

DATED

2017

CAMBRIDGE CITY COUNCIL

as Landlord

[●]

as Leaseholder

Shared Ownership Lease

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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LAND REGISTRY PRESCRIBED CLAUSES

LR1. Date of Lease	[●]
LR2. Title number(s)	LR2.1 Landlord's title number(s)
	[●] CB384667
	LR2.2 Other title numbers
	[●]
LR3. Parties to this Lease	Landlord
	CAMBRIDGE CITY COUNCIL of Guildhall, Cambridge. CB2 3QJ
	Tenant
	[●] of [●]
	<i>[Other parties [●]]</i> [●] [of] [●] [Guarantor]
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
	As specified in Schedule 1 (<i>The Premises</i>) and Schedule 9 (<i>Defined Terms</i>) of this Lease and defined in this Lease as "the Premises "
LR5. Prescribed statements etc	LR5.1 <i>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</i>
	None
	LR5.2 This Lease is made under, or by reference to, provisions of:
	Housing Act 1985

LR6. Term for which the Property is leased	The term as specified in this Lease at Clause 2 (<i>The Letting Terms</i>) and as defined in Schedule 9 (<i>Definitions</i>) From and including "date" To and including "date"
LR7. Premium	£[●]
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 covenants to (or offer to) surrender this Lease
	As specified in Clause 3.19 (<i>Pre-emption provisions</i>), Schedule 8 (<i>Surrender by Leaseholder (Pre-emption)</i>) and Clause 2.7 (<i>Frustration clause</i>)
	LR9.3 Landlord's contractual rights to acquire this lease
	Not applicable
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
	As specified in Schedule 3 (<i>Easements, Rights and Privileges</i>)
	LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property
	As specified in
LR12. Estate rent charge burdening the property	Not applicable

<p>LR13. Application for standard form of restriction</p>	<p>The Parties to this Lease apply to enter the following standard form of restriction against the title of the Property:-</p> <p>“No 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 CB384667 [or [their conveyance or specify appropriate details]] that the provisions of Clause 3.19.1 (<i>Pre-emption provisions</i>) of the registered lease have been complied with [or that they do not apply to the disposition].”</p>
<p>LR14. Declaration of trust where there is more than one person comprising the Tenant</p>	<p>[The Tenant is more than one person. They are to hold the Property on trust for themselves as joint tenants.]</p> <p>OR</p> <p>[The Tenant is more than one person. They are to hold the Property on trust for themselves as tenants in common in equal shares.]</p> <p>OR</p> <p>[The Tenant is more than one person. They are to hold the Property on trust for themselves as joint tenants.]</p> <p>OR</p> <p>[The Tenant is more than one person. They are to hold the Property on trust [<i>complete as necessary</i>].]</p>

PARTICULARS

Commencement Date	[●]
Gross Rent	£[●] per annum, subject to review in accordance with 0 (<i>Rent Review</i>)
Initial Market Value	The sum of £[●]
Initial Percentage	[●]%
Premium	The sum of £[●]
Review Date	[●] and each successive [●] during the Term and the term the “ Relevant Review Date ” shall be construed accordingly
Specified Proportion	[●]
Specified Rent	A sum equal to the Unacquired Percentage of the Gross Rent (the Specified Rent on the date of this Lease being £[●] per annum) [or (if greater) the Minimum Rent]

Headlease means the lease made on the _____ day of _____ 2016 between Colokate LLP and Cambridge City Council

HEAD LANDLORD means the Head Landlord as defined in the Head Lease

DATED [●]

PARTIES

(1) **Cambridge City Council of Guildhall, Cambridge. CB2 3QJ** (the “**Landlord**”)

(2) **[●]** of **[●]** (the “**Leaseholder**”)

OPERATIVE PROVISIONS

Background:- the landlord is entitled to possession of the Property under the terms of a superior lease (a copy of which has been given to the Leaseholder).

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.

- 1.12 Where any consent is required of the Head Landlord under the terms of the Head Lease in respect of any act of the Leaseholder then any reference herein to obtaining the consent of the Landlord shall import a requirement of the Leaseholder to obtain the consent of the Head Landlord in addition.

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*); 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 weekly payments in advance on the first Monday of each week, 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 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.

3.2 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).

3.3.3 Outgoings and Reimbursement of Head Lease Charges

3.3.3.1 To pay Outgoings.

3.3.3.2 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).

3.3.3.3 To reimburse to the Landlord on demand any rent and Service Charge and any other payment made by the Landlord pursuant to its obligations in the Head Lease and to pay to the Landlord any sums due to the Landlord pursuant Clause 7 of this Lease and if so requested by the Head Landlord or the Management Company to pay directly to the Head Landlord or the

Management Company all rent Service Charge and other sums due and payable pursuant to the Head Lease to the Head Landlord or the Management Company.

3.3.3.4 To pay to the Landlord on demand any sums payable pursuant to paragraph (c) of the Fifth Schedule to this Lease

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 the Headlease Clause 5.2 (*Insure*) unless the insurance money is irrecoverable by reason of any act or default of the Leaseholder).

3.4.1 In the event that the Leaseholder shall make a claim under the NHBC Buildmark Scheme in respect of the Premises the Leaseholder shall pay any excess premium required by the NHBC to consider such claim.

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 in accordance with the provisions in clause 25 of the mutual covenants.

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 by 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 whatsoever;
- (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).

3.8.3 Not to install, alter the route of, damage or remove any Conducting Media at the Premises without the prior written consent of the Landlord such consent not to be unreasonably withheld or delayed.

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

Where the consent or approval of the Landlord is required to any act or thing under this lease the following shall apply:

- 3.12.1 If it is a requirement of the Superior Lease that the consent or approval of the Superior Landlord is required to the act or thing it shall be a condition precedent that the consent of the Superior Landlord is also obtained to the act or thing; and
- 3.12.2 The Landlord shall, at the cost of the Tenant, use all reasonable endeavours to obtain the consent or approval of the Superior Landlord where there is a requirement of the Superior Lease and where the Landlord is under an obligation not to unreasonably withhold its consent to the act or thing for which consent or approval is sought; and
- 3.12.3 In this lease references to the consent or approval of the Superior Landlord shall include references to the consent or approval of any other party from whom the Superior Landlord is obliged to obtain consent or approval.

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 the Head Landlord the Management Company and the lessees of other premises in the Building with workpeople 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 expiry or earlier 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 nor to permit the same to be used for any purpose whatever than as a private residence in the occupation of one family only.

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 and which shall be deemed withheld in circumstances where Clause 13.9 is not complied with) to assign the whole of the Premises before Final Staircasing has been accomplished.

3.19 Pre-emption provisions

- 3.19.1 Subject to Clause 3.18.3, during the Pre-Emption Period the Leaseholder shall not assign the whole of the Premises 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 the whole of the Premises during the Pre-Emption Period he shall first serve written notice on the Landlord (such notice to be accompanied by 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 9 (*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 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 Registrar to enter a restriction in the following form (Form M) in the proprietorship register of the Leaseholder's 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 or specify appropriate details*]] that the provisions of Clause 3.19 (*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 Dependents) 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.

3.20 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 to 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 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.

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*)- Part 1, Part 2 (Estate Regulations) and Part 3 (Car parking regulations)

To observe the covenants set out in Schedule 2 (*Mutual Covenants*). Part 1, Part 2 (Estate Regulations) and Part 3 (*Car parking regulations*)

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

5.4 Enforce covenants in Head Lease

At all times during the term at the request of the Leaseholder to enforce against the Head Landlord the covenants conditions and agreements under the Head Lease provided that the Landlord need not take any steps to enforce any covenant condition or agreement unless and until the Leaseholder has deposited with the Landlord's solicitors for the time being such sum as in the opinion of the Landlord's solicitors is necessary and sufficient to meet the costs and expenses involved in taking that step and in the event of the sums expended in proceedings with the application are greater than those deposited by the Leaseholder the Leaseholder has agreed to make such payment as is necessary to repay the Landlord on demand the greater sums expended.

5.5 Pay Rent and Service Charges due under Head Lease

Subject to reimbursement by the Leaseholder pursuant to Clause 3.3.3 of this Underlease to pay the rent, Service Charge, Building Service Charge, Estate Service Charge, Heat Service Charge and Usage Charge payable pursuant to the Head Lease

Subject to Clause 1.3 (*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 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.

5.6 Lighting and cleaning of Common Parts

Subject to Clause 1.3 (*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.

5.7 Landlord's Protection Provisions

5.7.1 The Landlord shall not be liable to the Leaseholder for any failure in or interruption of the services referred to in the Head Lease not attributable to its neglect or default.

5.7.2 The Landlord may agree with the Head Landlord to add to, diminish, modify or alter any service referred to in the Head Lease 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.

5.8 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 or for a fixed term of seven years or less) shall be substantially in the same form as this Lease.

5.9 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.

5.10 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.

5.11 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 2.1 (*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 2.1.2 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 Party walls

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

6.6 **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.

6.7 **Frustration clause**

6.7.1 Subject to Clause 6.7.2, 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.

6.7.2 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 6.7.1 plus the Mortgage Protection Claim (calculated on the basis that paragraph (h) in the definition of "Loss" in Schedule 9 (*Defined Terms*) is the amount referred to in Clause 6.7.1.).

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

6.8 **Expert determination**

6.8.1 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.

6.8.2 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.

6.8.3 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.

- 6.8.4 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.
- 6.8.5 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.
- 6.8.6 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.
- 6.8.7 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.
- 6.8.8 The determination of the independent, expert 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 more 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 (whether

pursuant to the provisions of this Lease or of the Head Lease) and shall include (without prejudice to the generality of the foregoing):

- (a) the costs of an 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 1.2 (*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.

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 8.3 (*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 to in Clause 7.3.3(a) and the said reserve shall be calculated accordingly.

7.7 Declaration re Landlord and Tenant Act 1985

The parties agree 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.

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 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.

10 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 as 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.

11 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.

12 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.

Delivered as a deed on the date of this document.

Schedule 1

The Premises

Premises: ALL THAT premises known as [Flat [] Block D2 Harrison Drive Cambridge] forming part of the Block D2 as shown edged red on the plan annexed at Appendix 1 of this Lease including:-

- (a) all internal parts of the Premises, including without limitation all internal non-structural walls partitions and divisions within the Premises;
- (b) the internal plaster tiles or other coverings of the external and internal load bearing walls of the Premises and the doors door-frames fitted in such walls and/or doors of the Premises
- (c) any of the walls or partitions lying within the Premises which are not load bearing or do not form part of the main structure of the Premises including the plaster tiles or other coverings of such walls or partitions and the door and door-frames and any glass and locks fitted in such doors walls partitions and door-frames
- (d) the plaster tiles or other coverings of the ceiling of and the floorboards or other surfaces of the floors of the Premises
- (e) all alterations or additions hereafter made to or about the Premises;
- (f) all the Landlord's plant fixtures and fittings (if any) in the Premises;
- (g) all Conducting Media within the Premises and exclusively serving the Premises (except for Heat Installations and any Conducting Media belonging to any Service Companies);
- (h) the Internal Heat Equipment;
- (i) the internal telephone system (if any) in or about the Premises;

but excluding from this demise:

- (j) the Building Structure;
- (k) the Internal Common Parts;
- (l) the Heat Installations;
- (m) any photo voltaic panels installed on the roof of the Building.
- (n) any balconies terraces courtyards or patios
- (o) the external windows and window frames fitted in the external and internal loads bearing walls of the Premises and any velux windows and/or skylight fitted in the roof of the Premises.

Schedule 2

Part 1.

Mutual Covenants

1 USER

- 1.1 Not to use and occupy the Property except as and for the Permitted Use.
- 1.2 Not to use the Premises or any part thereof nor allow the same to be used for any illegal or immoral purpose nor to hold therein any sale by auction.
- 1.3 Not to do or suffer or permit to be done or allow to be done or to bring or allow to be brought on to the Premises or any part thereof any act matter or things of a noisy dangerous noxious offensive inflammable or combustible nature or which may cause damage or grow to be a danger or actionable nuisance to the Landlord or to adjoining or neighbouring premises or to the public including for the avoidance of doubt any such act matter or thing which would or might amount to harassment to such occupiers or the public or whereby any insurance of the Premises may become void or voidable or vitiated or lessened in value and on receiving notice from the Landlord or its duly authorised officer of anything done or brought on to the Premises or any part thereof which in the reasonable opinion of the Landlord shall be inconsistent with this covenant forthwith to discontinue or remove the same and to take to the reasonable satisfaction of the Landlord or its duly authorised officer as aforesaid all proper steps necessary to prevent any recurrence of the matter or matters mentioned in any such notice
- 1.4 To comply immediately with all proper recommendations or requirements of the insurers of the Premises of whatever nature and also of the fire authority as to fire and safety precautions at the Premises in each case subject to the Tenant having received written notice of such recommendations or requirements
- 1.5 Not to discharge into the Conducting Media serving the Premises or any part of it or any other property any oil or grease or other deleterious matter or any substance which might be or become a source of pollution damage or insurance or create a blockage
- 1.6. Not to carry on any trade or business at the Premises
- 1.7 Not to hold any political meeting or sale by auction at the Premises or use the Premises for any religious or charitable purpose.
- 1.8 Not to apply for planning permission for the Premises without the Landlord's consent, such consent not to be unreasonably withheld or delayed and not to object to any application for planning consent made by or on behalf of the Landlord or Homerton in respect of the Estate or any part of it or any land in the vicinity of the Estate.
- 1.9 Not to bring or keep any inflammable, explosive, dangerous or offensive substances or goods onto the Premises other than ordinary domestic use.
- 1.10 Not to overload any of the floors, walls, staircases of the Premises nor any Conducting Media at or serving the Premises nor do anything which is likely to result in loss, damage, interference with or injury or prevent access to any Conduct Media.
- 1.11 At the Landlord's request to enforce so far as the law allows the covenants in any underlease of the Premises granted by the Tenant against the relevant underlessee.
- 1.12 Not to go onto the roof of the Building (nor permit any other person to do so) except for the purpose of performing an obligation or covenant contained or imposed in this Lease and only then (save in any emergency) having first obtained the Landlord's prior written consent.

1.13 Not to park any vehicle on any part of the Estate or Harrison Drive other than only in the Car Parking Space in respect of which the Tenant has been granted a formal written right by the Landlord to do so whether in this Lease or in any other lease of any part of the Building and where the Tenant complies with all obligations relating to that right Provided that it is hereby agreed that the parking of a delivery vehicle for a short period in order to make a delivery to the Premises shall not be a breach of this covenant.

2 **ALTERATIONS**

2.1 Not to make any structural or external alterations or additions to the Premises whatsoever.

2.2 Not to make any internal, non-structural alteration or addition to the Premises, or alteration to the plan or design of the Premises without the consent of the Landlord, such consent not to be unreasonably withheld or delayed.

2.3 Not to install, alter the route of, damage or remove any Conducting Media at the Premises without the prior written consent of the Landlord, such consent not to be unreasonably withheld or delayed.

3 **SIGNS AND AERIALS**

Not to erect or cause to be erected to the exterior of the Premises any form of television aerial or receiving device and not to exhibit on the exterior of the Premises or in the windows thereof any nameplate placard or announcement of any.

Part 2

Estate Regulations

1 No piano or other musical instruments record player television wireless or other mechanical or electronic instrument for the reproduction of sound of any kind shall be played or used nor shall singing be practised in the Premises so as to cause an actionable nuisance to the owners and occupiers of the other parts of the Estate or so as to be audible outside the Premises between the hours of 10.00pm and 8.00am.

2 No dirt rubbish rags or other refuse shall be thrown into the sinks baths lavatories cisterns or waste or soil pipes in the Premises.

3 No dog cat bird or other animal shall be kept in the Premises without the Landlord's consent in its absolute discretion.

4 No commercial vehicles caravans trailers boats or similar large objects shall be brought onto any part of the Estate provided that the temporary parking of commercial vehicles in designated areas on the Estate for the delivery of goods and services to the Premises shall not be a breach of this covenant.

5 No obstruction or interference shall be made in or with the Internal Common Parts or Harrison Drive nor in or with the roads, footpaths or forecourts which forms part of the Estate.

6 No water or liquid shall be permitted to soak through the floor of the Premises and in the event of such happening without prejudice to the Landlord's rights under this Lease or otherwise the Tenant shall immediately rectify and make good all damage and injury occasioned to any parts of the Estate and to the property of the other tenant of premises in the Building and/or elsewhere on the Estate.

- 7 Not to erect fix place or display or permit or suffer to be erected fixed placed or displayed upon the exterior of the Premises or of the Building, or any terrace or patio or balcony over which rights have been granted pursuant to paragraph 13 of Schedule 1 or in or on any other part of the Estate any advertisements or sign or anything whatever in the nature of an advertisements and in particular without prejudice to the generality of the foregoing not to place or display any "For Sale" or "To Let" board upon the exterior of the Premises or of the Building.
- 8 Not to erect on the exterior of the Premises or any balcony patio or terrace over which rights have been granted pursuant to paragraph 13 of Schedule 1 any television or other radio transmitting aerials or satellite dishes or similar items.
- 9 Not to cover any part of any balcony over which rights have been granted pursuant to paragraph 13 of Schedule 1 with any fencing, material, decoration or any other covering of any type.
- 10 Not to use on the Premises any electrical device without an effective suppressor.
- 11 Not to interfere (by physical act, noise, vibration or in any way) with the enjoyment and amenity of the other Flats in the Building or in other building on the Estate or any other house or building on the Estate nor to allow any noxious smell to enter any of them or any common parts in the Building or elsewhere on the Estate.
- 12 Not to permit children to play or make noise on the Internal Common Parts or the Estate Common Parts or anywhere else on the Estate or in any lift or elsewhere in the Building so as to be a nuisance or annoyance to tenants or occupiers of the other Flats in the Building or elsewhere on the Estate.
- 13 Not to allow any washing or other items of clothing whatsoever to be hung from any window forming part of the Premises provided that the Tenant shall be permitted to hang or to stand washing or other items of clothing on any terrace patio or balcony over which rights have been granted pursuant to paragraph 13 of Schedule 1 provided that the said washing or other items of clothing are hung below the balcony lines and are not visible from outside the Premises.
- 14 Not to store any plant machinery barbecues or other chattels or other items whatsoever on any external terrace patio or balcony over which rights have been granted pursuant to paragraph 13 of Schedule 1 apart from exterior tables and chairs and plant pots of good quality and state of repair and no mat shall be shaken out of any window of the Premises or from any balcony.
- 15 Not to leave refuse anywhere on the Estate or in the Building other than in the areas in the Internal Common Parts specified for such purposes by the Landlord from time to time.
- 16 To clean the inside of the windows of the Premises when reasonably necessary.
- 17 Not to pick flowers anywhere on the Estate and not to cause damage to the grass trees shrubs or plants within the Estate Common Parts or anywhere else on the Estate.

- 18 Rollerblading and skating (or similar pursuits) is absolutely prohibited on the Estate Common Parts
- 19 Ball games and barbecues are absolutely prohibited anywhere on the Estate Common Parts or anywhere else on the Estate and no musical instruments are to be played or audio equipment is to be played out loud on any of the Estate Common Parts, Harrison Drive, and no private parties are to be held anywhere on the Estate Common Parts unless any such private parties have been pre-authorised by the Landlord at its discretion (or by any Managing Agents to whom the Landlord may have delegated this function). If such authorisation is given it shall also indicate if music is allowed and if so the type of music and any other requirements subject to which it is given.
- 20 No dog cat bird or other animal shall be allowed onto any of the Estate Common Parts without the Landlord's consent in its absolute discretion.
- 21 No noisome activity is permitted anywhere on the Estate Common Parts or in any Internal Common Parts.
- 22 The entrance doors of the Premises and to any Flat and to any Internal Common Parts shall be kept shut when not in use.
- 23 To keep all windows forming part of the Premises properly dressed with appropriate blinds, curtains or other similar furnishings.
- 24 The Tenant shall not keep or leave or permit to be kept or left any bicycle pushchairs or other articles of any obstruction in the Internal Common Parts or other communal areas or keep any combustible explosive or offensive goods in the Premises or upon any part of the Building or do or permit to be done any act thing whatsoever in or about the Premises or the Estate that may be or become dangerous or a nuisance or cause scandal or annoyance to the Landlord or any of the other tenants or occupiers of the Estate.
- 25 The Tenant shall not install or have in any part of the Premises (or allow to be installed or had in the Premises) any wood laminate or other type of hard floor covering of any nature which could potentially cause a nuisance by noise to other residents in the Estate unless the same is laid on a good quality acoustic underlay designed to prevent or dampen noise to the intent that no nuisance or annoyance shall be caused to other residents of the Estate.
- 26 The Tenant shall not alter nor allow the altering of the style of the window frames glass or glazing of the Premises save by replacing the frames or panes with identical frames or panes to those existing as and when necessary.
- 27 The Tenant shall not wash any vehicle on any part of the Estate or Harrison Drive.
- 28 The Tenant shall not carry out any mechanical or other works to any motor vehicles or motor cycles on the Estate or Harrison Drive save in case of emergency.

Part 3. (for units 0.2 and 0.3 only)

Car Park Regulations

- 29 *The Tenant must:*
- 29.1 *not use or allow the Car Parking Space to be used other than for the parking of one fully taxed private motor vehicle or motorcycle or communal vehicle not exceeding 50 cwt such motor vehicle or motorcycle to be of a roadworthy condition;*
- 29.2 *ensure that motor vehicles are parked at all times in an orderly manner and so not as to obstruct any other vehicle or in any way adversely affect any other users of the Car Park;*
- 29.3 *on request from the Landlord notify the Landlord of the registration numbers of the Tenant's motor vehicles that will or do regularly park in the Car Parking Space and keep the Landlord informed of changes;*
- 29.4 *comply with all further regulations and conditions that may from time to time be reasonably made by the Landlord or through its managers or agents for the safety, good management and control of parking of vehicles in the Car Park;*
- 29.5 *pay on demand all expenses incurred by the Landlord in respect of any renewal of the policy of insurance on the Car Park or any increase of premium rendered necessary by a breach of condition of these regulations.*
- 30 *The Tenant must not:*
- 30.1 *permit petrol, oil and grease to drip or spill on to the ground of the Car Parking Space;*
- 30.2 *deposit any articles, rubbish or litter on the Car Parking Space or in the Car Park or permit the Car Parking Space to become dirty or untidy or in a dangerous condition;*
- 30.3 *use or allow the use of the Car Park for any illegal or objectionable purpose;*
- 30.4 *do or allow to be done anything that might be or cause any nuisance, annoyance, damage or disturbance to the Landlord or any neighbouring occupier;*
- 30.5 *do or omit to do, or permit or allow any act, omission, matter or thing which may or does in any way endanger or damage the Car Park or any person, equipment, chattel or goods (whether being the property of the Landlord or not) which may be in the Car Park;*
- 30.6 *display any signs or notices at the Car Parking Space unless permitted to do so in writing by the Landlord;*

- 30.7 *bring onto or store any fuel or inflammable or combustible or hazardous substance on the Car Parking Space other than that contained in the petrol tank of a motor vehicle;*
- 30.8 *carry out any repairs or maintenance to or testing of washing of motor cars (save in the case of emergency);*
- 30.9 *cause any obstruction to any of the access ways leading to or from the Car Parking Space;*
- 30.10 *sound horns or make any other undue noise within the Car Park;*
- 30.11 *impede the Landlord or its employees or agents in the exercise of the Landlord's rights of possession and control of the Car Parking Space;*
- 30.12 *do or omit to do anything which may affect the rights (including rendering the policy void or voidable or which has the effect of increasing the insurance premium payable for such insurance) of the Landlord under any policy of insurance in respect of the Car Park; and*
- 30.13 *upon the determination of the Lease to remove any motor car and any other thing which may be on the Car Parking Space.*
- 31 *The Tenant must not allow or permit any of the Car Parking Space to be used by any person other than by its own authorised undertenants of the Premises.*
- 32 *The Tenant shall procure that any authorised user of the Car Parking Space referred to in paragraph 3 above complies with the obligations in this Schedule 5 and provides covenants to do and direct with the Landlord and the Tenant shall take such enforcement action as the Landlord may require in respect of the obligations in Schedule 5 from time to time.*

Schedule 3

Easements, Rights and Privileges

1. Free and uninterrupted passage and running of Supplies from and to the Premises through the Conducting Media (including television aerials) which now are or may at any time during the term hereby created be in or under or pass through the Building and other parts of the Estate or any part of either of them and which serve or are capable of serving the Premises.
2. Subject to complying with the Landlord's reasonable requirements the right where such work cannot be undertaken without such access at all reasonable times with or without workmen upon 48 hours' notice in writing served on the Landlord and any occupiers of the relevant part of the Building specifying why such entry is required (or without notice in the case of emergency) to enter the adjoining or contiguous parts of the Building for the purpose of executing repairs maintenance, renewal or rebuilding to or upon the Premises or to carry out alterations to the Premises (which are permitted pursuant to this Lease) and so that all such works shall be done with despatch and that the Tenant shall make good and indemnify the Landlord against all damage or inconvenience caused in carrying out such works to the other parts of the Estate and causing as little damage or inconvenience as reasonably possible.
3. Subject to compliance with the Estate Regulations and subject to the provisions of Schedule 2 the right for the Tenant and all persons authorised by the Tenant (in common with all the Landlord and others entitled to the like right) at all times on foot over any footpaths and with or without vehicles over any roads within the Estate Common Parts designated from time to time for this purpose to gain access to and egress from the Building **provided** nevertheless that the Tenant shall not cause or authorise or permit the obstruction of any part of the Estate Common Parts.
4. Subject to compliance with the Estate Regulations and subject to the provisions of Schedule 2 the right to use for their intended purpose such other Estate Common Parts as the Landlord may designate from time to time.
5. Subject to compliance with the Estate Regulations and subject to the provisions of Schedule 2 and paragraph 8 and 10 of this Schedule 1 the right for the Tenant and all persons authorised by him in common with all others enjoying the like right at all times and for all purposes incidental to the occupation and enjoyment of the Premises to use the Internal Common Parts for their intended purpose and on foot only insofar as they provide access to and from the Premises.
6. Subject to compliance with the Estate Regulations and the provisions of Schedule 2 the right to use the Undercroft for the purposes of access to and egress from Block D2 and the Internal Common Parts.
7. The right (in common with all others entitled to the like right) to connect any wireless or television satellite dish or receiving equipment set in the Premises with any aerials or satellite dish on the roof of the Building for the time being provided for by or on behalf of the Landlord.
8. The right to use on a first come first served basis the cycle racks/stores within the Internal Common Parts from time to time (if any) for use by the tenants of Block D2 in common with all others entitled to a like right.
9. The right (in common with the Landlord and all other persons similarly entitled) to the free and uninterrupted passage of Heat to the Premises through the Heat Installations on the Estate.

10. The right (in common with the Landlord and all other persons similarly entitled) to access the bin store within the Internal Common Parts for the purposes of depositing any rubbish from the Premises in the said bin store for collection by the local authority on the relevant refuse collection day Provided That such rubbish is contained in bins or other appropriate receptacles ready for collection and that the Tenant shall comply with any proper regulations the Landlord may make and notify to the Tenant in respect of the use of the main bin store referred to.
11. The right of support and protection for the benefit of the Premises as now or in the future is enjoyed from the Building Structure and the remainder of the Building.
12. The right to use any communal video/entry phone system or other security system and any communal television and satellite aerial provided at the Building.
13. Subject to compliance with the Estate Regulations the rights to use the balcony or terrace or patio (as the case may be and if any) as shown edged blue on the plan annexed at Appendix 1 for its intended purpose in connection with the use of the Premises.
14. The rights granted by the Transfer and the Deed of Variation and Grant to the extent required in connection with the use and occupation of the Premises.
15. The benefit of the rights granted by the Head Lease upon the terms and conditions contained in the Head Lease.
16. *Subject to compliance with the Car Park Regulations set out in Part 3 Schedule 2, the right to use the car parking space in the car park.*

Schedule 4

Exceptions and Reservations

1. Free and uninterrupted passage and running of Supplies in and through the Conducting Media (including television aerials) now existing or added later upon through or under the Premises now or in the future intended for use by other parts of the Estate whether or not jointly with the Premises.
2. The right to use and to connect into the Conducting Media at the Premises which are now existing or added later during the Term.
3. All rights of light air and other easements and rights which would in any way restrict or interfere with the free use of the remainder of the Estate for building or any other purpose.
4. The right to build or rebuild or reconstruct or modify or alter any adjacent or neighbouring land or building now or hereafter belonging to the Landlord (including any other part of the Building and/or the Estate) whether in possession or in reversion and the rights to erect new buildings on such land in each case at any time and for any purpose notwithstanding any interruption of light or air to the Premises.
5. The right of support and protection for the benefit of the other parts of the Estate (including the Car Park) as now or in the future is enjoyed from the Premises.
6. Subject to compliance with the Conditions of Entry the right for the Landlord and its duly authorised servants or agents with or without workmen and others to enter the Premises to install and maintain in or upon the Premises meters and (if any) television receiving aerials cables or other similar apparatus for providing media services electric entry systems (if any) or similar apparatus.
7. Subject to compliance with the Conditions of Entry the right from time to time for the Landlord and/or anybody authorised by the Landlord or its duly authorised officers or agents with or without workmen to enter upon the Premises to provide for any other purposes in connection with the provisions of any additional facilities and services to be used in common by occupiers of the Estate or to reasonably alter divert stop-up or otherwise interfere with any rights specified in Schedule 1 hereto provided that reasonable alternative rights are or will be made available by the Landlord.
8. Subject to compliance with the Conditions of Entry the right for the Landlord or anyone duly authorised by the Landlord to enter the Premises in order to install, inspect, maintain, repair or replace the Heat Installations, to read, replace, exchange maintain or inspect any meters and monitoring equipment and to connect and disconnect the Heat.
9. The right (in common with the Tenant and all other persons similarly entitled) to the free and uninterrupted passage of Heat to the Estate through the Heat Installations within the Premises.
10. Subject to compliance with the Conditions of Entry the right for the Landlord with or without workmen to enter the Premises for the purpose of effecting repairs maintenance renewal or rebuilding to adjoining parts of the Estate (including adjoining parts of the Building) or to carry out alterations thereto or as reasonably required to comply with any of its obligations under the terms of this Lease or for any other purposes in connection with the provisions of any of the services referred to in Schedule 3
11. The right for the Landlord and all persons authorised by the Landlord to erect temporary scaffolding for the purposes of repairing, maintaining, renewing, rebuilding, cleaning, decorating or altering the Building Structure or for any other purpose in connection with the exceptions and reservations in this Schedule 2 and to enable the Landlord to comply with its

obligations in this Lease. The Landlord shall ensure that the scaffolding be removed when the works are completed and make good any damage caused thereby to the Premises causing as little inconvenience as reasonably practical to the Tenant.

12. The right to re-route any Conducting Media on the Estate (including any that serves the Premises) and the right to re-route any means of access to or egress from the Premises across the Estate and to change, alter, vary, relocate or modify any of the Estate Common Parts and/or the Car Park and/or the Internal Common Parts and/or the Undercroft provided that reasonable alternative amenities are made available.
13. The rights to temporarily suspend the use of the Estate Common Parts and/or the Car Park and/or the Internal Common Parts and/or the Undercroft (or any part of them) whilst the Landlord complies with any of its obligations or exercises any of its rights in this Lease provided that a right of access to the Premises is maintained.
14. Subject to compliance with the Conditions of Entry the right for the Service Companies to enter upon the Building (including the Premises) for the purposes of carrying out their respective functions
15. Subject to compliance with the Conditions of Entry any other rights of access onto the Premises as may be referred to in this Lease.
16. The rights excepted and reserved by the Transfer

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 $(\frac{B}{A}) + 0.005$).

(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 6.8.

4. **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.

5. **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.

6. **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)].

7. **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 definition of "Acquired Percentage" shall be amended to mean a 100% percentage interest in the Premises;
 - (b) the Specified Rent shall be reduced to the Minimum Rent; and
 - (c) the following provisions of this Lease shall no longer have effect:
 - (i) Definition of "Default", "Enforcement Date", "Final Staircasing", "Loss", "Mortgagee Protection Claim", "Payment Sum", "Portioned Percentage", "Pre-emption Period", "Unacquired Percentage", "Valuer" and "Valuer's Certificate";
 - (ii) Clause 3.18.2;
 - (iii) Clause 3.19;
 - (iv) Clause 5.8;
 - (v) Clause 8 (*Mortgage protection*);
 - (vi) Schedule 5 (*Rent Review*);
 - (vii) this Schedule 6 (*Staircasing Provisions*) (except this paragraph 2);
 - (viii) Schedule 7 (*Assignment of whole to Nominated Purchasers*); and
 - (ix) Schedule 8 (*Surrender by Leaseholder (Pre-emption)*).
3. The costs of any determination by the Valuer pursuant to the provisions of this 06 (*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 30 June or other year end as may from time to time be stipulated by the Landlord or Managing Agents.

“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 3.3 (*How calculated*).

“Block D1” means that part of the Building known as Block D1;

“Block D2” means that part of the Building known as Block D2 as shown for identification purposes only edged red on the plan at Appendix 3;

“Block D3” means that part of the Building known as Block D3;

“Building” means the building and its curtilage constructed on the Estate of which the Premises form part (which for the avoidance of doubt includes Block D1, Block D2, Block D3 and the Undercroft but excludes the Car Park) as shown for identification purposes only edged red on the plans annexed at Appendix 2 ;

“Building Provision” means the aggregate of the expenses and outgoings incurred or to be incurred by the Landlord in providing the Building Services

“Building Services” means the services and costs in respect of the Building Structure as set out in Part 3 of Schedule 3

“Building Service Charge” means a Fair Proportion of the Building Provision

“Car Park” the car park areas comprising the Undercroft and other parts of the Estate (not being ones comprised within any individual Flat or house).

“Car Park Regulations” means the Regulations set out in Part 3 of Schedule 2.

“Car Parking Space” means the car parking space within the Car Park for identification purposes shown hatched green on the plan or such other spaces as the Landlord may allocate at its sole discretion from time to time.

“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.

“Conducting Media” means gutters pipes wires cables ducts drains mains channels conduits flues and any other medium for the transmission of Supplies

“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.

“Energy Centre” means the energy centre on the Estate from which the Premises and other parts of the Estate are supplied with Heat

“Energy Service Company” means any company or organisation appointed by the Landlord from time to time to maintain repair and renew the Heat Installations and or provide Heat to the Flats on the Estate and/or the Premises and invoice the heat consumption to the same;

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

“Estate” the land as at the date of this Lease as shown for identification purposes only edged red on the plan annexed at Appendix 4 together with such additional or further land owned by the Landlord or over which the Landlord has rights that the Landlord may include as part of the Estate from time to time

“Estate Common Parts” the access roads footpaths entrances passages children play areas and gardens/amenity areas and other public open space the visitor car parking spaces and the balancing pond on the Estate and any other or further parts of the Estate and the facilities intended or designated in each case from time to time by the Landlord to be enjoyed or used by the owners or occupiers of the Premises in common with all other owners and occupiers of other parts of the Estate but excluding the Car Park and Undercroft and excluding the Internal Common Parts and any internal common parts of both the other parts of the Building and also other buildings on the Estate.

“Estate Regulations” means the regulations set out in Schedule 4 as may be varied pursuant to clause 3.1.4 of the Head Lease

“Estate Services” the services and costs in respect of the Estate Common Parts as set out in Part 4 of Schedule 3 of the Head Lease

“Estate Service Charge” means the Fair Proportion of the Estate Provision

“Estate Provision” means the aggregate of the expenses and outgoings incurred or to be incurred by the Landlord in providing the Estate Services

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

“Harrison Drive” means the roadway known as Harrison Drive as marked on the plan annexed at Appendix 6 of the Head Lease

“Heat” means heat in the form of hot water generated from the Energy Centre for space and water heating serving the Estate through the Heat Interface Units

“Heating Agreement” means an agreement (if any) entered into between the Tenant or its assignees or its lessees (as the case may be) and the Energy Service Company in respect of the provision of Heat to the Premises and or the maintenance repair and management of the Heat Installations and or the direct invoicing of the Usage Charge to the Tenant or its assignee or its lessees (as the case may be) in such form as the Landlord or the Energy Service Company reasonably require;

“Heat Installations” means the Energy Centre together with the network of pipes, district heating flow and return pipework and associated insulation, wires, Heat Interface Units and other ancillary plant and equipment that transfers Heat from the Energy Centre to the Heat Interface Units within Flats on the Estate together with all connected meters and monitoring equipment but excluding the Internal Heat Equipment

“Heat Interface Units” means the units within the heat interface unit casing including all heat exchanges pumps valves and controls used to transfer Heat from the Heat Installations to the relevant Flats's internal heating and hot water system and the heat meters included in such casing

together with the separate room control unit, incorporating the integral room thermostat and time clock

“Heat Provision” means the aggregate of the expenses and outgoings incurred or to be incurred by the Landlord in providing the Heat Services

“Heat Service Charge” means the Fair Proportion of the Heat Provision

“Heat Services” means the services and costs as set out in Part 2 of Schedule 3

“Homerton” means the Principal Fellows and Scholars of Homerton College in the University of Cambridge of Homerton College Hills Road Cambridge CB2 8PH

“Internal Heat Equipment” means all that part of the equipment for the provision of Heat exclusively to any relevant Flat which includes:

- i) all pipework for the supply of Heat downstream of the outlet valves in the Heat Interface Unit and physically located in the relevant Flat, including but not limited to taps, isolation valves, shower mixers and showerheads underfloor heating system and manifold;
- ii) all potable cold water pipework taps and valves;
- iii) all radiator and radiator valves (if any)

“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.

“Managing Agents” the agents appointed by the Landlord from time to time to manage the Estate

“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 One peppercorn per month (if demanded).

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

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

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

“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.

“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”.

“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 on 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 TOGETHER WITH the Estate Management Charge and the Service Charge defined in the Head Lease.

“Service Provision” means the sum calculated in accordance with Clause 7.3 (How calculated), Clause 3.4 (Service Provision) and Clause 3.5 (Adjustment to actual expenditure).

“Standard Conditions of Sale” means the Standard Conditions of Sale (Fifth Edition).

“Term” means the term of 125 years from and including the Commencement Date.

“Undercroft” means the area on the ground floor of the Building shown for the purposes of identification only edged red on the plan annexed hereto at Appendix 5 of the Head Lease.

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

“Usage Charge” means the cost of providing Heat through the Heat Installations and the Heat Interface Units to the Premises and based on actual usage for the whole of the Premises determined through meter readings where appropriate and where no meter reading is available a fair and reasonable estimate (to be assessed from time to time by the Landlord) and based in both cases on a tariff to be set by the Landlord or its nominee (acting reasonably)

“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.

EXECUTION PAGE

Executed as a deed by [●] acting by:)
)
)

Director

Director/Secretary

Executed as a deed by [●] in the)
presence of:)
)

Executed as a deed by [●] in the)
presence of:)
)

Appendix 1
Memorandum of Staircasing
(Number [●])

Premises :
Date of Lease :
Leaseholder :
Landlord :

THIS IS TO RECORD THE FOLLOWING

On the day of 2[] on the payment of £[●] (the “Premium”) being [●] % of the Market Value of the Premises as assessed by the Valuer on the 2[] 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

.....

Signed for and on behalf of the Landlord

.....

Appendix 2

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: $(£[●] \times ((\frac{[●]}{[●]} + 0.005)))$

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:

Assumptions

The notice set out below would have been given in relation to a rent review in November 2012 in the following circumstances:

- The Lease had Rent Review Dates on 30 November 2011 and 2012;
- As at November 2012, the Leaseholder’s share in the Premises was 45%;
- The Gross Rent in November 2011 had been £100 per month (based on the RPI in September 2011), and so the actual rent payable would have been £55 per month (being 55% of £100).
- The RPI was 237.9 in September 2011, and 244.2 in September 2012.

Worked Example Notice

The next Rent Review Date under your shared ownership lease of the Premises is [30 November 2012]. The rent which you currently pay is [£55.00] per month.

The rent which you must pay on and after [30 November 2012] is [£56.73] per month.

The new figure of [£56.73] per month is calculated as follows:

- RPI Index for [September 2011] was [237.9] (this was the Index on which the rent review in [November 2011] was based);
- The Gross Rent fixed at the rent review in November 2011 was [£100.00] per month;
- RPI Index for [September 2012] is [244.2] (this is the Index on which the rent review in [November 2012] is being based);
- The reviewed Gross Rent as at [30 November 2012] is therefore [£103.15] per month being:
 $(£100 \times ((\frac{244.2}{237.9} + 0.005)))$

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 [£103.15], which is the sum of [£56.73] 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.

1 HOW DOES SHARED OWNERSHIP WORK?

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

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

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

2 STANDARD LEASE OBLIGATIONS

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

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

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

3 RENT REVIEW

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.

4 DISPOSALS OF OR DEALINGS WITH THE PROPERTY

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

Assignment or Transfer

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

Sub-letting

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

5 LANDLORD'S RIGHT OF FIRST REFUSAL

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 date that the Leaseholder staircases to 100%.

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

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

6 MORTGAGE PROTECTION PROVISIONS

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

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

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

7 IMPORTANT NOTICE REGARDING PAYMENT OF THE RENT AND LEASE OBLIGATIONS

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

8 VARIATIONS TO THE STANDARD FORM LEASE

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

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

[•]

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.