indemnify the Landlord in respect of any breach thereof.

4 LEASEHOLDER’S FURTHER COVENANTS
The Leaseholder covenants with the Landlord and with and for the benefit of the tenants and occupiers from time to time of the other premises in the Building as follows.

4.1 Observe covenants in Schedule 2 (Mutual Covenants)
To observe the covenants set out in Schedule 2 (Mutual Covenants).

4.2 Comply with Regulations
To comply with such reasonable regulations as the Landlord may make from time to time relating to the orderly and proper use of the Common Parts and security of the Building.

5 LANDLORD’S COVENANTS
The Landlord covenants with the Leaseholder as follows.

5.1 Quiet enjoyment
That the Leaseholder paying the rents reserved by this Lease and performing and observing the covenants contained in this Lease may peaceably enjoy the Premises during the Term without any lawful interruption by the Landlord or any person rightfully claiming under or in trust for it.

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

5.3 Repair redecorate renew structure
Subject to Clause 5.5 (Landlord’s Protection Provisions) and to payment of the Specified Rent and Service Charge, the Landlord shall maintain, repair, redecorate, renew and (in the event in the Landlord’s reasonable opinion such works are required) improve:

(a) the load bearing framework and all other structural parts of the Building, the roof, foundations, joists and external walls of the Building [Including the main structure of the balconies (if any) and their railings but not the surface of the same] and Service Media and machinery and plant within (but not
exclusively serving) the Premises and all parts of the Building which are not the responsibility of the Leaseholder under this Lease or of any other leaseholder under a similar lease of other premises in the Building;

(b) the Service Media, cisterns and tanks and other gas, electrical, drainage, ventilation and water apparatus and machinery in under and upon the Building (except such as serve exclusively an individual flat in the Building and except such as belong to any utility supply authority or company); and

(c) the Common Parts;

[(d) the parking spaces in the Building not demised or allocated to any individual tenant]

5.4 Lighting and cleaning of Common Parts

Subject to Clause 5.5 (Landlord's Protection Provisions) and to Clause 5.3 (Repair redecorate renew structure) and so far as practicable to keep the Common Parts of the Building adequately cleaned and lighted.

5.5 Landlord's Protection Provisions

5.5.1 The Landlord shall not be liable to the Leaseholder for any failure in or interruption of the services referred to in Clause 5.3 (Repair redecorate renew structure) or Clause 5.4 (Lighting and cleaning of Common Parts) not attributable to its neglect or default.

5.5.2 The Landlord may add to, diminish, modify or alter any service referred to in Clause 5.3 (Repair redecorate renew structure) or Clause 5.4 (Lighting and cleaning of Common Parts) if by reason of any change of circumstances during the Term such addition, diminution or alteration is in the opinion of the Landlord reasonably necessary or desirable in the interests of good estate management or for the benefit of the occupiers of the Building.

5.6 Lettings of other flats

That every lease or tenancy of any flat in the Building granted after the date of this Lease by the Landlord shall contain covenants to be observed by the tenant of that flat similar to those set out in Schedule 2 (Mutual Covenants) and (save in the case of any flat which may be let at a rent on a periodic basis) shall be substantially in the same form as this Lease.

5.7 Enforce covenants in other leases

If so required by the Leaseholder to enforce the tenant's covenants similar to those contained in this Lease which are or may be entered into by the tenants of other flats in the Building so far as they affect the Premises provided that the Leaseholder indemnifies the Landlord against all costs and expenses of such enforcement.

5.8 Pre-emption obligations

That the Landlord will 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 3.19.4 the provisions of Clause 3.19 (Pre-emption provisions) have either been complied with or do not apply to the disposition.
5.9 Cesser of Liability in respect of covenants

A party who was formerly the Landlord is to cease to be liable to perform and observe the covenants and conditions on the part of the Landlord contained in this Lease at and from the date of an assignment of the immediate reversion to this Lease.

6 PROVISOS

The parties agree the following provisos.

6.1 Proviso for re-entry

6.1.1 This Clause 6.1 (Proviso for re-entry) shall apply where:

(a) the Specified Rent shall be unpaid for 21 days after becoming payable (whether formally demanded or not); or

(b) if any covenant on the part of the Leaseholder shall not be performed or observed

6.1.2 Subject to the Landlord obtaining any court order required the Landlord may at any time re-enter the Premises or any part of them and terminate this Lease.

6.1.3 Clause 6.1.2 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):

(a) The Landlord shall give notice to the Mortgagee or any mortgagee of the Leaseholder of whom the Landlord has received notice pursuant to Clause 3.20 (Register disposals) (as the case may be) before commencing any proceedings for forfeiture of this Lease or proceedings for possession of the Premises; and

(b) 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.

6.2 Limitation of Landlord's Liability

The Landlord shall not be liable for any damage suffered by the Leaseholder or any member of the Leaseholder's family or any employee, servant or licensee of the Leaseholder through any defect in any fixture, tank, Service Media, staircase, machinery, apparatus or thing in the Building or through the neglect, default or misconduct of any servant employed by the Landlord acting outside the Landlord's instruction in connection with the Building or for any damage to the Premises due to the bursting or overflowing of any tank, boiler or Service Media in the Building except insofar as any such liability may be covered by insurance effected by the Landlord.
6.3 Landlord's power to deal with other Property

Notwithstanding anything contained in this Lease the Landlord shall have power without obtaining any consent from or making any compensation to the Leaseholder to deal as the Landlord may think fit with any other land, buildings or premises adjoining or near to the Building and to erect, rebuild or heighten on such other land or premises any buildings whether such buildings shall or shall not affect or diminish the light or air which may now or at any time during the Term be enjoyed by the Leaseholder or other tenants or occupiers of the Premises.

6.4 Power to alter Common Parts

The Landlord shall have power at its discretion to alter the arrangement of the Common Parts provided that after such alteration the access to and amenities of the Premises are not substantially less convenient than before.

6.5 [Heating and Hot Water Supply]

At all times during the Term the Landlord shall use its best endeavours
to maintain a reasonable and adequate constant supply of hot water for domestic purposes to the Premises at all times;
to keep the Premises sufficiently and adequately heated between reasonable dates and hours to be determined by the Landlord.]

6.6 Party walls

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

6.7 Suspension of rent in case of insured damage

If the whole or any part of the Premises (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 Specified Rent or a fair proportion of it shall be suspended until the Premises (and the Common Parts necessary for access) are again fit for use.

6.8 Frustration clause

6.8.1 Subject to Clause 6.8.2, in the event of the repair, rebuilding or reinstatement of the Premises 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 Premises.

6.8.2 If at the time of such frustration (i) there is any Loan outstanding to a Mortgagee of the Premises and (ii) the Unacquired Percentage is greater than nil then the consideration for such surrender shall be the amount referred to in Clause 6.8.1 plus the Mortgage Protection Claim (calculated on the basis that paragraph (i) in the definition of "Loss" in Schedule 9 (Defined Terms) is the amount referred to in Clause 6.8.1).
6.8.3 Any overpayment of insurance monies shall be a debt due from the Leaseholder to the Landlord and shall be payable on demand.

6.9 **Expert determination**

6.9.1 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 6.8 (**Expert determination**) 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.

6.9.2 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:

(a) the president from time to time of the Royal Institution of Chartered Surveyors;

or

(b) the president from time to time of the Institute of Chartered Accountants in England and Wales,

or in either case the duly appointed deputy of the president, or other person authorised by him to make appointments on his behalf.

6.9.3 The person so appointed is to:

(a) act as an expert, and not as an arbitrator; and

(b) 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.

6.9.4 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.

6.9.5 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.

6.9.6 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.

6.9.7 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 8.8.2.

6.9.8 The determination of the independent expert, except in case of manifest error, is to be binding on the Landlord and the Leaseholder.
SERVICE CHARGE PROVISIONS

7.1 Covenant to pay
The Leaseholder covenants with the Landlord to pay the Service Charge during the Term by equal payments in advance at the same time and in the same manner in which the Specified Rent is payable under this Lease.

7.2 When calculated
The Service Provision in respect of any Account Year shall be calculated before the beginning of the Account Year and shall be calculated in accordance with Clause 7.3 (How calculated).

7.3 How calculated
The Service Provision shall consist of a sum comprising the expenditure estimated by the Authorised Person as likely to be incurred in the Account Year by the Landlord for the matters specified in Clause 7.4 (Service Provision) together with:

(a) an appropriate amount as a reserve for or towards the matters specified in Clause 7.4 (Service Provision) as are likely to give rise to expenditure after such Account Year being matters which are likely to arise either only once during the then unexpired term of this Lease or at intervals of more than one year including (without limitation) such matters as the decoration of the exterior of the Building (the said amount to be calculated in a manner which will ensure as far as is reasonably possible that the Service Provision shall not fluctuate unduly from year to year); but

(b) reduced by any unexpended reserve already made pursuant to Clause 7.3(a).

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

(a) the costs of and incidental to the performance of the Landlord’s covenants contained in Clause 5.2 (Insure) and Clause 5.3 (Repair redecorate renew structure) and Clause 5.4 (Lighting and cleaning of Common Parts);

(b) the costs of and incidental to compliance by the Landlord with every notice, regulation or order of any competent local or other authority in respect of the Building (which shall include compliance with all relevant statutory requirements);

(c) all reasonable fees, charges and expenses payable to the Authorised Person any solicitor, accountant, surveyor, valuer, architect or other person whom the Landlord may from time to time reasonably employ in connection with the management or maintenance of the Building including the computation and collection of rent (but not including fees, charges or expenses in connection with the effecting of any letting or sale of any premises) including the cost of preparation of the account of the Service Charge and if any such work shall be
undertaken by an employee of the Landlord then a reasonable allowance for
the Landlord for such work;
(d) any Outgoings assessed, charged, imposed or payable on or in respect of the
whole of the Building or in the whole or any part of the Common Parts; and
(e) any administrative charges incurred by or on behalf of the Landlord including
but not limited to:
(i) the grant of approvals under this Lease or applications for such
approvals;
(ii) the provision of information or documents by or on behalf of the
Landlord;
(iii) costs arising from non-payment of a sum due to the Landlord; and/or
(iv) costs arising in connection with a breach (or alleged breach) of this
Lease.
(f) any interest paid or other costs incurred on money borrowed by the Landlord to
repay any expenses incurred in connection with the repair management
maintenance and provision of services for the Building
(g) repairing, maintaining, managing, and renewing any part of the Building including
the Common Parts [and car parking area] and keeping the same adequately
cleaned and lighted
(h) renewing, maintaining, and repairing all access systems and controls to the
Building
(i) the cost of repairing, maintaining, and renewing all fire-fighting equipment and
complying with the reasonable requirements of the fire officer or the insurers
(j) [the cost of repairing, maintaining, and renewing the bin stores and all
equipment reasonably required for the collection, storage, and removal of
refuse]
(k) the cost of providing appropriate furniture and equipment in the Common Parts
(l) if individual occupiers are not separately assessed or charged for the same the
cost of supplying water and drainage services
(m) [the cost of supplying heating and hot water services and the cost of
repairing, maintaining, and renewing the heating and hot water systems]
(n) the cost of maintaining, repairing, and replacing any communal television aerial
(o) the cost of providing, operating, maintaining, renewing, and replacing any CCTV
system or any reasonably equivalent security device
(p) any contribution paid towards the cost of repairing or maintaining any area or
facility used in common with others
(q) the cost of inspecting, repairing, maintaining, cleaning, replacing, and renewing
any drains, sewers, pipes, wires, and cables and other services and facilities
which serve the Premises in common with the Building
(r) the cost of providing such staff for the servicing management and security of the Building as the Landlord shall reasonably consider necessary including the cost of benefits in kind and the rent or (where no rent is payable by the Landlord) a notional rent (not exceeding current market rent) for any premises provided rent free for such person’s residence

(s) insuring against liability to anyone entering the Common Parts and

(t) insuring against employers liability in connection with the Building (including the acts, neglect or default of the Landlord its servants or agents)

7.5 Adjustment to actual expenditure

As soon as practicable after the end of each Account Year the Landlord shall determine and certify the amount by which the estimate referred to in Clause 7.3 (how calculated) shall have exceeded or fallen short of the actual expenditure in the Account Year and shall supply the Leaseholder with a copy of the certificate and the Leaseholder shall be allowed or (as the case may be) shall pay immediately following receipt of the certificate the Specified Proportion of the excess or the deficiency.

7.6 Landlord to contribute to reserve in respect of unlet parts

The Landlord will for the period that any flats 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 flats a sum equal to the total that would be payable by the tenants of such flats by way of contribution to the reserve referred to in Clause 7.3(a) and the said reserve shall be calculated accordingly.

7.7 Declaration re Landlord and Tenant Act 1985

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.

7.8 [Change of Specified Proportion]

7.8:1 If in the reasonable opinion of the Authorised Person it shall at any time be necessary or equitable to do so the Landlord may vary the Specified Proportion

7.8:2 The Specified Proportion increased or decreased in accordance with clause 7.8.1 above shall be endorsed on this Lease and shall throughout be substituted for the Specified Proportion set out in the particulars of this Lease]

8 MORTGAGE PROTECTION

8.1 If a Mortgagee enforces its security in respect of the Loan then (subject to the other provisions of this Clause 8 (Mortgage protection)) 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.
8.2 The deduction under Clause 8.1 is conditional upon the Mortgagor agreeing simultaneously with the deduction under Clause 8.1 that upon such deduction or, if later, promptly upon the Mortgagor recovering the whole of its Loss, the Mortgagor shall assign to the Landlord any guarantees, insurance policies and any other collateral security given to the Mortgagor or secured by the Mortgagor in respect of the Loan together with all other rights to enforce the same and all sums payable under them.

8.3 A claim may only be made to the extent:

(a) the Mortgagor has made a Loss; and

(b) the Mortgagor has obtained the Landlord's consent to the terms of each and every Loan; and

(c) the disposal of the Leaseholder's interest in the Premises 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 8.3(c) the onus of proof is on the Landlord to show the sale was at an undervalue; and

(d) the Leaseholder has not, prior to any default occurring under the Loan, accomplished Final Staircase.

8.4 When applying for the Landlord's consent under Clause 8.3(b) the Mortgagor 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 Mortgagor. In addition such consent shall be deemed to be given in the event that the Landlord receives any amounts advanced by the Mortgagor which are applied in protecting, preserving or enforcing its security over this Lease (including any amounts advanced by the Mortgagor and applied in discharging any arrears of rent and/or Service Charge under this Lease).

8.5 If the Landlord makes a payment to the Mortgagor or a deduction is made by the Mortgagor 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 3.2 (Interest).

8.6 The Leaseholder hereby authorises:

(a) the Landlord to disclose to any Mortgagor 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

(b) any Mortgagor 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).

9 NOTICES

For the purposes of Section 48 of the Landlord and Tenant Act 1987 the address at which any notices (including notices in any proceedings) may be served on the Landlord by the Leaseholder is (until the Leaseholder is notified to the contrary) as follows. A notice to be served under this Lease shall be served in writing and shall be
properly served if served upon the Landlord at its registered office and/or upon the Leaseholder at the Premises and shall be deemed to have been made or delivered if left at such address or two days after being posted postage prepaid and by first class recorded delivery in an envelope addressed to them at such address.

10 LANDLORD AND TENANT (COVENANTS) ACT 1996 DECLARATION

For the purposes of the Landlord and Tenant (Covenants) Act 1995 the covenants on the part of the Landlord and on the part of the Leaseholder under this Lease are not personal covenants.

11 VALUE ADDED TAX

Sums payable under this Lease for the supply of goods and services are exclusive of value added tax which is to be payable, if applicable, in respect of and at the same time as each sum falls due for payment.

12 [STAMP DUTY CERTIFICATE AS SHARED OWNERSHIP

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 Premises (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.]

Delivered as a deed on the date of this document.
Schedule 1

The Premises

1 Plot number [*] or the [*] floor of the Building which is shown edged red on the [Plan(s)] and is known as [Flat] [Apartment] [*]

2 The Premises include:

(a) the inside and outside of the windows and other lights and the frames, glass, equipment and fittings relating to windows and lights of the Premises;
(b) the doors, door frames, equipment, fittings and any glass relating to the doors of the Premises;
(c) the internal plaster or other surfaces of load bearing walls and columns within the Premises and of walls which form boundaries of the Premises;
(d) non-load bearing walls completely within the Premises;
(e) the flooring, raised floors and floor screeds down to the joists or other structural parts supporting the flooring of the Premises;
(f) the plaster or other surfaces of the ceilings and false ceilings within the Premises and the voids between the ceilings and false ceilings;
(g) the Service Media within and exclusively serving the Premises; and
(h) appurtenances, fixtures, fittings and rights granted by this Lease, and improvements and additions made to, and fixtures, fittings and appurtenances in, the Premises.

(i) balcony

3 The Premises do not include:

(a) the load bearing framework and all other structural parts of the Building;
(b) the roof, foundations, joists and external walls of the Building; and
(c) Service Media and machinery and plant within (but not exclusively serving) the Premises

[(d) the structure and railings of the balcony (if any).]
Schedule 2
Mutual Covenants

1. NOT TO USE THE PREMISES NOR PERMIT THE PREMISES TO BE USED FOR:
   (e) any purpose other than as a private residence in single occupation only; or
   (f) any purpose from which a nuisance can arise to the owners, lessees or occupiers of the
      other premises in the Building or of the premises in the neighbourhood.

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

3. Not to do or permit to be done anything which may cause obstruction in or interference
   with any of the Service Media in the Building.

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

5. No bird dog or other animal shall be kept in the Premises or the Building.

6. No musical instrument television radio loudspeaker or mechanical or other noise
   making instrument of any kind shall be played or used and no singing shall be practised
   in the Premises so as to cause annoyance to the owner tenants and occupiers of any
   other flats in the Building [or so as to be audible outside the Premises] for so as to
   be audible outside the Premises between the hours of eleven p.m. and eight a.m.]

7. Not to use any balcony or roof terrace for any purpose other than quiet relaxation.

8. Not to erect install or place on or at the Premises any external satellite dish aerial or
   other means of receiving satellite signals or any other external aerials.

9. No trade profession nor any noisy or obnoxious activity or business shall be carried on
   upon the Premises or any part thereof.

10. Not to store trade or business materials or produce in the Premises.

11. Not to place or display outside the Premises or inside the Premises as to be visible from
    the outside any offensive poster notice advertisement name or sign.

12. No shed outhouse wireless or advertisement board or hoarding or any other structure of
    any kind whether temporary or permanent shall be erected on the Premises or the
    Building.
Not to sell or suffer to be sold any wines spirits or intoxicating liquors of any kind on the Premises or any part thereof nor to do or keep or suffer to be done or kept thereon any act or thing which may be or become a nuisance or annoyance or cause inconvenience to the Landlord or to the occupiers or owners of adjoining or neighbouring property or which may tend to lessen or depreciate the value of the Premises or the Building or other property in the neighbourhood

Not to hold or permit or cause to be held a sale by auction on the Premises

Not to obstruct the access of light or air to any building adjoining the Premises by erecting or altering any building or other structure on the Premises

Not to use any electrical device without an effective suppressor being fitted there to

Not to leave any vehicle bicycle tricycle perambulator toy motor car or other object or thing on any part of the Common Parts so as to cause a nuisance annoyance or inconvenience to the owners and occupiers of the Building

Not to suffer or permit any mat carpet or similar articles to be shaken or beaten at any time out of the windows of the Building

Not to deposit any dust or rubbish anywhere in the Building other than in a refuse bin which shall be kept at all times in the space provided and nowhere else or by using the communal refuse facilities

Not to hang or expose or permit to be hung or exposed any washing or clothing or materials on any part of the Premises so as to be visible from the outside

At all times to keep tidy the appearance of all windows of the Premises and to keep the same suitably curtained and to clean the surfaces of the same at least once a month

Not to install or suffer to be installed any machinery on the Premises which shall be noisy or cause dangerous vibration or be a nuisance to the Landlord or the owners or lessees or occupiers of the nearby premises

Not to keep or bring in the Building any petrol oil liquid petroleum gas or other combustible dangerous or offensive substance or goods [except in so far as the same may be in the tanks of motor vehicles parked on any parking space allocated to the Premises]

24.1 To pay for all electricity and gas and all other services consumed in the Premises

24.2 To comply with all requirements and regulations of the gas electricity water and telephone supply authorities concerning the service installations in the Premises

24.3 Not to alter or extend the electrical installation or wiring and any gas installation and piping in the Premises

24.4 Not to use any apparatus which overloads the electrical installation in the Premises and to ensure that the electrical installation and any gas installation is maintained in a safe condition

25 Not to overload the floors or structure of the Premises
26 Not to use or permit or suffer to be used any parts of the Common Parts consisting of open space and or amenity or play areas except for recreational purposes and in accordance with regulations made by the Landlord from time to time relating to the use of such areas

27 To maintain the boundary walls or fences marked 'T' (if any) on the Plan

28 To maintain and keep in good repair and order the garden or patio area (if any) forming part of the Premises

29.1 Not to park or to suffer or permit to be parked upon the Parking Space any vehicle other than a private motor car or such other motor vehicle as may be first approved in writing by the Landlord acting in its absolute discretion

29.2 Not to park or to permit or suffer any occupier of the Premises to park any motor vehicle on any other parking space in the Building save as may be allocated for use in connection with the Premises]
Schedule 3

Easements, Rights and Privileges

1 THE RIGHT FOR THE LEASEHOLDER AND ALL PERSONS AUTHORISED BY THE LEASEHOLDER (IN COMMON WITH ALL OTHER PERSONS ENTITLED TO THE LIKE RIGHT) AT ALL TIMES TO USE THE COMMON PARTS FOR ALL PURPOSES INCIDENTAL TO THE OCCUPATION AND ENJOYMENT OF THE PREMISES (BUT NOT FURTHER OR OTHERWISE).

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

3 The free and uninterrupted passage and running of water, steam, soil, air, gas, electricity and telephone communications from and to the Premises through the Service Media which now are or may at any time during the Term be in, under or passing through the Building or any part of it.

4 The right for the Leaseholder with workmen and others at all reasonable times on notice (except in the case of emergency) to enter upon other parts of the Building:
   (a) for the purpose of repairing, cleansing, maintaining or renewing any Service Media; or
   (b) for the purpose of repairing, maintaining, renewing or rebuilding the Premises or any part of the Building giving subjacent or lateral support shelter or protection to the Premises,
causing as little disturbance as possible and making good any damage caused.

5 The right to connect a television set in the Premises with any communal aerial system provided in the Building for the time being.

6 [An exclusive right to park a single private motor car in the Parking Space provided that the Landlord may temporarily close such for repairs maintenance or other works]
Schedule 4

Exceptions and Reservations

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

(a) easements rights and privileges over along and through the Premises equivalent to those set forth in Schedule 3 (Easements, Rights and Privileges) paragraph 2, paragraph 3 and paragraph 4.

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

(c) All easements or rights of light and air or other easements or rights which (but for these present reservations) would restrict or interfere with the free use of any adjoining or neighbouring land and premises now or formerly within the ownership of the Landlord or subsequently acquired or amalgamated therewith for building or any other purposes and the Leaseholder shall not become entitled to any such easements or rights in respect of the Premises.
Schedule 5
Rent Review

1 Definitions

In this Schedule 5 (Rent Review):

“A” means the monthly figure shown in the Index published for the Relevant Month in the year of the immediately preceding Relevant Review Date or (if none) in the year of the date of the Commencement Date.

“B” means the monthly figure shown in the edition of the Index for the Relevant Month in the year of the Relevant Review Date.

“Index” means the all items retail prices index published by the Office for National Statistics.

“Relevant Month” means [the calendar month which is two calendar months before the] Relevant Review Date.

2 Gross Rent review

With effect from each Review Date the Gross Rent for the purposes of this Lease shall be the reviewed Gross Rent (as agreed or determined in accordance with this Schedule 5 (Rent Review)).

3 Upwards only rent review

(a) The reviewed Gross Rent is to be the greater of:

(i) the Gross Rent under this Lease immediately preceding the Relevant Review Date x 1.005; and

(ii) the Gross Rent under this Lease immediately preceding the Relevant Review Date x (\(\frac{B}{A}\)) x 1.005.

(b) If the Index is re-based after A is published, but before B is published, then an appropriate adjustment shall be made in the calculation to ensure that both B and A are calculated on the same basis.

(c) If the Index ceases to be published then there shall be substituted in the calculation in paragraph 3(a)(ii) such other index as the Landlord shall (acting reasonably) determine as being a generally respected measure of the general increase in retail prices.

(d) If, because of any change after the date of this Lease in the method used to compile the Index or for any other reason it becomes impossible or impracticable to calculate fairly the fraction referred to in paragraph 3(a)(ii) by reference to the Index, or if any dispute or question arises between the parties to this Lease with respect to any such calculation pursuant to paragraph 3(a)(ii) or with respect to the construction or effect of this provision, then such dispute or question shall (if it is not resolved within 3 months of the Relevant Review Date) be referred to an independent expert pursuant to Clause 6.9 (Expert determination).
Specified Rent Review

With effect from each Review Date the Specified Rent reserved under this Lease shall be reviewed to an amount equal to the Unacquired Percentage of the Gross Rent as at that Review Date as agreed or determined in accordance with the terms of this Schedule.

Time

Whilst the parties are encouraged to act promptly and reasonably in order to resolve disputes as soon as possible, in agreeing or determining the reviewed Gross Rent, the reviewed Specified Rent or in appointing an expert, no rights or obligations are extinguished by the passage of time.

Rental Adjustments

(a) If the reviewed Specified Rent payable from a Review Date is not agreed or determined in accordance with the provisions of this Schedule 5 (Rent Review) before the Relevant Review Date, then until the reviewed Specified Rent has been so agreed or determined, the Leaseholder will continue to pay on account Specified Rent at the rate payable immediately before the Relevant Review Date.

(b) Within 14 days after the time that the reviewed Specified Rent has been agreed or determined the Leaseholder will pay to the Landlord all arrears of the reviewed Specified Rent which have accrued in the meantime, with interest equal to the base rate of Barclays Bank PLC on each of the instalments of the arrears from the time that it would have become due if the reviewed rent had then been agreed or determined until payment becomes due from the Leaseholder to the Landlord under this paragraph 6(b).

Notice of Review

Immediately following each Review Date the Landlord shall serve written notice on the Leaseholder, substantially in the form set out in Appendix 2 specifying the amount of the reviewed Gross Rent and the amount of the Specified Rent then payable.
Schedule 6

Staircasing Provisions

1

(a) 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 6 (Staircasing Provisions) shall also be exercisable by any mortgagee of the Leaseholder of whom the Landlord has received proper notice pursuant to Clause 3.20 (Register disposals).

(b) 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(a) (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.

(c) 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(d).

(d) 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 3 (Staircasing Provisions)) plus any unpaid sums under paragraph 1(e) 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.

(e) 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.

(f) 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.

(g) If the provisions of this Schedule 6 (Staircasing Provisions) are exercised by any mortgagee under paragraph 1(a) then provided that the Premises are being sold by the mortgagee on an arm's length basis at the best price reasonably obtainable at the time of sale:

(i) the Market Value shall be deemed to be the price at which the Premises are being sold by the mortgagee on the assumption that the Unacquired Percentage is nil;
(ii) the relevant Portioned Percentage shall be calculated on the basis of that deemed Market Value; and

(iii) 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 Premises by the mortgagee.

2 Upon payment of the sum referred to in paragraph 1(d) in circumstances where the Acquired Percentage has become 100%:

(a) the Specified Rent shall be reduced to the Minimum Rent; and

(b) the following provisions of this Lease shall no longer have effect:

(i) Definition of “Portioned Percentage”, “Unacquired Percentage”, and “Final Staircasing”;

(ii) Clause 3.18.2;

(iii) Clause 8 (Mortgage protection);

(iv) Schedule 5 (Rent Review); and

(v) this Schedule 6 (Staircasing Provisions) (except this paragraph 2).

3 The costs of any determination by the Valuer pursuant to the provisions of this Schedule 6 (Staircasing Provisions) 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 7

Assignment of whole to Nominated Purchasers

1 If the Landlord serves notice on the Leaseholder pursuant to Clause 3.19.2(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 Premises with vacant possession and free from encumbrances (except any which may affect the Premises at the time of the grant of this Lease) and to remain open for acceptance for a period of six weeks and to stipulate a completion date not earlier than four weeks after acceptance of the offer and otherwise the offer to be subject to current Law Society Standard Conditions of Sale.

3 The price at which such offer shall be made shall be the Acquired Percentage of the open market value of the Premises with vacant possession assessed as at the date of the Landlord's notice served under the provisions of Clause 3.19.2(a) 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 Premises 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 Premises the procedure set out in Clause 3.19.2 and Clause 3.19.3 shall be repeated.
Schedule 8

Surrender by Leaseholder (Pre-emption)

a. If the Landlord serves notice on the Leaseholder pursuant to Clause 3.19.2(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.

b. 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.

c. If before the date of surrender of this Lease the Landlord has received notice pursuant to Clause 3.20 (Register disposals ) of a mortgage or charge of this Lease:

i. 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;

ii. the receipt of the said mortgagee or chargee shall absolutely discharge the Landlord from its obligations under this Schedule 8 (Surrender by Leaseholder (Pre-emption));

iii. 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

iv. if at the time of such surrender under this Schedule 8 (Surrender by Leaseholder (Pre-emption) ) (i) there is any Loan outstanding to a Mortgagor of the Premises 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 in Schedule 9 (Defined Terms)).

d. Save as otherwise provided any costs incurred by either party pursuant to the provisions of this Schedule 8 (Surrender by Leaseholder (Pre-emption)) shall be borne by that party.
Schedule 9
Defined Terms

In this Lease:

"Account Year" means a year ending on 31 March.

"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 6 (Staircasing Provisions).

"Authorised Person" means the individual nominated by the Landlord to estimate expenditure in relation to the Service provision in accordance with Clause 7.3 (How calculated).

"Building" means the building of which the Premises form part and each and every part of the Building [and the car park, service or loading area, service road] and any other areas the use and enjoyment of which is appurtenant to the Building, whether or not within the structure of the Building.

"Common Parts" means those parts of the Building (whether or not within the structure of the Building) to be used in common by any of the Leaseholder, other tenants and occupiers of the Building, the Landlord, and those properly authorised or permitted by them to do so, and "Common Parts" includes (but without limitation) the [atrium and entrance hall, corridors, lobbies, staircases, lavatories, access ways, passages, lifts, escalators, turntables, courtyards, external pavements, car park, and its ramp, service and loading areas, service road, gardens] and other such amenities, but excluding any such parts as may be within the Premises.

"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.

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

"Landlord" includes all persons from time to time entitled to the immediate reversion to this Lease.

"Lease" includes any documents supplemental to this lease.

"Leaseholder" includes the Leaseholder's successors in title and assigns in whom this Lease may for the time being be vested.

"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 Premises. 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 Premises;

(b) the Loan made (if any) to accomplish Final Staircasing in the Premises as part of the enforcement process or as a result of further Loan being made;

(c) Loans for other sums in relation to the Premises 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:

(h) the gross sale proceeds to be received from a disposal (including a surrender) of the Leaseholders interest in the Premises; and

(i) 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 Premises 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 3.4 (Repair) and Clause 3.5 (Decoration);

"Minimum Rent" means the sum of £____.[ as reviewed in accordance with Schedule 10

[INSERT GROUND RENTS APPROVED BY STEERING GROUP ONLY (FOR AVOIDANCE OF DOUBT NO ADDITIONAL RENTS ABOVE SUCH GROUNDRENTS TO BE CHARGED TO ORIGINAL LEASEHOLDER).]
"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 the 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).

"Original Leaseholder" means [INSERT NAME OF FIRST PURCHASER].

"Outgoings" means (in relation to the Premises) all existing and future rates, taxes, charges, assessments, impositions and outgoings whatsoever (whether parliamentary or local) which are now or may at any time be payable, charged or assessed on property, or the owner or occupier of property.

"the Parking Space" means the parking space allocated by the Landlord from time to time at the date of this Lease being that shown edged in green on the Plan.

"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 Premises 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".

"the Plans" means the plans annexed to this Lease.

"Portioned Percentage" means at any relevant time (including for the avoidance of doubt on the Final Staircasing) the percentage interest in the Premises which the Leaseholder proposes to acquire (or has already acquired) under the provisions of Schedule 6 (Staircasing Provisions), being a portion of the then Market Value of the Premises 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 21 years from and including the date of Final Staircasing.

"Premises" means the premises described in Schedule 1 (The Premises).
"Service Media" means drains, sewers, conduits, flues, gutters, gullies, channels, ducts, shafts, watercourses, pipes, cables, wires, mains, electrical risers, aerials and any other conducting media.

"Service Charge" means the Specified Proportion of the Service Provision.

"Service Provision" means the sum calculated in accordance with Clause 7.3 (How calculated), Clause 7.4 (Service Provision) and Clause 7.5 (Adjustment to actual expenditure).


"Term" means the term of [_____] years from and including the Commencement Date.

"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.
Schedule 10

Minimum Rent Review

Definitions

1 In this Schedule 10:

"Relevant Percentage" the percentage, calculated using the formula:

\[ \frac{100 \times (A-B)}{B} \]

where:

A is the Review Index Value

B is the Review Base Value

provided that if the Relevant Percentage is less than zero, the Relevant Percentage will be deemed to be zero.

"Review Base Value" on the first Review Date, the Base Index Value and, on each subsequent Review Date, the Review Index Value for the previous Review Date

"Base Index Value" the Index figure published for the calendar month preceding the commencement of the term of this Lease.

"Index" the "all items" CPI Index maintained by the Office of National Statistics or, where such index ceases to be published (or where the Parties otherwise agree), such replacement index as may be agreed by the Landlord and Tenant from time to time.

"Review Date" means each tenth anniversary of the date hereof.

"Revised Index" such alternative index or comparable measure of price inflation as the Landlord reasonably requires or, at the Landlord's option, such adjustments to the Base Index Value, the Review Base Value or the Review Index Value as the Landlord reasonably requires to take account of any change in the base figure used to calculate the Index.

"Review Index Value" the Index figure published for the calendar month preceding the relevant Review Date.

2 Minimum Rent review

With effect from each Review Date the Minimum Rent for the purposes of this Lease shall be the reviewed Minimum Rent (as agreed or determined in accordance with this Schedule).

3 Minimum Rent review mechanism

(a) The reviewed Minimum Rent is to be increased by the Relevant Percentage.

(b) If the Index is re-based after A is published, but before B is published, then an appropriate adjustment shall be made in the calculation to ensure that both B and A are calculated on the same basis.

(c) If the Index ceases to be published then there shall be substituted in the calculation in paragraph (a) the Revised Index.
(d) If, because of any change after the date of this Lease in the method used to compile the
Index or for any other reason it becomes impossible or impracticable to calculate fairly the
fraction referred to in paragraph (a) by reference to the Index or the Revised Index, or if any
dispute or question arises between the parties to this Lease with respect to any such
calculation pursuant to paragraph (a) or with respect to the construction or effect of this
provision, then such dispute or question shall (if it is not resolved within 3 months of the
Relevant Review Date) be referred to an independent chartered surveyor of not less than 10
years' standing experienced in the review of rents in respect of premises similar to and in
the same locality as the Premises who will act as an expert in accordance with the
Arbitration Act 1996.
4 Time

Whilst the parties are encouraged to act promptly and reasonably in order to resolve disputes as soon as possible, in agreeing or determining the reviewed Minimum Rent or in appointing an expert, no rights or obligations are extinguished by the passage of time.

5 Rental Adjustments

(a) If the reviewed Minimum Rent payable from a Review Date is not agreed or determined in accordance with the provisions of this Schedule 10 (Minimum Rent Review) before the Relevant Review Date, then until the reviewed Minimum Rent has been so agreed or determined, the Leaseholder will continue to pay on account Minimum Rent at the rate payable immediately before the Relevant Review Date.

(c) Within 14 days after the time that the reviewed Minimum Rent has been agreed or determined the Leaseholder will pay to the Landlord all arrears of the reviewed Minimum Rent which have accrued in the meantime, with interest equal to the base rate of Barclays Bank PLC on each of the instalments of the arrears from the time that it would have become due if the reviewed rent had then been agreed or determined until payment becomes due from the Leaseholder to the Landlord under this paragraph.

6 Notice of Review

Immediately following each Review Date the Landlord shall serve written notice on the Leaseholder, specifying the amount of the reviewed Minimum Rent payable.
EXE CUTION PAGE

Executed as a Deed by affixing )
the COMMON SEAL of the LANDLORD )
in the presence of:- )

Authorised Signatory

Secretary

SIGNED as a Deed by the )
LEASEHOLDER in the presence of:- )

Witness Signature

Witness Name

Witness Address
Memorandum of Staircasing
(Number [●])

Premises :

Date of Lease :

Leaseholder :

Landlord :

THIS IS TO RECORD THE FOLLOWING:

On the day of 20 on the payment of £[●] (the "Premium") being [●] % of the Market Value of the Premises as assessed by the Valuer on the 20 the Leaseholder purchased a Portioned Percentage of [●]%. The total share in the Premises 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/for and on behalf of the Landlord,
Example of Notice of Rent Increase

To: Leaseholder

[insert details of the Premises] ("the Premises")

The next Rent Review Date under your shared ownership lease of the Premises is [●] [20 ]. The rent which you currently pay is [●] per month.

The rent which you must pay on and after [●] [20 ] is [●] per month.

The new figure of [●] per month is calculated as follows:
• RPI Index for [●] [20 ] was [●] (this was the Index on which the rent review in [●] [20 ] was based);
• The Gross Rent fixed at the rent review in [●] [20 ] was [●] per month;
• RPI Index for [●] [20 ] is [●] (this is the Index on which the rent review in [●] [20 ] is being based);
• The reviewed Gross Rent as at [●] [20 ] is therefore [●] per month

(being [£●] x [●] x 1.005)

But because your share of the Premises is currently [●]% and our share is [●]% the rent which you must actually pay is only [●%] of [£●], which is the sum of [£●] per month.

WORKED EXAMPLE:

The notice set out below would have been given in relation to a rent review in November 2008 in the following circumstances:
• The Lease had Rent Review Dates on 30 November in 2007 and 2008;
• As at November 2008, the Leaseholder’s share in the Premises was 45%;
• The Gross Rent in November 2007 had been £100 per month (based on the RPI in September 2007), and so the actual rent payable would have been £55 per month (being 55% of £100).
• The RPI was 208.0 in September 2007, and 218.4 in September 2008.

The next Rent Review Date under your shared ownership lease of the Premises is [30 November 2008]. The rent which you currently pay is [£55.00] per month.

The rent which you must pay on and after [30 November 2008] is [£58.04] per month.

The figure of [£58.04] per month is calculated as follows:
• RPI Index for [September 2007] was [208.0] (this was the Index on which the rent review in [November 2007] was based);
• The Gross Rent fixed at the rent review in November 2007 was [£100.00] per month;
• RPI Index for [September 2008] is [218.4] (this is the Index on which the rent review in [November 2008] is being based);
• The reviewed Gross Rent as at [30 November 2008] is therefore [£105.52] per month (being (£100 x [218.4/208.0]) x 1.005)

But because your share of the Premises is currently [45%] and our share is [55%], the rent which you must actually pay is only [55%] of [£105.52], which is the sum of [£58.04] per month.
Appendix 3

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.

7

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.

8

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.

9

RENT REVIEW

The rent will be reviewed periodically at the times set out in the lease. Typically, the rent will be reviewed every year. The reviewed rent will be increased in line with any proportionate increases in the retail prices index (RPI).

The rent will be reviewed on an 'upwards only' basis. This means that the level of rent will not go down when it is reviewed. However, any increase in the rent will be capped at a figure representing the RPI increase plus 0.5%. This means that where the RPI is zero or negative the most the rent can increase by is 0.5%.

A worked example demonstrating how the rent is recalculated at review is set out in Appendix 2 of the lease.
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.

LANDLORD'S RIGHT OF FIRST REFUSAL

With a view to ensuring that the property remains in the ownership of people in need of shared ownership units 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 expiry of the period of 21 years from 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 that 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.

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.

13

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.

14

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:

[●]

This guidance note does not form part of the Lease and is not to be taken into account in the interpretation of any provision in the Lease. It is important that the Leaseholder gets legal advice before entering into the Lease.
Appendix 11

Draft Shared Ownership Lease
NOTTING HILL HOME OWNERSHIP LIMITED
as Landlord

[●]
as Leaseholder

NewBuild HomeBuy Lease
(Granted on Shared Ownership terms)
of flat at [●]

[Standard "Shared Ownership Lease"- rent payable on Unacquired Percentage]

Important Notice for Leaseholders
A guide to the key terms of this Lease is set out in Appendix 3
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<th></th>
</tr>
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<td>LR2. Title number(s)</td>
<td>LR2.1 Landlord's title number(s)</td>
</tr>
<tr>
<td></td>
<td>[●]</td>
</tr>
<tr>
<td></td>
<td>LR2.2 Other title numbers</td>
</tr>
<tr>
<td></td>
<td>[●]</td>
</tr>
<tr>
<td>LR3. Parties to this Lease</td>
<td>Landlord</td>
</tr>
<tr>
<td></td>
<td>NOTTING HILL HOME OWNERSHIP LIMITED (company no. IP23066R) whose registered office is at 1 Butterwick Hammersmith London W6 8DL</td>
</tr>
<tr>
<td></td>
<td>Tenant</td>
</tr>
<tr>
<td></td>
<td>[●] of [●]</td>
</tr>
<tr>
<td>LR4. Property</td>
<td>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</td>
</tr>
<tr>
<td></td>
<td>As specified in Schedule 1 (The Premises) and Schedule 9 (Defined Terms) of this Lease and defined in this Lease as &quot;the Premises&quot;</td>
</tr>
<tr>
<td>LR5. Prescribed statements etc</td>
<td>LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003</td>
</tr>
<tr>
<td></td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>LR5.2 This Lease is made under, or by reference to, provisions of:</td>
</tr>
<tr>
<td></td>
<td>Not applicable</td>
</tr>
<tr>
<td>LR6. Term for which the Property is leased</td>
<td>The term as specified in this Lease at Clause 2 (The Letting Terms) and as defined in Schedule 9 (Definitions)</td>
</tr>
<tr>
<td>LR7. Premium</td>
<td>£[*]</td>
</tr>
<tr>
<td>LR8. Prohibitions or restrictions on disposing of this Lease</td>
<td>This Lease contains a provision that prohibits or restricts dispositions</td>
</tr>
<tr>
<td>LR9. Rights of acquisition etc</td>
<td>None</td>
</tr>
<tr>
<td>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</td>
<td></td>
</tr>
<tr>
<td>LR9.2 Tenant's covenant to (or offer to) surrender this Lease</td>
<td>As specified in Clause 3.19 (<em>Pre-emption provisions</em>), Schedule 8 (<em>Surrender by Leaseholder</em> (<em>Pre-emption</em>) and Clause 6.8 (<em>Frustration clause</em>))</td>
</tr>
<tr>
<td>LR9.3 Landlord's contractual rights to acquire this lease</td>
<td></td>
</tr>
<tr>
<td>LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property</td>
<td>None</td>
</tr>
<tr>
<td>LR11. Easements</td>
<td>None</td>
</tr>
<tr>
<td>LR11.1 Easements granted by this lease for the benefit of the Property</td>
<td>As specified in Schedule 3 (<em>Easements, Rights and Privileges</em>)</td>
</tr>
<tr>
<td>LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property</td>
<td>As specified in Schedule 4 (<em>Exceptions and Reservations</em>).</td>
</tr>
<tr>
<td>LR12. Estate rent charge burdening the Property</td>
<td>Not applicable</td>
</tr>
<tr>
<td>LR13. Application for standard form of restriction</td>
<td>The Parties to this Lease apply to enter the following standard form of restriction against the title of the Property:</td>
</tr>
<tr>
<td></td>
<td>&quot;No disposition of the registered estate (other than a charge) by the proprietor of</td>
</tr>
<tr>
<td>LR14. Declaration of trust where there is more than one person comprising the Tenant</td>
<td>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 Clause 3.19.1 (Pre-emption provisions) of the registered lease have been complied with or that they do not apply to the disposition.</td>
</tr>
</tbody>
</table>

<p>|  | [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 [complete as necessary].] |</p>
<table>
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</thead>
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<tr>
<td>Commencement Date</td>
<td>[•]</td>
</tr>
<tr>
<td>Gross Rent</td>
<td>£[•] per annum, subject to review in accordance with Schedule 5 (Rent Review Review).</td>
</tr>
<tr>
<td>Initial Market Value</td>
<td>The sum of £[•].</td>
</tr>
<tr>
<td>Initial Percentage</td>
<td>[•]%</td>
</tr>
<tr>
<td>Premium</td>
<td>The sum of £[•].</td>
</tr>
<tr>
<td>Review Date</td>
<td>[•] and each successive [•] during the Term and the term the &quot;Relevant Review Date&quot; shall be construed accordingly.</td>
</tr>
<tr>
<td>Specified Proportion (clause 7)</td>
<td>[•]% [a fair proportion of the Service Provision to be determined by the Authorised Person taking into account the degree of benefit received by the Premises from the services]</td>
</tr>
<tr>
<td>Specified Rent</td>
<td>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.</td>
</tr>
</tbody>
</table>
DATED [201

PARTIES

(1) NOTTING HILL HOME OWNERSHIP LIMITED whose registered office is at 1 Butterwick Hammersmith London W6 8DL registered with the Tenant Services Authority under number SL3119 and which is an Industrial and Provident Society registered under the Industrial and Provident Societies Act 1965 under number IP23066R (the ‘Landlord’)

(2) [name] (the ‘Leaseholder’)

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 In this Lease the terms defined in the Particulars and in Schedule 9 (Defined Terms) shall have the meanings specified.

1.2 Any obligation on a party to this Lease to do any act includes an obligation to procure that it is done.

1.3 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.

1.4 References to liability include, where the context allows, claims, demands, proceedings, damages, losses, costs and expenses.

1.5 The Clause and paragraph headings in this Lease are for ease of reference only and are not to be taken into account in the interpretation of any provision to which they refer.

1.6 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.

1.7 Unless the contrary intention appears, references:

(a) to defined terms are references to the relevant defined term in the Particulars and Schedule 9 (Defined Terms);

(b) to numbered Clauses and Schedules are references to the relevant Clause in, or Schedule to, this Lease; and

(c) to a numbered paragraph in any Schedule are references to the relevant paragraph in that Schedule.

1.8 Words in this Lease denoting the singular include the plural meaning and vice versa.

1.9 References in this Lease to any statutes or statutory instruments include any statute or statutory instrument amending, consolidating or replacing them respectively from time to time in force, and references to a statute include statutory instruments and regulations made pursuant to it.
1.10 Words in this Lease importing one gender include both genders, and may be used interchangeably, and words denoting natural persons, where the context allows, include corporations and vice versa.

1.11 Words and expressions which appear in the first column of the Particulars, shall in this Lease have the meaning shown opposite them in the second column of the Particulars.

2 THE LETTING TERMS

In consideration of the Premium (receipt of which the Landlord acknowledges), the Specified Rent and the Leaseholder's covenants in this Lease the Landlord lets the Premises to the Leaseholder:

(a) together with the rights set out in Schedule 3 (Easements, Rights and Privileges) and together with the rights; but

(b) subject to the provisions set out in Schedule 6 (Staircasing Provisions); and

(c) except and reserved to the Landlord the rights set out in Schedule 4 (Exceptions and Reservations);

(d) for the Term;

the Leaseholder paying during the Term the Specified Rent (subject to revision under Schedule 5 (Rent Review)) by equal monthly payments in advance on the first day of each month, the first payment to be made on the date of this Lease.

3 LEASEHOLDER'S COVENANTS

The Leaseholder covenants with the Landlord as follows.

3.1 Pay rent

To

3.1:1 pay the Specified Rent at the times and in the manner mentioned in Clause 2 (The Letting Terms) and all other monies due under this Lease without deduction.

3.1:2 To make such payments by bankers standing order or direct debit or such other form of electronic transfer as the Landlord may require

3.2 Interest

To pay interest calculated on a day to day basis at an annual rate of 3% above the Base Rate of Barclays Bank PLC for the time being in force on so much of the Specified Rent or any other monies due to the Landlord under this Lease that remain unpaid for a period of 14 days after becoming due for payment.

3.3 Outgoings

3.3.1 To pay the Outgoings.

3.3.2 To refund to the Landlord on demand (where Outgoings relate to the whole or part of the Building or other property including the Premises) a fair and proper proportion attributable to the Premises, such proportion to be conclusively determined by the Landlord (who shall act reasonably).
3.4 **Repair**
To repair and keep the Premises in good and substantial repair and condition (except in respect of damage by risks insured under Clause 5.2 *(Insure)*) unless the insurance money is irrecoverable by reason of any act or default of the Leaseholder).

3.5 **Decoration**
As often as is reasonably necessary and in the last month of the Term in a proper and workmanlike manner (and in the last month of the Term in colours approved by the Landlord) to paint, paper, treat and generally decorate in a style appropriate to property of a like character all the inside of the Premises previously or usually so painted, papered, treated and decorated.

3.6 **Provide floor coverings**
*[To provide carpets or such other suitable floor coverings to the floors of the Premises.]* *(To provide carpets with good quality underlay [or such other suitable floor coverings] to all the floors of the Premises excluding bathrooms and kitchens)*

3.7 **Repair damage to Common Parts**
In respect of any damage or disrepair to the Common Parts caused or contributed to by any act, neglect or default of the Leaseholder or the Leaseholder’s family, servants or licensees or by any other person under the control of the Leaseholder, at the option of the Landlord, the Leaseholder will on demand indemnify the Landlord in respect of all costs, charges and expenses incurred the Landlord in repairing, making good, renewing and/or reinstating such damage or disrepair.

3.8 **Not to alter**

3.8.1 **Not to:**
(a) make any alterations or additions to the exterior of the Premises;
(b) make any structural alterations or structural additions to the interior of the Premises;
(c) erect any new buildings on the Premises;
(d) in any way interfere with the outside of the Building; or
(e) remove any of the Landlord’s fixtures from the Premises.

3.8.2 **Not to make any alteration or addition of a non-structural nature to the interior of the Premises without the previous written consent of the Landlord (such consent not to be unreasonably withheld).**

3.9 **Comply with requirements of public authorities**
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 Premises or any part of the Premises provided that the Leaseholder shall not be liable by virtue of this Clause 3.9
Provide copies of notices

Promptly to serve on the Landlord a copy of any notice, order or proposal relating to the Premises and served on the Leaseholder by any national, local or other public authority.

Expenses of the Landlord

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.

Obtain consents

To obtain all licences, permissions and consents and do all works and things and pay all expenses required or imposed by any existing or future legislation in respect of any works carried out by the Leaseholder on the Premises or any part of the Premises or in respect of any use of the Premises during the Term.

Landlord's right of inspection and right of repair

To permit the Landlord and its employees or agents at reasonable times to enter the Premises and examine their condition and also to take a schedule of fixtures and fittings in the Premises.

If any breach of covenant, defects, disrepair, removal of fixtures and fittings or unauthorised alterations or additions are found on inspection for which the Leaseholder is liable, then, on notice from the Landlord, to execute to the reasonable satisfaction of the Landlord or the Landlord's surveyor all repairs, works, replacements or removals required within three months (or sooner if necessary) after receipt of notice.

If the Leaseholder fails to comply with a notice under Clause 3.13.2, the Landlord may itself or by its workpeople or agents enter the Premises and execute the repairs, works, replacements or removals.

To pay to the Landlord on demand all expenses incurred under Clause 3.13.3.

Permit entry

At all reasonable times during the Term on notice to permit the Landlord and the lessees of other premises in the Building with workmen and others to enter the Premises for the purpose of repairing any adjoining or neighbouring premises and for the purpose of repairing, maintaining and replacing all Service Meters or other conveniences belonging to or serving the same, the party so entering making good any damage caused to the Premises.
3.15 **Yield up**

At the termination of this Lease to quietly yield up the Premises repaired, maintained, cleaned, decorated and kept in accordance with the covenants in this Lease (except in respect of damage by risks insured under Clause 5.2 (`Insure`)) unless the insurance money is irrecoverable by reason of any act or default of the Leaseholder.

3.16 **Use**

Not to use the Premises for anything other than as a private residence in single occupation.

3.17 **Restrictions on use**

Not to do any act or thing which may:

(a) render void or voidable any policy of insurance on the Premises or may cause an increased premium to be payable in respect of the Premises;

(b) cause or permit to be caused nuisance, annoyance or disturbance to the owners lessees or occupiers of premises in the neighbourhood or visitors to such premises;

(c) result in any form of harassment or intimidation of any other person, including the Landlord's staff, contractors and agents; or

(d) result in the use of the Premises for any unlawful or Immoral purpose.

3.18 **Alienation**

3.18.1 Not to assign, underlet, charge, mortgage, or part with possession of part only of the Premises.

3.18.2 Not to underlet or part with possession of the whole of the Premises before Final Staircasing has been accomplished.

3.18.3 Not without the prior written consent of the Landlord (such consent not to be unreasonably withheld) to assign the whole of the Premises before Final Staircasing has been accomplished.

3.19 **Pre-emption provisions**

3.19.1 Subject to Clause 3.19.5, during the Pre-Emption Period the Leaseholder shall not:

(a) assign the whole or part of the Premises;

(b) (after Final Staircasing has been accomplished) underlet the whole of the Premises pursuant to an underlease for a term of more than 21 years otherwise than at a rack rent; or

(c) (after Final Staircasing has been accomplished) enter into an agreement to renew or extend the term of any underlease granted for a term of less than 21 years,

otherwise than as permitted pursuant to the provisions of Clause 3.19.2 and Clause 3.19.3.
3.19.2 If the Leaseholder wishes to assign or underlet upon the terms set out in Clauses 3.19.1(a) and Clause 3.19.1(b) the whole of the Premises during the Pre-Eemption 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 Premises, in which case the provisions of Schedule 7 (Assignment of whole to Nominated Purchasers) will apply, or

(b) stating that the Landlord will accept a surrender of this Lease, in which case the provisions of Schedule 8 (Surrender by Leaseholder (Pre-Eption)) will apply.

3.19.3 If the Landlord does not serve a notice under Clause 3.19.2 within the 8 week period specified in Clause 3.19.2 (as to which time shall be of the essence) the Leaseholder may assign or underlet the whole of the Premises subject to Clause 3.19.6 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 3.19.2 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 Premises the procedure set out in Clause 3.19.2 and this Clause 3.19.3 shall be repeated.

3.19.4 The Landlord and the Leaseholder shall apply to the Chief Land Register 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 Clause 3.19.1 (Pre-emption provisions) of the registered lease have been complied with or that they do not apply to the disposition.”

3.19.5 Where this Lease is assigned:

(a) under a will or intestacy;

(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;
the provisions of Clause 3.19.1 to Clause 3.19.3 will not apply.

3.19.6 For the purposes of any disposal permitted under Clause 3.19.3 or under Clause 3.19.5:

(a) the Leaseholder covenants with the Landlord not to dispose of any estate or interest in the Premises or any part of it save to a person who has first entered into a deed of covenant with the Landlord to the same effect as the pre-emption provisions contained in this Clause 3.19 (Pre-emption provisions); and

(b) the Leaseholder and the Landlord shall apply to the Land Registry (i) to register a notice of the pre-emption rights in the charges register of the Leaseholder's title to the Premises and (ii) to enter a restriction in the following form in the proprietorship register of that 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 written consent signed by the proprietor for the time being of the estate registered under title number [specify Landlord's title number] or their conveyance or that the provisions of the deed of covenant dated [ ] (entered into pursuant to Clause 3.19.6 of the registered lease have been complied with or that they do not apply to the disposition."

3.20 Register disposals

Within one month of any assignment, underletting, mortgage, charge or other dealing with the Leaseholder's interest in the Premises to give notice of it together with a certified copy of the document effecting the assignment, mortgage, charge, or devolution to the Landlord and to pay a reasonable fee to the Landlord for the registration of the notice.

3.21 Pay Landlord's administration fees

Upon any assignment of the Leaseholders interest in the Premises to pay to the Landlords all costs charges and expenses incurred by the Landlord for the purpose of or incidental to the assignment such sum not being greater than one per cent (1%) of the Market Value

3.22 Prevent loss of easements

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

3.23 Superior Title

To observe and perform the restrictive and other covenants referred to in the Landlord's title so far as the same are now subsisting and affect the Premises and to indemnify the Landlord in respect of any breach thereof
4 LEASEHOLDER'S FURTHER COVENANTS

The Leaseholder covenants with the Landlord and with and for the benefit of the tenants and occupiers from time to time of the other premises in the Building as follows.

4.1 Observe covenants in Schedule 2 (Mutual Covenants)

To observe the covenants set out in Schedule 2 (Mutual Covenants).

4.2 Comply with Regulations

To comply with such reasonable regulations as the Landlord may make from time to time relating to the orderly and proper use of the Common Parts and security of the Building.

5 LANDLORD'S COVENANTS

The Landlord covenants with the Leaseholder as follows.

5.1 Quiet enjoyment

That the Leaseholder paying the rents reserved by this Lease and performing and observing the covenants contained in this Lease may peaceably enjoy the Premises during the Term without any lawful interruption by the Landlord or any person rightfully claiming under or in trust for it.

5.2 Insure

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

5.3 Repair redecorate renew structure

Subject to Clause 5.5 (Landlord's Protection Provisions) and to payment of the Specified Rent and Service Charge, the Landlord shall maintain, repair, redecorate, renew and (in the event in the Landlord's reasonable opinion such works are required) improve:

(a) the load bearing framework and all other structural parts of the Building, the roof, foundations, joists and external walls of the Building [including the main structure of the balconies (if any) and their railings but not the surface of the same] and Service Media and machinery and plant within (but not exclusively serving) the Premises and all parts of the Building which are not the responsibility of the Leaseholder under this Lease or of any other leaseholder under a similar lease of other premises in the Building;
(b) the Service Media, cisterns and tanks and other gas, electrical, drainage, ventilation and water apparatus and machinery in under and upon the Building (except such as serve exclusively an individual flat in the Building and except such as belong to any utility supply authority or company); and

(c) the Common Parts;

(d) the parking spaces in the Building not demised or allocated to any individual tenant

5.4 Lighting and cleaning of Common Parts

Subject to Clause 5.5 (Landlord's Protection Provisions) and to Clause 5.3 (Repair redecorate renew structure) and so far as practicable to keep the Common Parts of the Building adequately cleaned and lighted.

5.5 Landlord's Protection Provisions

5.5.1 The Landlord shall not be liable to the Leaseholder for any failure in or interruption of the services referred to in Clause 5.3 (Repair redecorate renew structure) or Clause 5.4 (Lighting and cleaning of Common Parts) not attributable to its neglect or default.

5.5.2 The Landlord may add to, diminish, modify or alter any service referred to in Clause 5.3 (Repair redecorate renew structure) or Clause 5.4 (Lighting and cleaning of Common Parts) if by reason of any change of circumstances during the Term such addition, diminution or alteration is in the opinion of the Landlord reasonably necessary or desirable in the interests of good estate management or for the benefit of the occupiers of the Building.

5.6 Lettings of other flats

That every lease or tenancy of any flat in the Building granted after the date of this Lease by the Landlord shall contain covenants to be observed by the tenant of that flat similar to those set out in Schedule 2 (Mutual Covenants) and (save in the case of any flat which may be let at a rent on a periodic basis) shall be substantially in the same form as this Lease.

5.7 Enforce covenants in other leases

If so required by the Leaseholder to enforce the tenant's covenants similar to those contained in this Lease which are or may be entered into by the tenants of other flats in the Building so far as they affect the Premises provided that the Leaseholder indemnifies the Landlord against all costs and expenses of such enforcement.

5.8 Pre-emption obligations

That the Landlord will 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 3.19.4 the provisions of Clause 3.19 (Pre-emption provisions) have either been complied with or do not apply to the disposition.

5.9 Cess of Liability in respect of covenants

A party who was formerly the Landlord is to cease to be liable to perform and observe the covenants and conditions on the part of the Landlord contained in this Lease at and from the date of an assignment of the immediate reversion to this Lease.
PROVISOS

The parties agree the following provisos.

6.1 Proviso for re-entry

6.1.1 This Clause 6.1 (Proviso for re-entry) shall apply where:

(a) the Specified Rent shall be unpaid for 21 days after becoming payable (whether formally demanded or not); or

(b) if any covenant on the part of the Leaseholder shall not be performed or observed

6.1.2 Subject to the Landlord obtaining any court order required the Landlord may at any time re-enter the Premises or any part of them and terminate this Lease.

6.1.3 Clause 6.1.2 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):

(a) The Landlord shall give notice to the Mortgagee or any mortgagee of the Leaseholder of whom the Landlord has received notice pursuant to Clause 3.20 (Register disposals) (as the case may be) before commencing any proceedings for forfeiture of this Lease or proceedings for possession of the Premises; and

(b) 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.

6.2 Limitation of Landlord's Liability

The Landlord shall not be liable for any damage suffered by the Leaseholder or any member of the Leaseholder's family or any employee, servant or licensee of the Leaseholder through any defect in any fixture, tank, Service Media, staircase, machinery, apparatus or thing in the Building or through the neglect, default or misconduct of any servant employed by the Landlord acting outside the Landlord's instruction in connection with the Building or for any damage to the Premises due to the bursting or overflowing of any tank, boiler or Service Media in the Building except insofar as any such liability may be covered by insurance effected by the Landlord.

6.3 Landlord's power to deal with other Property

Notwithstanding anything contained in this Lease the Landlord shall have power without obtaining any consent from or making any compensation to the Leaseholder to deal as the Landlord may think fit with any other land, buildings or premises adjoining or near to the Building and to erect, rebuild or heighten on such other land or premises any buildings whether such buildings shall or shall not affect or diminish the light or air...
which may now or at any time during the Term be enjoyed by the Leaseholder or other tenants or occupiers of the Premises.

6.4 **Power to alter Common Parts**

The Landlord shall have power at its discretion to alter the arrangement of the Common Parts provided that after such alteration the access to and amenities of the Premises are not substantially less convenient than before.

6.5 **Heating and Hot Water Supply**

At all times during the Term the Landlord shall use its best endeavours

6.5.1 to maintain a reasonable and adequate constant supply of hot water for domestic purposes to the Premises at all times;

6.5.2 to keep the Premises sufficiently and adequately heated between reasonable dates and hours to be determined by the Landlord.

6.6 **Party walls**

Every internal wall separating the Premises from any other part of the Building shall be a party wall severed medically.

6.7 **Suspension of rent in case of insured damage**

If the whole or any part of the Premises (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 Specified Rent or a fair proportion of it shall be suspended until the Premises (and the Common Parts necessary for access) are again fit for use.

6.8 **Frustration clause**

6.8.1 Subject to Clause 6.8.2, in the event of the repair, rebuilding or reinstatement of the Premises 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 Premises.

6.8.2 If at the time of such frustration (i) there is any Loan outstanding to a Mortgagee of the Premises and (ii) the Unacquired Percentage is greater than nil then the consideration for such surrender shall be the amount referred to in Clause 6.8.1 plus the Mortgage Protection Claim (calculated on the basis that paragraph (iv) in the definition of "Loss" in Schedule 9 (Defined Terms) is the amount referred to in Clause 6.8.1).

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

6.9 **Expert determination**

6.9.1 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 6.8 (Expert determination) 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.

6.9.2 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:

(a) the president from time to time of the Royal Institution of Chartered Surveyors;
or

(b) the president from time to time of the Institute of Chartered Accountants in England and Wales,

or in either case the duly appointed deputy of the president, or other person authorised by him to make appointments on his behalf.

6.9.3 The person so appointed is to:

(a) act as an expert, and not as an arbitrator; and

(b) 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.

6.9.4 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.

6.9.5 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.

6.9.6 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.

6.9.7 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 6.8.2.

6.9.8 The determination of the independent expert, except in case of manifest error, is to be binding on the Landlord and the Leaseholder.

7 SERVICE CHARGE PROVISIONS

7.1 Covenant to pay

The Leaseholder covenants with the Landlord to pay the Service Charge during the Term by equal payments in advance at the same time and in the same manner in which the Specified Rent is payable under this Lease.
7.2 When calculated

The Service Provision in respect of any Account Year shall be calculated before the beginning of the Account Year and shall be calculated in accordance with Clause 7.3 (How calculated).

7.3 How calculated

The Service Provision shall consist of a sum comprising the expenditure estimated by the Authorised Person as likely to be incurred in the Account Year by the Landlord for the matters specified in Clause 7.4 (Service Provision) together with:

(a) an appropriate amount as a reserve for or towards the matters specified in Clause 7.4 (Service Provision) as are likely to give rise to expenditure after such Account Year being matters which are likely to arise either only once during the then unexpired term of this Lease or at intervals of more than one year including (without limitation) such matters as the decoration of the exterior of the Building (the said amount to be calculated in a manner which will ensure as far as is reasonably possible that the Service Provision shall not fluctuate unduly from year to year); but

(b) reduced by any unexpended reserve already made pursuant to Clause 7.3(a).

7.4 Service Provision

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

(a) the costs of and incidental to the performance of the Landlord’s covenants contained in Clause 5.2 (Insure) and Clause 5.3 (Repair redecorate renew structure) and Clause 5.4 (Lighting and cleaning of Common Parts);

(b) the costs of and incidental to compliance by the Landlord with every notice, regulation or order of any competent local or other authority in respect of the Building (which shall include compliance with all relevant statutory requirements);

(c) all reasonable fees, charges and expenses payable to the Authorised Person any solicitor, accountant, surveyor, valuer, architect or other person whom the Landlord may from time to time reasonably employ in connection with the management or maintenance of the Building including the computation and collection of rent (but not including fees, charges or expenses in connection with the effecting of any letting or sale of any premises) including the cost of preparation of the account of the Service Charge and if any such work shall be undertaken by an employee of the Landlord then a reasonable allowance for the Landlord for such work;

(d) any Outgoings assessed, charged, imposed or payable on or in respect of the whole of the Building or in the whole or any part of the Common Parts; and
(c) any administrative charges incurred by or on behalf of the Landlord including but not limited to:

(i) the grant of approvals under this Lease or applications for such approvals;

(ii) the provision of information or documents by or on behalf of the Landlord;

(iii) costs arising from non-payment of a sum due to the Landlord; and/or

(iv) costs arising in connection with a breach (or alleged breach) of this Lease.

(f) any interest paid or other costs incurred on money borrowed by the Landlord to repay any expenses incurred in connection with the repair management maintenance and provision of services for the Building

(g) repairing maintaining managing and renewing any part of the Building including the Common Parts [and car parking area] and keeping the same adequately cleaned and lighted

(h) renewing maintaining and repairing all access systems and controls to the Building

(i) the cost of repairing maintaining and renewing all fire fighting equipment and complying with the reasonable requirements of the fire officer or the insurers

(j) [the cost of repairing maintaining and renewing the bin stores and all equipment reasonably required for the collection storage and removal of refuse]

(k) the cost of providing appropriate furniture and equipment in the Common Parts

(l) if individual occupiers are not separately assessed or charged for the same the cost of supplying water and drainage services

(m) [the cost of supplying heating and hot water services and the cost of repairing maintaining and renewing the heating and hot water systems]

(n) the cost of maintaining repairing and replacing any communal television aerial

(o) the cost of providing operating maintaining renewing and replacing any CCTV system or any reasonably equivalent security device

(p) any contribution paid towards the cost of repairing or maintaining any area or facility used in common with others

(q) the cost of inspecting repairing maintaining cleaning replacing and renewing any drains, sewers, pipes, wires and cables and other services and facilities which serve the Premises in common with the Building

(r) the cost of providing such staff for the servicing management and security of the Building as the Landlord shall reasonably consider necessary including the cost of benefits in kind and the rent or (where no rent is payable by the
Landlord) a notional rent (not exceeding current market rent) for any premises provided rent free for such person's residence.

(s) insuring against liability to anyone entering the Common Parts and

(t) insuring against employers liability in connection with the Building (including the acts neglect or default of the Landlord its servants or agents)

7.5 Adjustment to actual expenditure

As soon as practicable after the end of each Account Year the Landlord shall determine and certify the amount by which the estimate referred to in Clause 7.3 (How calculated) shall have exceeded or fallen short of the actual expenditure in the Account Year and shall supply the Leaseholder with a copy of the certificate and the Leaseholder shall be allowed or (as the case may be) shall pay immediately following receipt of the certificate the Specified Proportion of the excess or the deficiency.

7.6 Landlord to contribute to reserve in respect of unlet parts

The Landlord will for the period that any flats 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 flats a sum equal to the total that would be payable by the tenants of such flats by way of contribution to the reserve referred to in Clause 7.3(a) and the said reserve shall be calculated accordingly.

7.7 Declaration re Landlord and Tenant Act 1985

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.

7.8 Change of Specified Proportion

7.8:1 If in the reasonable opinion of the Authorised Person it shall at any time be necessary or equitable to do so the Landlord may vary the Specified Proportion

7.8:2 The Specified Proportion increased or decreased in accordance with clause 7.8:1 above shall be endorsed on this Lease and shall throughout be substituted for the Specified Proportion set out in the particulars of this Lease

8 MORTGAGE PROTECTION

8.1 If a Mortgagee enforces its security in respect of the Loan then (subject to the other provisions of this Clause 8 (Mortgage protection)) 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.

8.2 The deduction under Clause 8.1 is conditional upon the Mortgagee agreeing simultaneously with the deduction under Clause 8.1 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.

8.3 A claim may only be made to the extent:
(a) the Mortgagee has made a Loss; and
(b) the Mortgagee has obtained the Landlord's consent to the terms of each and every Loan; and
(c) the disposal of the Leaseholder's interest in the Premises 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 8.3(c) the onus of proof is on the Landlord to show the sale was at an undervalue; and
(d) the Leaseholder has not, prior to any default occurring under the Loan, accomplished Final Staircasing.

8.4 When applying for the Landlord's consent under Clause 8.3(b) 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).

8.5 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 3.2 (Interest).

8.6 The Leaseholder hereby authorises:
(a) 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
(b) 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).

9 NOTICES
For the purposes of Section 48 of the Landlord and Tenant Act 1987 the address at which any notices (including notices in any proceedings) may be served on the Landlord by the Leaseholder is (until the Leaseholder is notified to the contrary) as follows. A notice to be served under this Lease shall be served in writing and shall be properly served if served upon the Landlord at its registered office and/or upon the Leaseholder at the Premises and shall be deemed to have been made or delivered if left at such address or two days after being posted postage prepaid and by first class recorded delivery in an envelope addressed to them at such address.
LANDLORD AND TENANT (COVENANTS) ACT 1995 DECLARATION

For the purposes of the Landlord and Tenant (Covenants) Act 1995 the covenants on the part of the Landlord and on the part of the Leaseholder under this Lease are not personal covenants.

VALUE ADDED TAX

Sums payable under this Lease for the supply of goods and services are exclusive of value added tax which is to be payable, if applicable, in respect of and at the same time as each sum falls due for payment.

[STAMP DUTY CERTIFICATE AS SHARED OWNERSHIP]

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 Premises (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.

Delivered as a deed on the date of this document.
Schedule 1

The Premises

1. Plot number [*] or the [ ] floor of the Building which is shown edged red on the [Plan(s)] and is known as [Flat] [Apartment] [*]

2. The Premises include:
   (a) the inside and outside of the windows and other lights and the frames, glass, equipment and fitments relating to windows and lights of the Premises;
   (b) the doors, door frames, equipment, fitments and any glass relating to the doors of the Premises;
   (c) the internal plaster or other surfaces of load bearing walls and columns within the Premises and of walls which form boundaries of the Premises;
   (d) non-load bearing walls completely within the Premises;
   (e) the flooring, raised floors and floor screeds down to the joists or other structural parts supporting the flooring of the Premises;
   (f) the plaster or other surfaces of the ceilings and false ceilings within the Premises and the voids between the ceilings and false ceilings;
   (g) the Service Media within and exclusively serving the Premises; and
   (h) appurtenances, fixtures, fittings and rights granted by this Lease, and improvements and additions made to, and fixtures, fittings and appurtenances in, the Premises.

3. The Premises do not include:
   (a) the load bearing framework and all other structural parts of the Building;
   (b) the roof, foundations, joists and external walls of the Building; and
   (c) Service Media and machinery and plant within (but not exclusively serving) the Premises

[(d) the structure and railings of the balcony (if any).]
Schedule 2

Mutual Covenants

1. NOT TO USE THE PREMISES NOR PERMIT THE PREMISES TO BE USED FOR:

   (e) any purpose other than as a private residence in single occupation only; or

   (f) any purpose from which a nuisance can arise to the owners, lessees or occupiers of the other premises in the Building or of the premises in the neighbourhood.

2. Not to do or permit to be done by any members of the Leaseholder’s household or visitors any act or thing which may:

   (g) render void or voidable any policy of insurance on the Building or may cause an increased premium to be payable;

   (h) cause or permit to be caused nuisance, annoyance or disturbance to the owners, lessees or occupiers of premises in the neighbourhood or visitors to the neighbourhood;

   (i) result in any form of harassment or intimidation of any other person, including the Landlord’s staff, contractors and agents; or

   (j) result in the use of the Premises for any unlawful or immoral purpose.

3. Not to do or permit to be done anything which may cause obstruction in or interference with any of the Service Media in the Building.

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

5. No bird dog or other animal shall be kept in the Premises or the Building.

6. No musical instrument television radio loudspeaker or mechanical or other noise making instrument of any kind shall be played or used and no singing shall be practised in the Premises so as to cause annoyance to the owner tenants and occupiers of any other flats in the Building [or so as to be audible outside the Premises] [or so as to be audible outside the Premises between the hours of eleven p.m. and eight a.m.].

7. Not to use any balcony or roof terrace for any purpose other than quiet relaxation.

8. Not to erect install or place on or at the Premises any external satellite dish aerial or other means of receiving satellite signals or any other external aerials.

9. No trade profession nor any noisy or obnoxious activity or business shall be carried on upon the Premises or any part thereof.

10. Not to store trade or business materials or produce in the Premises.

11. Not to place or display outside the Premises or inside the Premises as to be visible from the outside any offensive poster notice advertisement name or sign.

12. No shed outhouse wireless or advertisement board or hoarding or any other structure of any kind whether temporary or permanent shall be erected on the Premises or the Building.
Not to sell or suffer to be sold any wines, spirits or intoxicating liquors of any kind on the Premises or any part thereof nor to do or keep or suffer to be done or kept thereon any act or thing which may be or become a nuisance or annoyance or cause inconvenience to the Landlord or to the occupiers or owners of adjoining or neighbouring property or which may tend to lessen or depreciate the value of the Premises or the Building or other property in the neighbourhood

Not to hold or permit or cause to be held a sale by auction on the Premises

Not to obstruct the access of light or air to any building adjoining the Premises by erecting or altering any building or other structure on the Premises

Not to use any electrical device without an effective suppressor being fitted thereto

Not to leave any vehicle, bicycle, tricycle, perambulator, toy motor car or other object or thing on any part of the Common Parts so as to cause a nuisance annoyance or inconvenience to the owners and occupiers of the Building

Not to suffer or permit any mat, carpet or similar articles to be shaken or beaten at any time out of the windows of the Building

Not to deposit any dust or rubbish anywhere in the Building other than in a refuse bin which shall be kept at all times in the space provided and nowhere else or by using the communal refuse facilities

Not to hang or expose or permit to be hung or exposed any washing or clothing or materials on any part of the Premises so as to be visible from the outside

At all times to keep tidy the appearance of all windows of the Premises and to keep the same suitably curtained and to clean the surfaces of the same at least once a month

Not to install or suffer to be installed any machinery on the Premises which shall be noisy or cause dangerous vibration or be a nuisance to the Landlord or the owners or lessees or occupiers of the nearby premises

Not to keep or bring in the Building any petrol, oil, liquid, petroleum gas, or other combustible, dangerous or offensive substance or goods [except in so far as the same may be in the tanks of motor vehicles parked on any parking space allocated to the Premises]

24.1 To pay for all electricity and gas and all other services consumed in the Premises

24.2 To comply with all requirements and regulations of the gas, electricity, water and telephone supply authorities concerning the service installations in the Premises

24.3 Not to alter or extend the electrical installation or wiring and any gas installation and piping in the Premises

24.4 Not to use any apparatus which overloads the electrical installation in the Premises and to ensure that the electrical installation and any gas installation is maintained in a safe condition

Not to overload the floors or structure of the Premises
Not to use or permit or suffer to be used any parts of the Common Parts consisting of open space and or amenity or play areas except for recreational purposes and in accordance with regulations made by the Landlord from time to time relating to the user of such areas.

To maintain the boundary walls or fences marked 'T' (if any) on the Plan.

To maintain and keep in good repair and order the garden or patio area (if any) forming part of the Premises.

[29.1] Not to park or to suffer or permit to be parked upon the Parking Space any vehicle other than a private motor car or such other motor vehicle as may be first approved in writing by the Landlord acting in its absolute discretion.

[29.2] Not to park or to permit or suffer any occupier of the Premises to park any motor vehicle on any other parking space in the Building save as may be allocated for use in connection with the Premises.]
Schedule 3

Easements, Rights and Privileges

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

2. The right to subjacent and lateral support and to shelter and protection from the other parts of the building.

3. The free and uninterrupted passage and running of water, steam, soil, air, gas, electricity and telephone communications from and to the Premises through the Service Media which now are or may at any time during the Term be in, under or passing through the Building or any part of it.

4. The right for the Leaseholder with workmen and others at all reasonable times on notice (except in the case of emergency) to enter upon other parts of the Building:

   (a) for the purpose of repairing, cleansing, maintaining or renewing any Service Media; or

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

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

5. The right to connect a television set in the Premises with any communal aerial system provided in the Building for the time being

6. [An exclusive right to park a single private motor car in the Parking Space provided that the Landlord may temporarily close such for repairs, maintenance or other works]
Schedule 4

Exceptions and Reservations

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

(a) easements rights and privileges over along and through the Premises equivalent to those set forth in Schedule 3 (Easements, Rights and Privileges) paragraph 2, paragraph 3 and paragraph 4.

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

(c) All easements or rights of light and air or other easements or rights which (but for these present reservations) would restrict or interfere with the free use of any adjoining or neighbouring land and premises now or formerly within the ownership of the Landlord or subsequently acquired or amalgamated therewith for building or any other purposes and the Leaseholder shall not become entitled to any such easements or rights in respect of the Premises.
4 Definitions

In this Schedule 5 (Rent Review):

"A" means the monthly figure shown in the Index published for the Relevant Month in the year of the immediately preceding Relevant Review Date or (if none) in the year of the date of the Commencement Date.

"B" means the monthly figure shown in the edition of the Index for the Relevant Month in the year of the Relevant Review Date.

"Index" means the all items retail prices index published by the Office for National Statistics.

'Relevant Month' means [the calendar month which is two calendar months before the] Relevant Review Date

5 Gross Rent review

With effect from each Review Date the Gross Rent for the purposes of this Lease shall be the reviewed Gross Rent (as agreed or determined in accordance with this Schedule 5 (Rent Review)).

6 Upwards only rent review

(a) The reviewed Gross Rent is to be the greater of:

(i) the Gross Rent under this Lease immediately preceding the Relevant Review Date x 1.005; and

(ii) (the Gross Rent under this Lease immediately preceding the Relevant Review Date x (B / A)) x 0.005.

(b) If the Index is re-based after A is published, but before B is published, then an appropriate adjustment shall be made in the calculation to ensure that both B and A are calculated on the same basis.

(c) If the Index ceases to be published then there shall be substituted in the calculation in paragraph 3(a)(ii) such other index as the Landlord shall (acting reasonably) determine as being a generally respected measure of the general increase in retail prices.

(d) If, because of any change after the date of this Lease in the method used to compile the Index or for any other reason it becomes impossible or impracticable to calculate fairly the fraction referred to in paragraph 3(a)(ii) by reference to the Index, or if any dispute or question arises between the parties to this Lease with respect to any such calculation pursuant to paragraph 3(a)(ii) or with respect to the construction or effect of this provision, then such dispute or question shall (if it is not resolved within 3 months of the Relevant Review Date) be referred to an independent expert pursuant to Clause 6.9 (Expert determination).
Specified Rent Review

With effect from each Review Date the Specified Rent reserved under this Lease shall be reviewed to an amount equal to the Unacquired Percentage of the Gross Rent as at that Review Date as agreed or determined in accordance with the terms of this Schedule.

Time

Whilst the parties are encouraged to act promptly and reasonably in order to resolve disputes as soon as possible, in agreeing or determining the reviewed Gross Rent, the reviewed Specified Rent or in appointing an expert, no rights or obligations are extinguished by the passage of time.

Rental Adjustments

(a) If the reviewed Specified Rent payable from a Review Date is not agreed or determined in accordance with the provisions of this Schedule 5 (Rent Review) before the Relevant Review Date, then until the reviewed Specified Rent has been so agreed or determined, the Leaseholder will continue to pay on account Specified Rent at the rate payable immediately before the Relevant Review Date.

(b) Within 14 days after the time that the reviewed Specified Rent has been agreed or determined the Leaseholder will pay to the Landlord all arrears of the reviewed Specified Rent which have accrued in the meantime, with interest equal to the base rate of Barclays Bank PLC on each of the instalments of the arrears from the time that it would have become due if the reviewed rent had then been agreed or determined until payment becomes due from the Leaseholder to the Landlord under this paragraph 6(b).

Notice of Review

Immediately following each Review Date the Landlord shall serve written notice on the Leaseholder, substantially in the form set out in Appendix 2 specifying the amount of the reviewed Gross Rent and the amount of the Specified Rent then payable.
Schedule 6

Staircasing Provisions

1

(a) 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 6 (Staircasing Provisions) shall also be exercisable by any mortgagee of the Leaseholder of whom the Landlord has received proper notice pursuant to Clause 3.20 (Register disposals).

(b) 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(a) (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.

(c) 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(d).

(d) 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 6 (Staircasing Provisions)) plus any unpaid sums under paragraph 1(e) 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.

(e) 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.

(f) 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.

(g) If the provisions of this Schedule 6 (Staircasing Provisions) are exercised by any mortgagee under paragraph 1(a) then provided that the Premises are being sold by the mortgagee on an arm's length basis at the best price reasonably obtainable at the time of sale:

(i) the Market Value shall be deemed to be the price at which the Premises are being sold by the mortgagee on the assumption that the Unacquired Percentage is nil;

(ii) the relevant Portioned Percentage shall be calculated on the basis of that deemed Market Value; and
(iii) 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 Premises by the mortgagee.

2 Upon payment of the sum referred to in paragraph 1(d) in circumstances where the Acquired Percentage has become 100%:

(a) the Specified Rent shall be reduced to the Minimum Rent; and

(b) the following provisions of this Lease shall no longer have effect:

(i) Definition of "Portioned Percentage", "Unacquired Percentage", and "Final Staircasing";

(ii) Clause 3.18.2;

(iii) Clause 8 (Mortgage protection);

(iv) Schedule 5 (Rent Review); and

(v) this Schedule 6 (Staircasing Provisions) (except this paragraph 2).

3 The costs of any determination by the Valuer pursuant to the provisions of this Schedule 6 (Staircasing Provisions) 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 7

Assignment of whole to Nominated Purchasers

1 IF THE LANDLORD SERVES NOTICE ON THE LEASEHOLDER PURSUANT TO CLAUSE 3.19.2(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 Premises with vacant possession and free from encumbrances (except any which may affect the Premises at the time of the grant of this Lease) and to remain open for acceptance for a period of six weeks and to stipulate a completion date not earlier than four weeks after acceptance of the offer and otherwise the offer to be subject to current Law Society Standard Conditions of Sale.

3 The price at which such offer shall be made shall be the Acquired Percentage of the open market value of the Premises with vacant possession assessed as at the date of the Landlord's notice served under the provisions of Clause 3.19.2(a) 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 Premises 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 Premises the procedure set out in Clause 3.19.2 and Clause 3.19.3 shall be repeated.
Schedule 8

Surrender by Leaseholder (Pre-emption)

1 If the Landlord serves notice on the Leaseholder pursuant to Clause 3.19.2(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 3.20 (Register disposals) of a mortgage or charge of this Lease:
   (a) 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;
   (b) the receipt of the said mortgagee or chargee shall absolutely discharge the Landlord from its obligations under this Schedule 8 (Surrender by Leaseholder (Pre-emption));
   (c) 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
   (d) if at the time of such surrender under this Schedule 8 (Surrender by Leaseholder (Pre-emption)) (i) there is any Loan outstanding to a Mortgagee of the Premises 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 in Schedule 9 (Defined Terms)).

4 Save as otherwise provided any costs incurred by either party pursuant to the provisions of this Schedule 8 (Surrender by Leaseholder (Pre-emption)) shall be borne by that party.
Schedule 9
Defined Terms

In this Lease:

"Account Year" means a year ending on 31 March.

"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 6 (Staircasing Provisions).

"Authorised Person" means the individual nominated by the Landlord to estimate expenditure in relation to the Service provision in accordance with Clause 7.3 (How calculated).

"Building" means the building of which the Premises form part and each and every part of the Building [and the car park, service or loading area, service road] and any other areas the use and enjoyment of which is appurtenant to the Building, whether or not within the structure of the Building.

"Common Parts" means those parts of the Building (whether or not within the structure of the Building) to be used in common by any of the Leaseholder, other tenants and occupiers of the Building, the Landlord, and those properly authorised or permitted by them to do so, and "Common Parts" includes (but without limitation) the [atrium and entrance hall, corridors, lobbies, staircases, lavatories, access ways, passages, lifts, escalators, turntables, courtyards, external pavements, car park, and its ramp, service and loading areas, service road, gardens] and other such amenities, but excluding any such parts as may be within the Premises.

"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.

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

"Landlord" includes all persons from time to time entitled to the immediate reversion to this Lease.

"Lease" includes any documents supplemental to this lease.

"Leaseholder" includes the Leaseholder's successors in title and assigns in whom this Lease may for the time being be vested.

"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 Premises. 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 Premises;

(b) the Loan made (if any) to accomplish Final Staircasing in the Premises as part of the enforcement process or as a result of further Loan being made;

(c) Loans for other sums in relation to the Premises 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:

(h) the gross sale proceeds to be received from a disposal (including a surrender) of the Leaseholders interest in the Premises; and

(i) 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 Premises 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 3.4 (Repair) and Clause 3.5 (Decoration);

“Minimum Rent” means the sum of £____ as reviewed in accordance with Schedule 10 [INSERT GROUND RENTS AGREED BY STEERING GROUP].

“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).

"Outgoings" means (in relation to the Premises) all existing and future rates, taxes, charges, assessments, impositions and outgoings whatsoever (whether parliamentary or local) which are now or may at any time be payable, charged or assessed on property, or the owner or occupier of property.

"the Parking Space" means the parking space allocated by the Landlord from time to time at the date of this Lease being that shown edged in green on the Plan

"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 Premises 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".

"the Plans" means the plans annexed to this Lease

"Portioned Percentage" means at any relevant time (including for the avoidance of doubt on the Final Staircasing) the percentage interest in the Premises which the Leaseholder proposes to acquire (or has already acquired) under the provisions of Schedule 6 (Staircasing Provisions), being a portion of the then Market Value of the Premises 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 21 years from and including the date of Final Staircasing.

"Premises" means the premises described in Schedule 1 (The Premises).

"Service Media" means drains, sewers, conduits, flues, gutters, gullies, channels, ducts, shafts, watercourses, pipes, cables, wires, mains, electrical risers, aerials and any other conducting media.

"Service Charge" means the Specified Proportion of the Service Provision.
"Service Provision" means the sum calculated in accordance with Clause 7.3 (How calculated), Clause 7.4 (Service Provision) and Clause 7.5 (Adjustment to actual expenditure).


"Term" means the term of [___] years from and including the Commencement Date.

"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.
Schedule 10

Minimum Rent Review

Definitions

In this Schedule 10:

"Relevant Percentage" the percentage, calculated using the formula:

\[ 100 \times \frac{(A-B)}{B} \]

where:

A is the Review Index Value

B is the Review Base Value

provided that if the Relevant Percentage is less than zero, the Relevant Percentage will be deemed to be zero.

"Review Base Value" on the first Review Date, the Base Index Value and, on each subsequent Review Date, the Review Index Value for the previous Review Date

"Base Index Value" the Index figure published for the calendar month preceding the commencement of the term of this Lease

"Index" the "all items" CPI Index maintained by the Office of National Statistics or, where such index ceases to be published (or where the Parties otherwise agree), such replacement index as may be agreed by the Landlord and Tenant from time to time

"Review Date" means each tenth anniversary of the date hereof

"Revised Index" such alternative index or comparable measure of price inflation as the Landlord reasonably requires or, at the Landlord's option, such adjustments to the Base Index Value, the Review Base Value or the Review Index Value as the Landlord reasonably requires to take account of any change in the base figure used to calculate the Index

"Review Index Value" the Index figure published for the calendar month preceding the relevant Review Date

2 Minimum Rent review

With effect from each Review Date the Minimum Rent for the purposes of this Lease shall be the reviewed Minimum Rent (as agreed or determined in accordance with this Schedule).

3 Minimum Rent review mechanism

(a) The reviewed Minimum Rent is to be increased by the Relevant Percentage.

(b) If the Index is re-based after A is published, but before B is published, then an appropriate adjustment shall be made in the calculation to ensure that both B and A are
calculated on the same basis.

(c) If the Index ceases to be published then there shall be substituted in the calculation in paragraph (a) the Revised Index.

(d) If, because of any change after the date of this Lease in the method used to compile the Index or for any other reason it becomes impossible or impracticable to calculate fairly the fraction referred to in paragraph (a) by reference to the Index or the Revised Index, or if any dispute or question arises between the parties to this Lease with respect to any such calculation pursuant to paragraph (a) or with respect to the construction or effect of this provision, then such dispute or question shall (if it is not resolved within 3 months of the Relevant Review Date) be referred to an independent chartered surveyor of not less than 10 years' standing experienced in the review of rents in respect of premises similar to and in the same locality as the Premises who will act as an expert in accordance with the Arbitration Act 1996.
4 Time

Whilst the parties are encouraged to act promptly and reasonably in order to resolve disputes as soon as possible, in agreeing or determining the reviewed Minimum Rent or in appointing an expert, no rights or obligations are extinguished by the passage of time.

5 Rental Adjustments

(a) If the reviewed Minimum Rent payable from a Review Date is not agreed or determined in accordance with the provisions of this Schedule 10 (Minimum Rent Review) before the Relevant Review Date, then until the reviewed Minimum Rent has been so agreed or determined, the Leaseholder will continue to pay on account Minimum Rent at the rate payable immediately before the Relevant Review Date.

(a) Within 14 days after the time that the reviewed Minimum Rent has been agreed or determined the Leaseholder will pay to the Landlord all arrears of the reviewed Minimum Rent which have accrued in the meantime, with interest equal to the base rate of Barclays Bank PLC on each of the instalments of the arrears from the time that it would have become due if the reviewed rent had then been agreed or determined until payment becomes due from the Leaseholder to the Landlord under this paragraph.

6 Notice of Review

Immediately following each Review Date the Landlord shall serve written notice on the Leaseholder, specifying the amount of the reviewed Minimum Rent payable.
EXECUTION PAGE

Executed as a Deed by affixing
the COMMON SEAL of the LANDLORD
in the presence of:

Authorized Signatory

Secretary

SIGNED as a Deed by the
LEASEHOLDER in the presence of:

Witness Signature

Witness Name

Witness Address
Memorandum of Staircasing
(Number [●])

Premises :
Date of Lease :
Leaseholder :
Landlord :

THIS IS TO RECORD THE FOLLOWING:

On the day of 20 on the payment of £[●] (the "Premium") being [●] % of the Market Value of the Premises as assessed by the Valuer on the 20 the Leaseholder purchased a Portioned Percentage of [●]%. The total share in the Premises 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/for and on behalf of the Landlord.
Example of Notice of Rent Increase

To: Leaseholder

[insert details of the Premises] (“the Premises”)

The next Rent Review Date under your shared ownership lease of the Premises is [●] [20]. The rent which you currently pay is [●] per month.

The rent which you must pay on and after [●] [20] is [●] per month.

The new figure of [●] per month is calculated as follows:
- RPI Index for [●] [20] was [●] (this was the Index on which the rent review in [●] [20] was based);
- The Gross Rent fixed at the rent review in [●] [20] was [●] per month;
- RPI Index for [●] [20] is [●] (this is the Index on which the rent review in [●] [20] is being based);
- The reviewed Gross Rent as at [●] [20] is therefore [●] per month.

(being [●] x [●] x 1.005)

But because your share of the Premises is currently [●]% and our share is [●%], the rent which you must actually pay is only [●%] of [●], which is the sum of [●] per month.

WORKED EXAMPLE:

The notice set out below would have been given in relation to a rent review in November 2008 in the following circumstances:
- The Lease had Rent Review Dates on 30 November in 2007 and 2008;
- As at November 2008, the Leaseholder’s share in the Premises was 45%;
- The Gross Rent in November 2007 had been £100 per month (based on the RPI in September 2007), and so the actual rent payable would have been £55 per month (being 55% of £100);
- The RPI was 208.0 in September 2007, and 218.4 in September 2008.

The next Rent Review Date under your shared ownership lease of the Premises is [30 November 2008]. The rent which you currently pay is [£55.00] per month.

The rent which you must pay on and after [30 November 2008] is [£58.04] per month.

The figure of [£58.04] per month is calculated as follows:
- RPI Index for [September 2007] was [208.0] (this was the Index on which the rent review in [November 2007] was based);
- The Gross Rent fixed at the rent review in November 2007 was [£100.00] per month;
- RPI Index for [September 2008] is [218.4] (this is the Index on which the rent review in [November 2008] is being based);
- The reviewed Gross Rent as at [30 November 2008] is therefore [£105.52] per month (being (£100 x \(\frac{218.4}{208.0}\)) x 1.005)

But because your share of the Premises is currently [45%] and our share is [55%], the rent which you must actually pay is only [55%] of [£105.52], which is the sum of [£58.04] per month.
Appendix 3
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.

5 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.

6 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.

7 RENT REVIEW

The rent will be reviewed periodically at the times set out in the lease. Typically, the rent will be reviewed every year. The reviewed rent will be increased in line with any proportionate increases in the retail prices index (RPI).

The rent will be reviewed on an ‘upwards only’ basis. This means that the level of rent will not go down when it is reviewed. However, any increase in the rent will be capped at a figure representing the RPI increase plus 0.5%. This means that where the RPI is zero or negative the most the rent can increase by is 0.5%.

A worked example demonstrating how the rent is recalculated at review is set out in Appendix 2 of the lease.
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.

LANDLORD'S RIGHT OF FIRST REFUSAL

With a view to ensuring that the property remains in the ownership of people in need of shared ownership units 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 expiry of the period of 21 years from 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 that 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.

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.

11 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.

12 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:

[•] This guidance note does not form part of the Lease and is not to be taken into account in the interpretation of any provision in the Lease. It is important that the Leaseholder gets legal advice before entering into the Lease.
Appendix 12

Draft Target Rents Tenancy Agreement
Assured Tenancy Agreement

This is a tenancy agreement between Notting Hill Housing Trust which is registered with the Tenant Services Authority under Section 3 of the Housing Act 1996 and

1 Tenant(s)

This tenancy is an assured tenancy which is not an assured shorthold tenancy.

2 Details of property

Address

(Premises)

Description

Garden

which forms part of the building known as

3 Tenancy dates

This Tenancy Agreement is granted for a short fixed term and thereafter the Tenant(s) will become the statutory periodic tenant(s) of the Premises pursuant to section 5 of the Housing Act 1988 ("The Act"). This means that this Tenancy Agreement will continue as a periodic tenancy until and unless it is ended in accordance with the Act or with the terms of this Tenancy Agreement.

The date set out in the box below is the Start date of this Tenancy Agreement. The Start Date may be any day of the week.

Start Date: 

The Fixed Term of this Tenancy Agreement runs from the Start Date until 

Sunday: ("the End Date", being the Second Sunday after the Start Date).

The Fixed Term is: 

days.

The Start Date is the date on which this Tenancy Agreement begins. On the Start Date the Premises will be available for the Tenant(s) to move into and on the Start Date the Tenant(s) will become liable for the Rent and Other Charges under this Tenancy Agreement as set out at clause 6 below.

4 Service of notices

In accordance with provisions of Section 48 of the Landlord and Tenant Act 1987 we hereby give you notice that our address in England and Wales at which notices (including notices in proceedings) may be served on us by you is Bruce Kenrick House, 2 Killick St, King's Cross, London, N1 9FL.

Any legal notice, or any other communication arising from the agreement, shall be validly served on the Tenant if posted or delivered to the Premises.

5 With the exception of any changes in rent or charges, this Agreement may only be altered by the agreement in writing of both the Tenant and the Trust.
6 Rent and Other Charges
This section of the Tenancy Agreement contains the provisions relating to the amount of rent and other charges payable by the Tenant(s) to the Landlord under the Tenancy Agreement.

6.1 Rent and Other Charges in the Fixed Term
The rent and other charges for the Fixed Term are payable in two instalments in respect of two periods.

1: The First Period of the Fixed Term is from the Start Date up to and including the first Sunday after the Start Date being a period of [ ] days.

2: The Second Period of the Fixed Term is the week from the first Monday after the Start Date until the End Date. (see section 3 above).

6.1.1 Rent and Other Charges due in the First Period
The amount of Rent and Other Charges due in the First Period have been calculated on a pro-rata basis by calculating a daily amount from the weekly sums due in the Second Period and multiplying that daily amount by the number of days between the Start date and the first Sunday after the Start Date.

| (1) Rent                  | £     |
| (2) Service Charge        | £     |
| (3) Other Charges         | £     |
| Total Rent and Other Charges in the first period | £     |

The Total Rent and Other Charges for the First Period of the Fixed Term are payable on the date on which this Tenancy Agreement is signed or on the Start Date whichever is the earlier.

6.1.2 Weekly Rent and Other Charges due in the Second Period
The amount of Rent and Other Charges due in the Second Period of the Fixed Term are calculated weekly

| (1) Weekly Rent        | £     |
| (2) Weekly Service Charge | £     |
| (3) Weekly Other Charges | £     |
| Total Weekly Rent and Other Charges in the second period | £     |

The Total Rent and Other Charges for the Second Period of the Fixed Term are payable on the first Monday after the Start Date.

6.2 Weekly Rent and Other Charges
After the Fixed Term the rent and other charges are payable weekly in advance each Monday.

| (1) Weekly Rent        | £     |
| (2) Weekly Service Charge | £     |
| (3) Weekly Other Charges | £     |
| Total Weekly Rent and Other Charges | £     |
6.3 Varying the Rent and Other Charges

The Trust may increase the Total Weekly Charges (including the service charges and other charges) in accordance with the provisions of section 13 of the Act, or such other statutory provisions relating to the increase of the rent of Assured Tenancies as are in force.

The Trust may decrease the Weekly Net Rent, the Weekly Service Charges and/or the Weekly Other Charges by giving the Tenant(s) not less than four weeks written notice of any such decrease.

7 Signature of the Tenant(s)

I/We have read, understood and accepted the Conditions of Tenancy on pages 4, 5, & 6.

Signed for Notting Hill Housing Trust

Date

Page 3
Conditions of the Tenancy

This Tenancy Agreement is a legal contract. Both the Trust and the Tenant accept certain responsibilities and have certain rights. These are set out separately under A and B below. In the case of joint tenants, the term "Tenant" applies to each of them and each Tenant individually has the full responsibilities and rights set out in this Agreement.

A. The Trust agrees:

1. Not to interfere with or disturb the Tenant’s quiet occupation of the Premises.

2. To decorate the outside and common parts (if any) of the Building in accordance with its regular maintenance programme.

3. To keep in good repair the structure and exterior of the Premises including drains, gutters and external pipes; the roof; outside walls, doors, windowsills, window catches, sash cords and window frames; internal walls, floors and ceilings, doors and door frames, door hinges and skirting boards; chimney stacks and flues; plasterwork; pathways, steps, boundary walls and fences; and to take all reasonable steps to have any defects which are reported by the Tenant investigated and appropriate repairs undertaken as soon as is reasonably possible.

4. To keep in good repair and proper working order any installations provided by the Trust for space heating, water heating and sanitation and for the supply of water, gas and electricity, including basins, sinks, baths, toilets, flushing systems and waste pipes; electric wiring including sockets and switches, gas pipes and water pipes; water heaters, fitted fires and central heating installations.

5. To take reasonable care to keep the common entrances, halls, stairways, lifts, passageways, rubbish chutes and any other common parts, including their electric lighting in reasonable repair and fit for use by the Tenant and other occupiers and visitors to the Premises.

6. To make good any damage to the interior of the Premises or possessions of the Tenant arising out of the inspection of the Premises or from the carrying out of any work by the Trust or its staff or a contractor engaged by the Trust. This is subject to the Tenant agreeing to support and assist the Trust in recovering from the contractor the cost of making good any such damage.

7. That the Tenant has the right to have certain repairs carried out by the Trust which, if not carried out within a specified period, are likely to jeopardise the health, safety or security of the Tenant and that if it fails to do so the Trust will pay compensation subject to the terms of such Right to Repair regulations as may be at that time specified by the Tenant Services Authority.

8. That the Tenant may make improvements to the Premises provided the Trust has given prior written permission. The Trust will pay compensation at the end of the tenancy for qualifying improvements subject to the terms agreed at the time permission is given.

9. To keep the Premises insured against damage by fire and other risks covered by a normal building policy subject to any excess that the Trust shall think fit to accept and in the event of any damage occurring to use the money for the repair and/or replacement of the Premises and/or the Building. Nothing in this clause shall prevent the Trust from recovering from the Tenant the cost of repairs arising from the Tenant’s neglect or misuse.

10. To allow the Tenant to exchange his/her tenancy with another tenant subject to both landlords’ prior written agreement.
11. On the death of the Tenant (where the tenancy is held by one person who is not a successor) this tenancy will pass to the deceased Tenant's spouse or civil partner or anyone living with the tenant as his or her wife or husband or civil partner provided that he/she occupies the Premises as his/her only or principle home at the time of the Tenant's death. Where there is no such succession a member of the Tenant's family who has been living with the Tenant at the Premises for the year immediately preceding the Tenant's death would be entitled to succeed.

12. To provide the Tenant with information on its housing management policies as required by the guidance issued by the Tenant Services Authority (the Tenant's Guarantee) under the provisions of Section 36 of the Housing Act 1996 and to consult with the Tenant on changes in housing management policy and practice that will substantially affect him/her.

B. The Tenant agrees:

1. To use the Premises for residential purposes as his/her principal home.

2. To pay the Landlord the Total Rent and other charges and the Total Weekly Rent and other charges as set out in paragraph 6 of this Tenancy Agreement as and when the same falls due.

3. To keep the interior of the Premises in a proper state of decoration and to keep all the internal fixtures and fittings in good order.

4. To replace where necessary fuses, elements and tubes for gas and electric fires, plugs for sinks and baths, WC seats and to be responsible for other minor "running repairs" and to pay the cost of repairing or replacing any items damaged through neglect or misuse.

5. To keep any communal areas shared with other tenants clean and tidy and free from obstruction except that the tenant shall not be liable for cleaning any areas for which such cleaning is provided in the service charge schedules (if any) attached to this Agreement.

6. To maintain any garden or yard or other outside part of the Premises in a clean and tidy condition.

7. Not to make any alterations or additions to any part of the Premises without first obtaining the Trust's written permission, which shall not be unreasonably withheld.

8. Not to commit or allow the Tenant's guests, lodgers, sub-tenants or members of the Tenant's household to commit on the Premises or on any part of the common parts or in the vicinity or neighbourhood of the Premises any acts which cause a nuisance or disturbance to any person or any acts of harassment (whether racial, sexual or otherwise) of any person.

9. Not to use or threaten to use any violence which prevents or is likely to prevent a member of his/her household from continuing peaceably to live on the Premises.

10. Not to use or allow or cause to be used any threatening, violent or aggressive language or behaviour against any employee, agent or contractor of the Trust.

11. Not to assign, sublet or part with possession of the whole of the Premises other than by exchange under clause A10 above or by a court order under Section 24 of the Matrimonial Causes Act 1973.

12. Not to sublet or part with possession of part of the Premises without the Trust's written permission (which shall not be unreasonably withheld) and not to grant an assured sub-tenancy of any part of the Premises. In any application for such permission, to provide to the Trust a written statement of the names, sexes, ages and family composition of the proposed subtenants, together with full information about the amount of rent they are to be charged and the part of the Premises they are to occupy.

13. To inform the Trust in writing of the name of any lodger to be taken in.

14. To use the Premises for residential purposes as his/her principal home and not to operate a business from the Premises without the written permission of the Trust.
15. To obtain the Trust’s written permission before keeping any pets or animals in the Premises.

16. To report as soon as possible to the Trust any defects in the condition of the Premises or Building which are the responsibility of the Trust.

17. On being given reasonable notice to allow the Trust’s staff or agents to enter and inspect any part of the Premises or to carry out any repairs or other works.

18. That he/she and any other member of the Tenant’s household and visitors shall observe such regulations relating to the estate of which the Premises form a part as may from time to time be laid down for the good management of the estate.

19. To pay for all utilities, including but not exclusively gas, electricity, heat, and water. Payments are to be made to the utility provider, NHHT or any other agent appointed by or on behalf of NHHT or by or on behalf of the utility provider.

20. At the end of the tenancy to give up the Premises in a good state of decoration and repair, clear of any furniture, goods, or refuse and to authorise and pay for the removal and disposal by the Trust of any furniture, goods or refuse left behind.

C. This tenancy may be brought to an end by the Tenant on giving four weeks’ notice to the Trust expiring on a Monday.

D. The Tenant has security of tenure as an assured tenant so long as he/she occupies the Premises as his/her only or principal home. The Trust can only end the tenancy by obtaining a court order for possession of the Premises on one of the grounds listed in Schedule 2 of the Housing Act 1988.
Service charge and other charge schedules

The service charge shown on page 2 is used to provide the following services:

The other charge shown on page 2 is used to provide the following:

Inventory of furnishings
Appendix 13

Draft Nominations Agreement
SOUHAG NOMINATIONS AGREEMENT 2009

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APPENDIX 5
A Strategic Partnership with RSLs to Meet Housing Need in Southwark.
SOUHAG Nominations Agreement
2009 REVISION

1. INTRODUCTION

1.1 This Agreement consolidates and updates the SOUHAG Nominations Agreement 2001.

1.2 The purpose of the Agreement is to clearly set out nomination arrangements by Southwark Council to vacant Registered Social Landlord (RSL) (including RSL Co-ops) properties in Southwark, and the borough’s nominations entitlement to new build developments, and subsequent lettings.

1.3 The agreement will seek to meet housing need by ensuring that any applicants nominated from Southwark’s Housing List meet the criteria as set out by the Housing Act 1996 and Homelessness Act 2002. This agreement also takes into account the good practice guide entitled “Partners in meeting Housing Need” produced by the Association of London Authorities, and the London Boroughs Association.

1.4 Since the last Nomination agreement the Council has moved to a choice based letting policy which supports customer choice and helps build sustainable communities and this agreement therefore reflects this change.

1.5 The agreement also takes into account the considerable challenges the Council faces in tackling housing need over the next few years. Challenges which include;

- the need to halve the numbers of households in temporary accommodation by 2010
- reduce overcrowding
- meet the demands of the Council’s large regeneration programme.

This agreement is an interim stage in the move towards the aims outlined in the paper, “Strategic Partnership with RSLs to Meet Housing Need in Southwark” which is attached as appendix 8.

1.6 The Agreement has been developed jointly by Southwark Council and Southwark Housing Associations Group (SOUHAG), both of whom are committed to a close and effective relationship in order to meet housing need and make the most effective use of the housing stock in the borough.

2. NOMINATION ARRANGEMENTS

2.1 Southwark Council and SOUHAG members jointly undertake to comply with the policy and procedures set out below.

2.2 The Nominations Policy Guide (set out in Appendix 1).

2.3 RSLs will offer nomination rights to the Council of:

- one bed units - 50% of true voids
two bed+ units - 75% of true voids
where housing has been delivered as a result of a Section 106 development or provided
with public funding (Housing Corporation, Recycled Capital Grant) other than through
the Council.

Where the Council has provided funding or land or some other subsidy, the Council will
receive 100% of nominations on such properties for the first 2 years of the scheme from
the date of the first tenancy.

Details are outlined further in Section 4 Quotas.

2.4. For the purpose of this policy, setting targets and quotas, true voids are defined as
set out in Appendix 2.

2.5. All RSLs will submit annual nomination projections to the Council. The Council will
use these projections to assist in the development of yearly nominations targets for
RSLs with a reasonable stock holding in the borough.

2.6. All RSLs will be required to provide monthly submissions on their nominations
performance using a standard pro-forma to be provided by the Council. The Council will
monitor nomination performance, and produce regular reports for consideration by
SOUHAG and the Council every six months. Where an RSL fails to meet the target set,
without good reason, they will be expected to meet the shortfall within the following six
month period.

2.7. This agreement will be reviewed on a 2 yearly basis, to account for changes in
policy or legislation and address current issues. The review will be brought forward
where changes in policy or legislation demand a more urgent review.

2.8. The Council will provide a designated officer in the Housing Options section whose
responsibility will be nominations liaison work. Nominations will be provided within an
agreed timetable. RSLs should notify the Council’s liaison officer when their officer
changes and provide the relevant contact details.

2.9. The Council will assist in providing RSL staff with a basic training in Council
procedures, as they relate to nominations issues, where requested.

2.10. The Council will ensure the availability of an up to date leaflet on its lettings
policies including nominations to RSLs and this will be made available in public areas
and on request. RSLs will be required to publish details of their allocation policy to
nominees and other interested parties and seek approval from the Council. Any
amendments to the RSLs allocations policies will need to be agreed by the Council.

3 PROCEDURES

3.1 The Council will normally make one nomination per property. In exceptional
circumstances some flexibility in this arrangement may be agreed by negotiation
between the Council and the managing RSL.
3.2 In the case of co-ops/TMOs a maximum of 3 nominees may be interviewed at a time. Co-ops are to accept the first priority nominee unless they are able to justify their reasons for not doing so in writing and these reasons are agreed by the Council.

3.3 When more than one nomination is made, priority order for consideration will be specified by Southwark. Second or third ranked nominations should be regarded as reserves and not interviewed by RSLs unless the first nomination has failed. (For Co-ops separate arrangements would be made for reserve nominations.)

3.4 The housing association liaison officer (see section 9 below) will on a weekly basis email all RSLs that have nominations outstanding beyond the target time of 10 days.

RSLs must provide updates every Friday for unresolved nominations. The full procedure guide is contained in Appendix 3.

Procedures for Co-ops differ from those of RSLs and so procedures for making nominations to Co-ops can be found in Appendix 4 as Co-op Nominations Procedures.

4. QUOTAS
4.1 Public Funding
Where housing has been provided with public funding (Housing Corporation, Recycled Capital Grant) other than through the Council, RSLs are expected to offer 50% of "true voids" to the Council. This figure increases to 75% for 2 bed+ units (see para 2.3). These schemes will also be subject to Sub Regional nominations arrangements, details of which are contained in the "Protocol for Cross Borough Nominations within the South East London Housing Partnership". The agreement can be found at www.southeastlondonhousing.org

4.2 Local Authority Funding
Where the Council has provided funding or land or some other subsidy, higher quotas will be agreed as follows:-
The Council will receive 100% of nominations on such properties for the first 2 years of the scheme from the date of the first tenancy. This will be monitored by the Council.

4.2.1 On conclusion of the 2 year period, arrangements for the property will revert back to the arrangements outlined in Section 2 - Nomination Arrangements.

4.2.2 This arrangement will be reviewed in 2 years from the implementation of this agreement.

4.3 No Public Funding (i.e. Section 106)
In the case of housing which has been provided without public funding, arrangements on the property will be as outlined in Section 2 - Nomination Arrangements (see para 2.2.).

5. SUPPORTED HOUSING

5.1 All RSL supported housing providers must provide regular monitoring information to the Council.

5.2 All RSL supported housing providers must have referral agreements with the Council for each scheme.
5.3 Shared supportive accommodation
5.3.1 Shared supportive accommodation should not be seen as falling within the SOUHAG Agreement. Most agencies managing such accommodation in Southwark are covered by Supporting People contractual requirements.

5.4 Sheltered accommodation
5.4.1 All sheltered accommodation will normally be covered by the SOUHAG Agreement. Any exceptions may be negotiated with the Council.

6. SHARED OWNERSHIP (and other low cost home ownership schemes)

6.1 All RSLs providing shared ownership accommodation or any other low cost home ownership scheme (e.g. New Build Homebuy) will work closely with the Council and the Zone Agent on nominations and priority groups for each development/scheme in order to ensure agreed targets are met. The common priorities for intermediate housing in the South East Sub Region are set out in "A strategy for Intermediate housing in the South East Sub Region" which can be found at www.southeastlondonhousing.org.

6.2 RSLs notified of shared ownership resales must use their best endeavours to ensure that agreed priority groups are informed of said resales.

7. EQUAL OPPORTUNITIES
7.1 The Housing Register includes disproportionately high percentages of disadvantaged groups. The Agreement aims to improve the housing opportunities of those on the register and should benefit disadvantaged groups.

8. MONITORING
8.1 RSLs will provide nominations information to Southwark on a monthly basis for monitoring. In order to enable the production of reports (see paragraph 2.5) to SOUHAG Management. It is important that RSLs provide correct and timely information in order to facilitate an accurate report. Continued failure by an RSL to provide monitoring information will be taken into account when reviewing an RSL's overall performance within the borough.
8.2 RSLs are also be required to participate in Continuous Recording (CORE) of lettings data scheme.

9. STAFFING AND LIAISON
9.1 Southwark will provide a designated officer in the Housing Options Service Housing Needs Section who will deal with RSL nominations. This officer will:-

- supply nominations
- monitor outstanding nominations
- deal with housing association queries on nominations
- inform nominees of nomination.

When this officer is absent appropriate cover will be provided by the Council. Similar cover will also be provided by RSLs in case of absence.
9.2 Southwark will also provide staff to meet regularly with RSLs, in the form of Housing Association Liaison (HALO) meetings and at least annually, to agree true voids quotas and targets.

The true voids, quota and targets to be monitored by the Council.
APPENDIX 1

Voids
1. Definition of True Void
   Introduction
   1.1 The definition of "true void" is crucial as it defines the basis on which the nomination entitlement of the Council to housing association vacancies is calculated. Under any nomination agreement the Council would be entitled to a percentage of all true voids.

   1.2 It is agreed that all RSLs should adopt a common definition. As far as practicable this definition should be similar to the definitions currently used by the majority of RSLs. This should ensure maximum understanding of the definition by associations and the Council and facilitate future monitoring.

2. True Voids
   2.1 The definition of true void adopted generally follows the model recommended in "Partners in Meeting Housing Need". A true void should comprise those properties which represent an actual housing gain:-

   a) All voids within new build/newly acquired and newly rehabilitated schemes.
   b) Voids created when a tenant moves to another landlord where no reciprocal arrangement exists.
   c) Voids created by the death of a tenant where there is no right of succession.
   d) Voids created by tenants buying their own property in the private sector.
   e) Voids created by eviction or abandonment of the property.
   f) Where a true void that should normally be made available to Southwark is used by the RSL for decant purposes, the property vacated by the tenant will be treated as a replacement true void.

3. Non-True Voids
   3.1 Non-true voids do not represent any real housing gain. They are:-
   a) Voids created through tenant transfers.
   b) Voids created through rehousing via a reciprocal mobility scheme.
   c) Voids created by mutual exchanges.
   d) Voids created by decants where tenants are returning.

   3.2 Voids in category d) should be "netted off" the overall total of true voids before calculating the quota of lettings due to the Council. (Properties with returning decants should not be included in true void calculations)

4. Other voids
   4.1 There are some voids not subject to usual quota arrangements i.e. not covered by true void / non true void arrangements, for example Homebuy, RSL own internal Under occupiers, (except Small is Beautiful)
   On such schemes where arrangements are made as part of the funding conditions, which will prevail over quota arrangements. i.e. Section 106 and NAHP (National affordable Housing Programme)
APPENDIX 2

RSL Nominations Procedures

Targets on time-scales for results of nomination will be agreed by SOUHAG and will ensure that void periods and the time households are suspended from the Council’s allocations system are minimised. Southwark operates a choice-based lettings scheme and properties are advertised in the weekly Home search magazine and Website. Applicants are invited to bid for available vacancies and bidding currently closes on Monday. The timescales set out below are compliant with this scheme and contribute to reduced void turnaround times as applicants are exercising a positive choice to bid for a property. Where an applicant exercises their right to refuse a property the details of the next short listed applicant on the list will be supplied.

These notification periods will be as set out in the table below:

<table>
<thead>
<tr>
<th>Nomination Order</th>
<th>Southwark response period upon close of bidding void by RSL</th>
<th>RSL notification period to Southwark on receipt of nomination</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2 days*</td>
<td>10 days</td>
</tr>
<tr>
<td>2</td>
<td>2 days</td>
<td>3 days</td>
</tr>
</tbody>
</table>

* This timescale is defined by the Home search advertising and bidding process. However, given that applicants are actively expressing a preference for a property, this results in fewer refusals. Even in the event of a refusal by the first applicant, details of the second applicant on the list can be supplied quickly.

In addition to the nominations pro-forma ideally the RSL should ideally provide an electronic file containing a photograph of the property for marketing in the Home search magazine, and full details to assist in marketing the property such as proximity to transport, shops etc.

If property is refused, nominations will be continues to be provided from the housing shortlist. One the Council is e-mailed details of a refusal, a replacement nomination will be provided within 2 days. However, if after 3 nominations there is no acceptance, discussion will take place between Southwark and the RSL on whether the RSL intends to withdraw the property or wishes to seek a further nomination. The RSL will have the right to withdraw the nomination and offer it to someone on their own list. This must be duly recorded on LBS monitoring sheet, and the next available, and equivalent property should be offered to LBS.

In the case of a nominee not being accepted by an RSL, or a Nominee refusing the allocated property, The RSL must provide clear reasons in writing for the failure to let (refer to appeals procedure).

1. Nomination Request

1.1 RSLs will fax or e-mail a nomination request on the standard pro forma.
1.2 RSL should provide the Council with the following notice periods in advance of a property being ready:-
- 4 weeks - Relet
- 8 weeks - Rehabs or new build properties
- On large developments / schemes agreement will be arranged between Southwark and the RSL.

2. Nominations Supply
2.1 The Council must supply nominations on standard pro forma within a maximum of 2 working days (i.e. on closure of the bidding period). All Council nominees are notified by letter by the Housing Options Section
2.2 In all cases where the RSL is considering rejecting a nomination they must provide clear reasons in writing to the borough.

3. Results of Nomination
3.1 Regardless of whether a property is ready for letting or not, the Council must be notified of a result within 10 working days of receiving Southwark’s nomination, using the standard pro forma. This time limit should be monitored by the designated Council officer and the RSL. It should be achievable in all but the most exceptional circumstances. Acceptances must be e-mailed to the Council before the tenancy date. The time limits are not only to improve efficiency - but are also necessary so as not to disadvantage unsuccessful nominees, by suspending them from other offers for long periods of time.
There may be exceptional circumstances which cause delay and in these situations negotiation with Southwark is required.
3.2 As soon as a result is received the Council will amend its own records accordingly reinstating any unsuccessful nominees.
3.3 Attempts should be made by the RSL to obtain full refusal reason(s) from a nominee and then provide this information to the Council on the monitoring sheet.

4. Appeals Process
4.1 In cases of direct offers, certain nominees will have the right to appeal, dependant on their reason for refusing, in line with the Council’s normal Appeals Policy.
4.2 Each RSL will be supplied with a stock of Appeals Forms.
4.3 If a nominee in receipt of a direct offer wishes to appeal against an offer, they will be issued with an Appeals Form to be completed by both the applicant and the RSL.
4.4 The completed Appeals Form will be e-mailed to Southwark’s Housing Options department within 24 hours.
4.5 The Appeals Panel notifies the applicant within 5 working days of the decision.
4.6 The RSL will be notified of the decision of the Appeals Panel by Housing Options within 7 working days of receipt of the Appeal Form.
4.7 If an appeal is successful, the RSL will be notified and a further nomination made in line with the nominations agreement.
4.7 If an appeal is unsuccessful, the Council will notify the applicant who will be given 48 hours to contact the association from receipt of notification. If no contact is made, the RSL will notify the Council, the offer will be deemed to be refused and a further nomination will be made.
4.8 If for whatever reason, the Council cannot make a decision regarding the appeal within 7 days, the RSL will be kept informed of any reasons for delay. If the decision is unreasonably delayed, because of a failure to act by an applicant Southwark will discuss options for a replacement nominee with the RSL.
4.9 If a nominee refuses a direct offer without giving a reason (including no contact) this will be deemed to be a refusal without appeal.
APPENDIX 3
Co-op/TMO Nominations Procedures
Targets on time-scales for results of nomination will be agreed by SOUHAG and will ensure that void periods and the time households are suspended from the Council's allocations system are minimised.
These notification periods will be as set out in the table below:-

<table>
<thead>
<tr>
<th>Nomination Order</th>
<th>Southwark response period upon close of bidding by co-op</th>
<th>Co-op notification period to Southwark on receipt of nomination</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2 days</td>
<td>10 days</td>
</tr>
<tr>
<td>2</td>
<td>2 days</td>
<td>10 days</td>
</tr>
<tr>
<td>3</td>
<td>2 days</td>
<td>10 days</td>
</tr>
</tbody>
</table>

A maximum of three nominations will be supplied to the co-op at any one time for each void property. These will be marked as first or second priority by the Council. The co-op may interview both nominees but will be expected to accept the first priority nominee unless it can justify its reasons for not doing so in writing, and the Council is satisfied that the reasons are valid.
If a property refused by 1st and 2nd bidders, nominations will continue to be provided from the housing list.
Similarly, in the case of a nominee refusing the allocated property, the co-op must also notify Housing Options of refusal to ensure applicants are reactivated in order to enable them to bid again and not disadvantage them.

1. Nomination Request
1.1 Co-ops will fax or e-mail a nomination request on the standard pro forma.
   1.2 The co-op should provide the Council with the following notice periods in advance of a property being ready:-
      • 4 weeks - Relet
      • 8 weeks - Rehabs or new build properties
      • On large developments / schemes agreement will be arranged between Southwark and the co-op.

2. Nominations Supply
   2.1 The Council must supply nominations on standard pro forma within 5 working days of receipt of request. All council nominees are notified by letter by the Housing Options Section.
   2.2 The Council will endeavour to ensure that all nominees are provided with adequate information about co-ops and the responsibilities of being a co-op member. Nominees will be sent this information when the nomination is made and will be given the opportunity to 'opt out' of being nominated to the co-op before they are interviewed.
   2.3 In all cases where the co-op is considering rejecting a nomination they must provide clear reasons in writing to the borough.
2.4 If a household is in temporary accommodation and therefore more likely to be transient, some flexibility should be allowed in response time from nominees.

3. Results of Nomination

3.1 Regardless of whether a property is ready for letting or not, the Council must be notified of a result within 15 working days of receiving Southwark's nomination, using the standard pro forma. This time limit should be monitored by the designated Council officer and the co-op. It should be achievable in all but the most exceptional circumstances.

The time limits are not only to improve efficiency - but are also necessary so as not to disadvantage unsuccessful nominees, by suspending them from other offers for long periods of time.

There may be exceptional circumstances which cause delay and in these situations negotiation with Southwark is required.

3.2 As soon as a result is received the Council will amend its own records accordingly reinstating any unsuccessful nominees.

3.3 The refusal reason must always be given on the monitoring sheet. In addition a signature should, wherever possible, be obtained from the person refusing. If it is not possible to obtain a signature the reason must be written down on the form.

4.1 Certain nominees who have been made a direct offer will have the right to appeal, in line with the Council's normal Appeals Policy.

4.2 Each co-op will be supplied with a stock of Appeals Forms.

4.3 If a nominee wishes to appeal against an offer, they will be issued with an Appeals Form to be completed by both the applicant and the co-op.

4.4 The completed Appeals Form will be faxed to Southwark's Housing Options Service department within 24 hours.

4.5 The co-op will be notified of the decision of the Appeals Panel by Housing Options within 7 working days of receipt of the appeal form.

4.6 If an appeal is successful, the co-op will be notified and a further nomination made in line with the nominations agreement.

4.7 If an appeal is unsuccessful, the Council will notify the applicant who will be given 48 hours to contact the association from receipt of notification. If no contact is made, the co-op will notify the Council, the offer will be deemed to be refused and a further nomination will be made.

4.8 If for whatever reason, the Council cannot make a decision regarding the appeal within 7 days, the co-op will be kept informed of any reasons for delay. If the decision is unreasonably delayed, because of a failure to act by an applicant Southwark will discuss options for a replacement nominee with the co-op.

4.9 If a nominee refuses an offer without giving a reason (e.g. no contact), this will be deemed to be a refusal without appeal.
Appendix 4

The Council is in the process of reviewing our protocol on vulnerable people and information sharing which requires the Resettlement and Referral service and supported housing services to share information about vulnerable clients and rehousing providers.

The Council also has a risk management protocol which requires risk information to be shared.

Details of the protocol will be included in the agreement when completed.
Appendix 5

A Strategic Partnership with RSLs to Meet Housing Need in Southwark


Southwark recognises that its strategic engagement with RSLs to meet the borough's housing needs requires strengthening. Feedback to the borough from the CLG, and the recent publication from the Housing Corporation 'Tackling homelessness' (Nov 2006), emphasised the requirement on local authorities to exercise a leadership role in responding to housing need, working in partnership with RSLs to tackle homelessness and overcrowding. There is also a strong onus on the RSL sector to respond to these strategic priorities as evidenced through the work of the Housing Corporation's homelessness action teams.

The borough faces considerable challenges in tackling housing need over the next few years. A key priority for Southwark is the regeneration of the borough, with one of the largest regeneration programmes in London requiring large numbers of tenants from the Heygate and Aylesbury estates having to be relocated over the next few years. The Government has also set local authorities a target to halve the numbers of households in temporary accommodation by 2010, and to eliminate the use of bed and breakfast placements other than in an emergency for 16-17 year olds. It is also possible that some form of target to tackle overcrowding will be introduced, and this is also one of the themes of the Mayor's draft housing strategy. At the same time, the borough's housing stock continues to decline at a significant rate.

There is already a process underway to increase the borough's nominations entitlement to RSL vacancies in order to respond to these pressing issues, through a review of the Council's nominations agreement. However this alone will not address the longer-term issues of how to prioritise and respond to local housing needs, in the face of ever increasing demand and reducing supply. Nor does it sit well with the Government's wish to see housing providers work in partnership with the local authority to address housing needs.

There are also weaknesses in the current system from a customer care perspective that must be addressed. RSL tenants often have the option to register both on their own landlord's housing list as well as the local authority's housing register. This is not an option available to council tenants or first-time applicants. Providers operate a range of lettings policies which can lead to confusion, particularly about the size of property to which applicants are entitled, and leading to some nominees being turned down by the RSL.

Southwark cannot tackle these issues alone. It is critical that we develop a strategic, partnership-based response with RSL providers which maximises the effective use of all of the social housing supply in the borough.

2. Strategic objectives

Southwark has the following strategic objectives to be achieved through this new
Better management of overall housing supply and demand in the borough

Common agreement of key priorities to address housing need across the social housing sector

Equality of access for to the Housing Register irrespective of landlord or tenure

Improved customer care and satisfaction through greater consistency for housing applicants on their options, priority for rehousing, and the size of accommodation for which they can be considered

Simplified nominations agreement and more transparent process for monitoring RSL supply and nominations.

This approach will deliver benefits for Southwark as a local authority, in that it will enable its objectives as a strategic housing authority to be delivered more easily. It will deliver benefits for RSLs as they will have more of a voice in setting priorities, it will simplify or eliminate the monitoring regime to which nominations are currently subject, and it will also deliver real improvements in service delivery for housing applicants.

In order to achieve these objectives we feel that the best option is to move to a common approach to the letting of all social housing in the borough, and a single point of access for all social housing vacancies, to be administered by the local authority. This will enable all social housing lettings to be available to those most in need (irrespective of tenure), and to enable the most effective use to be made of vacant properties. This new approach would be based on the principles of choice already established under Southwark Homesearch, which we feel is the best way to bring about sustainable communities as applicants have exercised a positive choice to live in the property for which they have bid.

It is recognised that many RSLs work in a number of local authority areas and that each has a different lettings policy, and that this can cause some difficulties for RSLs. However this is not considered to be adequate grounds for maintaining the status quo. Given that boroughs in London at least face similar challenges and targets, it is probable the similarities between boroughs exceed the differences. This is likely to increase with the Mayor’s draft housing strategy which sets out the context and priorities by which London boroughs will be required to respond to housing need. As part of the move to a common approach, there will be scope to research good practice and how other authorities have overcome these barriers both in London and further a field.

RSLs may also be concerned about the impact on cross-borough moves for their tenants, but it is our view that these issues should be addressed collectively, for all housing applicants irrespective of tenure, and in the context of the Mayor’s plans for the development of a pan-London mobility scheme.

It has been assumed that given the involvement of RSLs on Southwark’s Lettings Review Working Party in 2004/05 which led to the new lettings policy and choice-based lettings, and the fact that there was broad agreement from RSLs to this approach, will
form the basis for the new common approach. It is proposed that this is based on the following principles:

- choice-based, with vacancies advertised
- a simple banding system, easily understood by housing applicants
- priority within each band determined by date order
- single point of access (single housing register)
- some flexibility for a small number of vacancies (to be negotiated) to be outside these arrangements to respond to urgent needs etc, or to enable organisations to deliver on any special commitments.

3. Next steps

A steering group comprising Council and RSL representatives will then be set up to oversee the development and implementation of the new approach. SOUHAG is asked to nominate up to 5 delegates to represent a range of RSLs e.g. national, regional and local, in the sector on the steering group.

The revised nominations agreement will be circulated shortly and discussed in detail at the SOUHAG Management Group on 5.12.2007. However it should be noted that this is an interim measure, driven by the need to respond urgently to the priorities set out in Section 1 of this report and is separate from the discussions on the longer-term strategic approach.

4. Outline timetable.

<table>
<thead>
<tr>
<th>Action</th>
<th>Lead</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter of intent to RSL CEXs &amp; notification of forthcoming invitation to meeting</td>
<td>Chris Bull, Deputy Chief Executive</td>
<td>November 2007</td>
</tr>
<tr>
<td>Initial meeting with RSLs Chief Executives to explain vision for strategic partnership with RSLs</td>
<td>Chris Bull, Deputy Chief Executive</td>
<td>November/December 2007</td>
</tr>
</tbody>
</table>
| RSLs briefings on strategic approach to housing needs | Rachel Sharpe, Head of Strategy and Regeneration | November–January 2008
- SOUHAG main-2.11.2007
- SOUHAG management-5.12.2007 |
| Consultation and adoption of revised nominations agreement | Rachel Sharpe, Head of Strategy & Regeneration | Consultation- SOUHAG Management meeting 5.12.2007
- Adoption January 2008 |
| Identify LA & RSL lead officers | Rachel Sharpe/Margaret O’Brien/SOUHAG | January 2008 |
| Set up strategic project group, including RSL strategic leads to develop new approach | Rachel Sharpe | February 2008 |
| Consult on proposals | Rachel Sharpe/Steering group | January–March 2009 |
5. Feedback

This paper sets out the context, the Council’s objectives and the general principles of how a common approach to meeting housing need could operate. It cannot at this stage include detailed proposals as these will emerge through the work of the steering group. SOUHAG’s comments are sought on the general principles outlined in this paper.

Report author: Claire Linnane, Policy & Performance Manager
Lead officer: Rachel Sharpe, Head of Strategy and Regeneration.