

These are the notes referred to on the following official copy

Title Number [REDACTED]

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Please note that this is the only official copy we will issue. We will not issue a paper official copy.

DATED 22nd March 2016

ORBIT GROUP LIMITED

(1)

(Exempt Charity)

AND

[REDACTED]

(2)

UNDERLEASE

[REDACTED] to be
known as [REDACTED]

Shared Ownership Lease of a Flat

Important Notice for Leaseholders

A guide to the key terms of this Lease is set out in Appendix 3

LAND REGISTRY PRESCRIBED CLAUSES

LR1. Date of lease	22 nd March 2016
LR2. Title number(s)	LR2.1 Landlord's title number(s) WK474393 LR2.2 Other title numbers None
LR3. Parties to this lease	Landlord Orbit Group Limited (Exempt Charity) (registered under the Co-operative and Community Benefit Societies Act 2014 with number 28503R) whose registered office is at Garden Court Harry Weston Road Binley Business Park Binley Coventry CV3 2SU Tenant [REDACTED] of [REDACTED] and defined in this lease as "Leaseholder"
LR4. Property	In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail. As specified in Schedule 1 and Schedule 9 of this Lease and defined in this Lease as "the Premises"
LR5. Prescribed statements etc.	LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003. The Premises are held by the Landlord an exempt charity LR5.2 This lease is made under, or by reference to, provisions of: None
LR6. Term for which the Property is leased	The term as specified in this Lease at Clause 2 and as defined in Schedule 9
LR7. Premium	£227,695.05 (Two Hundred and Twenty-Seven Thousand Six Hundred and Ninety-Five Pounds Five Pence)
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

disregard the matters referred to in paragraph (c) and paragraph (d) of the definition of "Market Value".

"Permitted Person" means an individual or individuals of fifty-five (55) years of age or over or such other persons satisfying the occupation requirements under condition 26 of the Planning Consent and the term "Permitted Persons" shall be construed accordingly

"Planning Consent" means the planning consent numbered W/12/0892 issued by Warwick District Council dated 1 November 2012 as varied by the planning consent numbered W/13/1719 dated 10 March 2014 together with any other variations or substitutions made thereto and any allocations or nominations procedures agreed with Warwick District Council from time to time which, amongst other things, restricts the occupation of the Premises to Permitted Persons

"Plans 1 and 2" means the plans attached and so numbered

"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, being a portion of the then Market Value of the Premises up to a Maximum of 99%, each Portioned Percentage being at least 10%, and so that the Portioned Percentage which accomplishes Final Staircasing shall be at least 10%.

"Premises" means the premises described in Schedule 1.

"Premium" means the sum specified in LR7

"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.

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

"Superior Landlord" means Heart of England Housing Association Limited or the landlord from time to time of the Headlease

"Tenant's Internal Equipment" shall have the same meaning ascribed to it in Clause 1.1.35 of the Headlease

"Term" means the term of 125 years from and including the Commencement Date referred to in the Particulars.

"Title Number" means the title number specified in LR2.1 above

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

"Valuer" means an independent expert who is an associate or fellow of the Royal Institution of Chartered Surveyors agreed between the Landlord and the Leaseholder or in default of agreement appointed on the application of either Landlord or Leaseholder by or on behalf of the president of the Royal Institution of Chartered Surveyors.

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

- (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; and
- (g) any other sums due to the Mortgagee in respect of the Loan or any security for it made to the Leaseholder,

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

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

"Market Value" shall at the date of this Lease mean the Initial Market Value and shall at any subsequent date mean the price which the interest of the Leaseholder would then fetch if sold on the open market by a willing seller upon the terms and conditions contained in this Lease and on the assumption that the Unacquired Percentage is nil and disregarding the following matters:

- (a) any mortgage of the Leaseholder's interest;
- (b) any interest in or right over the Premises created by the Leaseholder;
- (c) any improvement made by the Leaseholder or any predecessor in title of his; and
- (d) any failure by the Leaseholder or any predecessor in title to carry out the obligations contained in Clause 3.4 and Clause 3.5 ;

"Market Value Price" means the purchase price paid by a subsequent purchaser of the Premises decided in accordance with Clauses 9.3 and 9.4 of this Lease.

"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).

"Mortgage 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

SCHEDULE 9 - DEFINED TERMS

In this Lease:

"Account Year" means a year ending on 31 March.

"Acquired Percentage" means the percentage figure equal to the aggregate of the Initial Percentage and any Portioned Percentage or Portioned Percentages (up to a maximum of 99%) paid for pursuant to Schedule 6

"Building" shall have the same meaning ascribed to it in Clause 1.1.3 of the Headlease.

"Balcony" means the balcony/patio area immediately adjacent to the Premises shown coloured yellow on Plan 1

"Care Contract" means a contract between the Leaseholder and a Care Provider to give the Leaseholder support services as set out in the contract.

"Care Provider" means the body appointed by the Landlord and who has or is about to enter into a Care Contract with the Leaseholder.

"CHP Conducting Media" shall have the same meaning ascribed to it in Clause 1.1.7 of the Headlease

"Common Parts" shall have the same meaning ascribed to it in clause 1.1.6 of the Headlease

"Communal Facilities" shall have the same meaning ascribed to it in Clause 1.1.9 of the Headlease

"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.

"Development" means the land and buildings at Queensway, Leamington Spa now or formerly registered under title number WK467799 the location of which is shown by the red broken line on Plan 2

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

"Final Staircasing" means the purchase by the Leaseholder from the Landlord of such Portioned Percentage that increases the Acquired Percentage to the Maximum Percentage.

"Headlease" means the lease dated 4 August 2014 and made between (1) the Superior Landlord (2) the Landlord

"Land Registry Prescribed Clauses" means the Clauses numbered LR1 to LR14 (inclusive) at the front of this Lease and references to Clauses with an "LR" prefix are to be interpreted accordingly

"Landlord" includes all persons from time to time entitled to the immediate reversion to this Lease.

"Landlord's Property" means those parts of the Building comprised within the Title Number

"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;

SCHEDULE 8 - CRITERIA FOR APPROVAL OF ASSIGNEES

1. The accommodation is provided specifically for Permitted Person(s)
2. The Landlord (when a registered social Landlord) is as a general rule prohibited by statute from making any payment or granting any benefit to a member of its Board, or an employee, or a close relative of a member of its Board or of one of its employees, or to a person who has within the preceding twelve months been a member of its Board, or an employee, or a close relative of such a person

SCHEDULE 7 - ASSIGNMENT OF WHOLE TO NOMINATED PURCHASERS

1. If the Landlord serves notice on the Leaseholder pursuant to Clause 3.19.1 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 3.19.1 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.

- 1.8 Where the Leaseholder serves a notice under paragraph 1.1 the Landlord must not act in a way that would unreasonably delay the acquisition by the Leaseholder of the Portioned Percentage he proposes to acquire
2. The costs of any determination by the Valuer pursuant to the provisions of this Schedule 6 shall be paid by the Leaseholder to the Landlord on demand.
3. The parties agree that the decision of the Valuer shall be final and binding on the parties to this Lease.

SCHEDULE 6 - STAIRCASING PROVISIONS

1.

- 1.1 At any time or times during the Term the Leaseholder may serve notice in writing on the Landlord stating the Portioned Percentage he proposes to acquire. The provisions of this Schedule 6 shall also be exercisable by any mortgagee of the Leaseholder of whom the Landlord has received proper notice pursuant to Clause 3.20.
- 1.2 The Landlord shall apply to the Valuer to determine the Market Value as at the date of service of the Leaseholder's notice served pursuant to paragraph 1 (upon which the price of acquisition will be based) within 14 days of receipt of the Leaseholder's notice (or, if later, within 14 days of the Valuer's appointment) and shall notify the Leaseholder of the amount of the Valuer's determination in writing within 7 days of receipt of the said determination.
- 1.3 At any time within 3 months of the Valuer's determination the Leaseholder may pay for a Portioned Percentage in accordance with the provisions of paragraph 1.4.
- 1.4 The Leaseholder may pay for a Portioned Percentage by paying to the Landlord a sum equal to that Portioned Percentage of Market Value (as agreed or determined under this Schedule 6) plus any unpaid sums under paragraph 1.5 and as from the date of such payment (a) the Portioned Percentage so acquired shall form part of the Acquired Percentage and (b) the Specified Rent payable under this Lease shall be a sum equal to the Unacquired Percentage of the Gross Rent.
- 1.5 On completion of the payment for a Portioned Percentage in addition to the sum or the price payable for the Portioned Percentage the Leaseholder shall pay any arrears of rent and any other sums due to the Landlord under this Lease including any unpaid costs under paragraph 2. The Landlord and the Leaseholder shall, save as provided in paragraph 2 pay their own costs and expenses in connection with such payment or purchase.
- 1.6 Whenever the Leaseholder completes the payment for a Portioned Percentage the Landlord and the Leaseholder shall forthwith execute and deliver to the other (to be attached to the original and counterpart of this Lease) a memorandum substantially in the form set out in Appendix 1 specifying the Portioned Percentage paid for and the Specified Rent then payable.
- 1.7 If the provisions of this Schedule 6 are exercised by any mortgagee under paragraph 1.1 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:
 - 1.7.1 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 Acquired Percentage is the Maximum Percentage;
 - 1.7.2 The relevant Portioned Percentage shall be calculated on the basis of that deemed Market Value; and
 - 1.7.3 If so requested by the mortgagee the Landlord shall co-operate with the mortgagee to ensure that there occurs simultaneously (A) the payment to the Landlord of the relevant Portioned Percentage under paragraph 1.4 and (B) delivery by the Landlord to the mortgagee of the memorandum under paragraph 1.6 and (C) completion of the sale of the Premises by the mortgagee

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 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 Specified 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 5 - RENT REVIEW

1 Definitions

In this Schedule 5:

"**A**" means the monthly figure shown in the Index published for the Relevant Month in the year of the immediately preceding the 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 September which is at least 2 clear calendar months and no more than 14 clear 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).

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 6.7.

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.

5 Time

SCHEDULE 4 - EXCEPTIONS AND RESERVATIONS

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

1. easements rights and privileges over along and through the Premises equivalent to those set out in paragraphs 3, 4 and 5 of Schedule 3.
2. the right for the Landlord and its surveyors or agents with or without workmen and others at all reasonable times on notice (except in case of emergency) to enter the Premises for the purpose of carrying out its obligations under this Lease.

SCHEDULE 3 - EASEMENTS, RIGHTS AND PRIVILEGES

1. The benefit of the rights set out in paragraphs 1 to 9 (inclusive) of Schedule 2 of the Headlease subject to the rules and regulations that may be imposed from time to time by the Superior Landlord or such other person on the Superior Landlord's behalf.
2. The benefit of the right to use the Balcony pursuant to paragraph 10 of Schedule 2 of the Headlease
3. The right to subjacent and lateral support and to shelter and protection from the other parts of the Premises.
4. The free and uninterrupted passage and running of water, steam, soil, air, gas, electricity and telephone communications from and to the Premises through the Service Media which now are or may at any time during the Term be in, under or passing through the Landlord's Property or any part of it.
5. The right for the Leaseholder with workmen and others at all reasonable times on notice (except in the case of emergency) to enter upon other parts of the Landlord's Property:
 - 5.1 for the purpose of repairing, cleansing, maintaining or renewing any Service Media; or
 - 5.2 for the purpose of repairing, maintaining, renewing or rebuilding the Premises or any part of the Landlord's Property giving subjacent or lateral support shelter or protection to the Premises,

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

PROVIDED ALWAYS that none of the rights in this Schedule shall apply to or be exercised over any electricity substation site or sites included in the estate

SCHEDULE 2 - MUTUAL COVENANTS

1. Not to use the Premises nor permit the Premises to be used for:
 - 1.1 any purpose other than as a private residence in single family occupation by a Permitted Person only or
 - 1.2 any purpose from which a nuisance can arise to the owners, lessees or occupiers of the other premises in the Building or of the premises in the neighbourhood.
2. Not to do or permit to be done by any members of the Leaseholder's household or visitors any act or thing which may:
 - 2.1 render void or voidable any policy of insurance on the Building or may cause an increased premium to be payable;
 - 2.2 cause or permit to be caused nuisance, annoyance or disturbance to the owners lessees or occupiers of premises in the neighbourhood or visitors to the neighbourhood;
 - 2.3 result in any form of harassment or intimidation of any other person, including the Landlord's staff, contractors and agents; or
 - 2.4 result in the use of the Premises for any unlawful or immoral purpose.
3. Not to do or permit to be done anything which may cause obstruction in or interference with any of the Service Media or the CHP Conducting Media in the Building.

SCHEDULE 1 - THE PREMISES

1. The flat number 120 located on the second floor of the Building which is shown edged red on Plan 1
2. The Premises include:
 - 2.1 the inside and outside of the windows and other lights and the frames, glass, equipment and fittings relating to windows and lights of the Premises;
 - 2.2 the doors, door frames, equipment, fittings and any glass relating to the doors of the Premises;
 - 2.3 the internal plaster or other surfaces of load bearing walls and columns within the Premises and of walls which form boundaries of the Premises;
 - 2.4 non-load bearing walls completely within the Premises;
 - 2.5 the flooring, raised floors and floor screeds down to the joists or other structural parts supporting the flooring of the Premises;
 - 2.6 the plaster or other surfaces of the ceilings and false ceilings within the Premises and the voids between the ceilings and false ceilings;
 - 2.7 the Service Media and the Tenant's Internal Equipment within and exclusively serving the Premises; and
 - 2.8 appurtenances, fixtures, fittings and rights granted by this Lease,
and improvements and additions made to, and fixtures, fittings and appurtenances in, the Premises.
3. The Premises do not include:
 - 3.1 the load bearing framework and all other structural parts of the Building;
 - 3.2 the roof, foundations, joists and external walls of the Building; and
 - 3.3 Service Media and machinery and plant within (but not exclusively serving) the Premises,
 - 3.4 the CHP Conducting Media
 - 3.5 the Balcony.

with the said paragraph 4 of schedule 9 by reference to the Initial Market Value and the Minimum Rent.

12. NOTICES

For the purposes of Section 48 of the Landlord and Tenant Act 1987 the address at which any notices (including notices in any proceedings) may be served on the Landlord by the Leaseholder is (until the Leaseholder is notified to the contrary) as follows. A notice to be served under this Lease shall be served in writing and shall be properly served if served upon the Landlord at its registered office and/or upon the Leaseholder at the Premises and shall be deemed to have been made or delivered if left at such address or two days after being posted postage prepaid and by first class recorded delivery in an envelope addressed to them at such address.

13. 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.

14. 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.

15. CHARITY CLAUSE

The Premises are held by the Landlord as an exempt charity

Delivered as a deed on the date of this document.

including but not limited to adjustment (either upwards or downwards) according to the Landlord's estimates of the sinking fund requirements at that time.

- 9.4 Any dispute arising from the terms of this Clause 9 including determination of the open market value as mentioned above shall be referred at the joint expense of the parties to a surveyor (acting as an expert and not as arbitrator) agreed by the parties or in default of agreement appointed at the request of either party by the president for the time being of the Royal Institution of Chartered Surveyors and whose decision shall be final and binding on the parties. The determination by the surveyor of the open market value of the Premises shall be undertaken by applying the following assumptions:

- 9.4.1 that the Premises is being sold on the open market by a willing seller;
- 9.4.2 that the Premises is being sold on the terms set out in Clause 9.3;
- 9.4.3 that neither the Landlord or the Leaseholder or any other special purchaser is seeking to buy the Premises;
- 9.4.4 such other assumptions as the surveyor considers appropriate to assess the value that the Premises might be expected to realise if sold on the open market.

- 9.5 The Landlord declares that any payment received from a new leaseholder pursuant to this Clause 9 shall forthwith on and from the date of receipt be held as to the amount of such payment as may become due pursuant to Clause 7.1 of this Lease in trust absolutely for the person or persons so entitled to payment pursuant to that Clause and secondly as to the balance of such payment in trust for the Landlord absolutely.

10. OPTION TO PURCHASE

- 10.1 The Landlord shall have the option that within one month of receipt of a notice of determination sent in accordance with Clause 8.1 of this Lease, (including service of a notice by the Landlord in accordance with Clause 8.1.3, the Landlord may give notice to the Leaseholder that the Landlord may wish to purchase the Premises on the following basis:

- 10.1.1 The Landlord will complete the purchase on or before the expiry of the notice of determination;
- 10.1.2 The purchase price shall be determined in accordance with Clause 9.3 and 9.4 of this Lease.
- 10.1.3 The Landlord will deduct from the purchase price:

- (a) the deduction as set out in Clause 9.1.1, 9.1.2 and 9.1.4 of the Lease; and
- (b) 2.5% of the sum so calculated towards the Landlord's expenses

If and when a notice of determination is sent to the Landlord (or served by the Landlord in accordance with Clause 9.1.3 the Landlord shall have the option to purchase back the Premises from the Leaseholder. The purchase price is the same purchase price a new leaseholder would pay.

11. 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 but on the basis that a maximum share of 99% of the Premises can be acquired by the Leaseholder and the minimum rent payable is the Minimum Rent and that the Leaseholder intends stamp duty land tax to be charged in accordance

copy of the notice shall also where practicable be sent to any legal representative if we have been notified of the appointment of such representative.

- 8.2 In the event of determination of the Term hereby occurring in accordance with any provision of Clause 6.1 or Clause 8 of this Lease the Leaseholder (or in the event of their death their personal representatives) shall be entitled (subject to Clause 8.3) to payment of the sum at the time and calculated in accordance with the provisions of Clause 9 below.
- 8.3 If at the time of determination of the Term in accordance with Clause 6.1 or Clause 8 of this Lease the interest of the Leaseholder shall be subject to any charge or mortgage payment of the sum becoming due pursuant to Clause 8.2 shall be made to the chargee or mortgagee in priority to the Leaseholder or their personal representatives.

9. GRANT OF NEW LEASE

- 9.1 Following determination of the Term in accordance with Clause 6.1 or Clause 8 of this Lease and the vacation of the Premises the amount to be paid by the Landlord to the Leaseholder pursuant to Clause 8.2 and Clause 8.3 of this Lease shall be such sum as the Landlord has from a new leaseholder of the Premises which amount shall be paid in accordance with Clause 8.2 and Clause 8.3 of this Lease within two weeks of the receipt thereof from such new leaseholder subject to the following deductions:
- 9.1.1 Such rent as may be due and owing or but for the determination of this Lease would have been due to the Landlord until the date upon which such new leaseholder becomes liable therefore (Rent here means all sums reserved as rent and payable as rent under Clause 3.1 of this Lease).
- 9.1.2 Such sums as may be required to be expended by the Landlord in fulfilling any outstanding obligation under this Lease including but not limited to putting the Premises in good decorative order and repair.
- 9.1.3 1.5 per cent of the Market Value price if the Landlord has nominated a person to accept the grant of a new lease in accordance with Clause 9.2 of this Lease and that person has completed their purchase or 0.25 per cent of the Market Value price if the Landlord has not nominated the person who completes the purchase of the new lease of the Premises together with the Landlord's legal costs plus vat and disbursements and selling agents commission (if any).
- 9.1.4 Any amount the Leaseholder's Care Provider informs the Landlord in writing remains outstanding.
- 9.2 The new leaseholder shall be such Permitted Person as may be found by the Landlord within one month of determination in accordance with Clause 6.1 or Clause 8 of this Lease or service of notice determining this Lease or such person as may be introduced by the Leaseholder in the event that the Leaseholder does not find an Permitted Person within the period of one month of the determination in accordance with Clause 6.1 and Clause 8 of this Lease or service of notice determining this Lease and who shall satisfy the qualifying criteria for a lease in the scheme in accordance with the Landlord's eligibility rules for the time being for the assessment of such Permitted Person and is suitable for housing in the scheme in accordance with criteria established by the Landlord from time to time.
- 9.3 The new leaseholder shall covenant to pay to the Landlord an amount equal to the then open market value of the Premises as may be agreed between the parties within 2 months of the determination in accordance with Clause 6.1 of this Lease or the notice pursuant to Clause 8 of this Lease in default of agreement to be determined pursuant to Clause 9.4 of this Lease for a new lease of the Premises for a term of 125 years with vacant possession and upon the same terms (except the amount of the purchase price) as this Lease save for any modifications which the Landlord may consider necessary or desirable in the interests of good estate management and/or for the furtherance of the interests of the residents of the scheme

- 7.3.2 the Mortgagee has obtained the Landlord's consent to the terms of each and every Loan; and
- 7.3.3 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 7.3.3 the onus of proof is on the Landlord to show the sale was at an undervalue; and
- 7.3.4 the Leaseholder has not, prior to any default occurring under the Loan, accomplished Final Staircasing.
- 7.4 When applying for the Landlord's consent under Clause 7.3.2 the Mortgagee must provide full details of the terms of the proposed Loan. The Landlord must respond promptly to any request for consent and give its decision within 28 days. If such consent is given it must be given in writing, and must be retained by the Mortgagee. In addition such consent shall be deemed to be given in the event that the Landlord receives any amounts advanced by the Mortgagee which are applied in protecting, preserving or enforcing its security over this Lease (including any amounts advanced by the Mortgagee and applied in discharging any arrears of rent service charge or other payments due under this Lease).
- 7.5 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.
- 7.6 The Leaseholder hereby authorises:
 - 7.6.1 the Landlord to disclose to any Mortgagee of the Leaseholder from time to time personal information relating to the Leaseholder or to the provisions of this Lease (including details of any rent or service charge arrears); and
 - 7.6.2 any Mortgagee from time to time of the Leaseholder to disclose to the Landlord such information as the Landlord may request regarding the Leaseholder and the Loan (including details of any arrears).

8. DETERMINATION

- 8.1 The Term granted by this Lease may be determined either:
 - 8.1.1 By the Leaseholder at any time on giving to the Landlord three month's notice in writing or
 - 8.1.2 In the event that the Leaseholder (and if two persons either person) in the Landlord's reasonable opinion becomes incapable of managing their own affairs or if their affairs shall be made subject to the jurisdiction of the Court of Protection by the Landlord giving to the Leaseholder three month's notice in writing PROVIDED THAT if two persons constitute the Leaseholder the one who is capable of managing his or her own affairs may give a counter notice within one month of the Landlord's notice of the Leaseholder's wish to continue this Lease and so long as the person giving the counter notice continues to reside in the Premises the operation of the Landlord's notice pursuant to this paragraph shall be suspended. The Landlord has the right to terminate this Lease if the Leaseholder becomes incapacitated such that it is ceases to be reasonably practicable for the Landlord and any support providers to care for the Leaseholder in the Premises. If two persons constitute the Leaseholder and that second person is not incapacitated that person can suspend the Landlord's notice if within one month of the notice, that second person issues a notice stating that they wish to continue with the Lease.
 - 8.1.3 At any time after the death of the Leaseholder (and if two persons the death of the survivor of them) by the Landlord or the Leaseholders legal representatives giving one month's written notice PROVIDED THAT in the case of notice by the Landlord a

6.7.2 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.

6.7.3 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.

6.7.4 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.

6.7.5 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.

6.7.6 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.

6.7.7 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 6.7.2.

6.7.8 The determination of the independent expert, except in case of manifest error, is to be binding on the Landlord and the Leaseholder.

7. MORTGAGE PROTECTION

7.1 If a Mortgagee enforces its security in respect of the Loan then (subject to the other provisions of this Clause 7) 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.

7.2 The deduction under Clause 7.1 is conditional upon the Mortgagee agreeing simultaneously with the deduction under Clause 7.1 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.

7.3 A claim may only be made to the extent:

- 7.3.1 the Mortgagee has made a Loss; and

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 Party walls

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

6.5 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 Superior 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.

6.6 Frustration Clause

6.6.1 Subject to Clause 6.6.2, in the event of the repair, rebuilding or reinstatement of the Premises being frustrated by any reason beyond the control of the Landlord or the Superior 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.

6.6.2 If at the time of such frustration (i) there is any Loan outstanding to a Mortgagee of the Premises and (ii) the Acquired Percentage is less than the Maximum Percentage then the consideration for such surrender shall be the amount referred to in Clause 6.6.1 plus the Mortgage Protection Claim (calculated on the basis that paragraph (h) in the definition of "Loss" in Schedule 9 is the amount referred to in Clause 6.6.1).

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

6.7 Expert determination

6.7.1 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 6.7 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.

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.

5.7 Assignment Obligations

That the Landlord will promptly in response to a request from the Leaseholder in respect of a disposal of the Premises provide a certificate confirming (where applicable) that either the provisions of Clause 3.19 have been complied or in the case of any disposal to which Clause 3.19 are not applicable that the provision does not apply.

5.8 Headlease Obligations

The Landlord will observe and perform all the covenants and obligations on the part of the lessee contained in the Headlease and discharge all payments due to the Superior Landlord contained therein insofar as the same do not fall to be observed, performed or paid by the Leaseholder pursuant to the terms of this lease

6. PROVISOS

The parties agree the following provisos:

6.1 Proviso for re-entry

6.1.1 This Clause 6.1 shall apply where:

- (a) the Specified Rent shall be unpaid for 21 days after becoming payable (whether formally demanded or not); or
- (b) if any covenant on the part of the Leaseholder shall not be performed or observed

6.1.2 Subject to the Landlord obtaining any court order required the Landlord may at any time re-enter the Premises or any part of them and terminate this Lease.

6.1.3 Clause 6.1.2 does not affect any right of action or remedy of the Landlord in respect of any earlier breach of any of the Leaseholder's covenants or the conditions contained in this Lease provided that (without prejudice to the Landlord's rights under this Lease):

- (a) The Landlord shall give notice to the Mortgagee or any mortgagee of the Leaseholder of whom the Landlord has received notice pursuant to Clause 3.19 (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

4. LEASEHOLDER'S FURTHER COVENANTS

The Leaseholder covenants with the Landlord and with and for the benefit of the Superior Landlord the tenants and occupiers from time to time of the other premises in the Building as follows:

4.1 Observe covenants

To observe the covenants set out in Schedule 2.

4.2 Comply with Regulations

To comply with such reasonable regulations as the Landlord and the Superior Landlord may make from time to time relating to the orderly and proper use of the Common Parts the Communal Facilities and security of the Building or the comfort or conveniences of the tenants of the Building or the efficient or economical performance by the Superior Landlord of its obligations under the Headlease

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

To procure the insurance of the Building by the Superior Landlord pursuant to 4.2 of the Headlease.

5.3 Superior Landlord's Services

5.3.1 To procure the performance by the Superior Landlord of the services set out in Clause 4.3, 4.4 and 4.6 of the Headlease

5.3.2 Neither the Landlord nor the Superior Landlord shall be responsible for any medical support or other care and the Leaseholder covenants with the Landlord that the Leaseholder will at their own expense make their own arrangements for all such attention and care as may be necessary through a Care Contract in accordance with the terms of Clause 3.30

5.4 Lettings of other flats

That every lease or tenancy of any flat comprised within the Landlord's Property 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 and shall be substantially in the same form as this Lease.

5.5 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 Shared Ownership Apartments so far as they affect the Premises provided that the Leaseholder indemnifies the Landlord against all costs and expenses of such enforcement.

5.6 Cesser of Liability in respect of covenants

entrance doors of the Premises shut when not in use and furthermore not to smoke or permit smoking at any time on any part of the Common Parts of the Building

3.26 Deposits in bin area

Not to deposit or permit to be deposited any large item in the bin area and only to deposit in the bin area items that can be contained within a fifty litre bin liner

3.27 Anti Social Behaviour

Not to carry out or permit to be carried out any activity in the Building that in the opinion of the Landlord (whose decision shall be final as to questions of fact) constitutes anti social behaviour

3.28 External Aerials

Not to erect any external aerial or other means of receiving satellite signals on any part of the Building or the Premises

3.29 Obligation to vacate Premises temporarily

To vacate the Premises if the Superior Landlord needs to carry out works to the Building which in the reasonable opinion of the Superior Landlord cannot be carried out without substantial additional cost or inconvenience without the Leaseholder vacating the Premises

3.30 Support

If the Leaseholder has been assessed and required to enter into a Care Contract;

- 3.30.1 at the time the Lease is entered into the Leaseholder will also enter into a Care Contract with a Care Provider on the basis that the Care Provider will provide support as set out in that Care Contract;
- 3.30.2 to seek from the Care Provider a regular assessment of the Care Contract to ensure that the Leaseholder continues to reside at the Premises in accordance with the terms of this Lease;
- 3.30.3 in the event that the Leaseholder requires an amendment to the Care Contract, to discuss this with and seek a variation to the Care Contract with the Care Provider as soon as reasonably practicable and to use all reasonable endeavours to agree with the Care Provider a revised Care Contract as soon as reasonably practicable;
- 3.30.4 upon written request by the Landlord to provide to the Landlord with written evidence of compliance with the provisions of this Clause 3.30; and
- 3.30.5 the Care Contract shall be fundamental to the Leaseholder's occupation of the Premises and any breach by the Leaseholder of the Care Contract will be considered by the Landlord to be a breach of this Lease.

3.31 Balcony

Not to dry washing nor add to or alter nor affix anything to any balustrading comprised within the Balcony.

Premises the procedure set out in sub-clause 3.19.1 and this clause shall be repeated

3.19.3 The Leaseholder may only assign the Premises at a price no greater than a sum equal to a percentage (equal to the Initial Percentage plus any Portioned Percentage or Percentages purchased pursuant to Schedule 6) of the Market Value of the Premises as defined in the Schedule 9 as at a date no more than twelve weeks prior to the date of exchange of contracts for the assignment and for the purposes of this clause the Market Value shall be assessed by the Valuer and evidenced by a certificate in writing in such form as may be approved from time to time by the Homes and Communities Agency which shall be sent to the Landlord with the details of the assignment pursuant to Clause 3.20

3.19.4 In the case of an assignment by the executor or administrator of a deceased Leaseholder not to assign the whole or any part of the Premises except in accordance with sub-clauses 3.19.1 to 3.19.3

3.19.5 To pay to the Landlord on the completion of any subsequent sale a sum up to a maximum of two and one-half per cent of the sale price of the Premises for considering such approval including vetting suitable successors making enquiries approving or rejecting any applicants pursuant to the provisions of Clauses 3.19.1 to 3.19.4 above

3.20 Register disposals

Within one month of any assignment, underletting, mortgage, charge or other dealing with the Leaseholder's interest in the Premises to give notice of it together with a certified copy of the document effecting the assignment, mortgage, charge, or devolution to the Landlord and to pay a reasonable fee to the Landlord for the registration of the notice.

3.21 Prevent loss of easements

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

3.22 Hanging of Washing

Not to hang washing outside the Premises and in particular not to erect a rotary or other washing line on the Common Parts

3.23 Keeping of Pets

Not to keep any pets or domestic animals in the Premises save with the express written permission of the Landlord which the Landlord may rescind at its absolute discretion

3.24 Parking of Vehicles

Not to park any commercial vehicle or caravan on any part of the Development and only to use the Car Parking Spaces the Electric Car Parking Space or the Disabled Parking Spaces (as the same terms are defined in Clause 1.1 of the Headlease) for parking of a fully taxed and roadworthy private car not exceeding three tonnes gross laden weight and not to use the cycle area (if any) except for the parking of a pedal bike

3.25 Not to Obstruct

Not to obstruct or permit to be obstructed at any time any accessway roadway entrances stairways corridors or any opening whatsoever nature in the Building and to keep the

At the termination of this Lease to quietly yield up the Premises repaired, maintained, cleaned, decorated and kept in accordance with the covenants in this Lease (except in respect of damage by risks insured under Clause 4.2 of the Headlease unless the insurance money is irrecoverable by reason of any act or default of the Leaseholder).

3.16 Use

- 3.16.1 Not to use the Premises for anything other than as a private residence in single family occupation.
- 3.16.2 Not to use the Balcony otherwise than subject to the rules and regulations of the Landlord or the Superior Landlord.

3.17 Restrictions on use

Not to do any act or thing which may:

- 3.17.1 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;
- 3.17.2 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;
- 3.17.3 result in any form of harassment or intimidation of any other person, including the Landlord and the Superior Landlord's staff, contractors and agents; or
- 3.17.4 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, but without prejudice to the right to determine this lease in accordance with Clause 9.
- 3.18.3 Not to assign or part with possession of the whole of the Premises otherwise than as permitted by the Planning Consent and pursuant to the provisions of Clause 3.19.

3.19 Assignment Provisions

- 3.19.1 If the Leaseholder wishes to assign the whole of the Premises he shall first serve twenty-one days written notice on the Landlord and within twenty-one days of service the Landlord may serve written notice on the Leaseholder nominating a Permitted Person to take an assignment of the whole of the Premises in which case the provisions of Schedule 7 will apply.
- 3.19.2 If the Landlord does not serve a notice within the twenty-one day period specified in Clause 3.19.1 (as to which time shall be of the essence) the Leaseholder may assign the whole of the Premises to a Permitted Person who is in the opinion of the Landlord (whose opinion shall be final) in need of subsidized sheltered housing and who is suitable for extra care housing in accordance with the criteria established by the Landlord and set out in Schedule 8 subject first to the provisions of Clauses 3.19.3 and 3.19.4 and secondly to exchange of contracts (or completion where there is no prior exchange of contracts) for the assignment taking place within twelve months of service of the Leaseholder's notice pursuant to Clause 3.19.1 provided that if no exchange of contracts is effected within twelve months from the date of the Leaseholders notice and the Leaseholder wishes to assign the whole of the

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:

- 3.11.1 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
- 3.11.2 otherwise incurred by the Landlord in respect of any breach of covenant by the Leaseholder under this Lease.

3.12 Obtain consents

To obtain all licences, permissions and consents and do all works and things and pay all expenses required or imposed by any existing or future legislation in respect of any works carried out by the Leaseholder on the Premises or any part of the Premises or in respect of any use of the Premises during the Term.

3.13 Right of inspection and right of repair

- 3.13.1 To permit the Landlord and the Superior Landlord and their 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 or the Superior Landlord, to execute to the reasonable satisfaction of the Landlord or the Landlord's surveyor or the Superior Landlord or its 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

- 3.14.1 At all reasonable times during the Term on notice to permit the Landlord the Superior Landlord and the lessees of other premises in the Building with workmen and others to enter the Premises for the purpose of repairing any adjoining or neighbouring premises and for the purpose of repairing, maintaining and replacing all Service Media or other conveniences belonging to or serving the same, the party so entering making good any damage caused to the Premises.
- 3.14.2 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.

3.15 Yield up

3.4.2 Forthwith to give notice to the Landlord and the Superior Landlord of any defect or want of repair in respect of the Common Parts

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 and the Superior 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 carpet to the floors of the Premises provided that such other suitable floor covering may be laid to the kitchen and bathroom and when such coverings are being installed the Leaseholder shall be mindful of the location of underfloor heating pipes/cables

3.7 Repair damage to Common Parts or the Communal Facilities

In respect of any damage or disrepair to the Common Parts or the Communal Facilities caused or contributed to by any act, neglect or default of the Leaseholder or the Leaseholder's family, servants or licensees or by any other person under the control of the Leaseholder, at the option of the Landlord, the Leaseholder will on demand indemnify the Landlord in respect of all costs, charges and expenses incurred the Landlord or the Superior Landlord in repairing, making good, renewing and/or reinstating such damage or disrepair.

3.8 Not to alter

3.8.1 Not to:

- (a) make any alterations or additions to the exterior of the Premises;
- (b) make any structural alterations or structural additions to the interior of the Premises;
- (c) erect any new buildings on the Premises;
- (d) in any way interfere with the outside of the Building; or
- (e) remove any of the Superior 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) or the Superior Landlord in accordance with Clause 3.6.2 of the Headlease

3.8.3 Not to erect any aerials, satellite dishes or similar telecommunications transmission or reception apparatus on the Premises

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 to execute or do any works which fall within the scope of Clause 4.3 of the Headlease which are the responsibility of the Superior Landlord.

3.10 Provide copies of notices

- 1.12 Where the Leaseholder is more than one person the covenants on the part of the Leaseholder shall be joint and several covenants

2. THE LETTING TERMS

In consideration of the Premium (receipt of which the Landlord acknowledges), the Specified Rent the Ground Rent (where the Leaseholder acquires or staircases to the Maximum Percentage) and the Leaseholder's covenants in this Lease the Landlord lets the Premises to the Leaseholder:

- 2.1 together with the rights set out in Schedule 3; but
- 2.2 subject to the provisions set out in Clauses 8 and 9 and Schedule 6; and
- 2.3 except and reserved to the Landlord the rights set out in Schedule 4;
- 2.4 for the Term,

the Leaseholder paying during the Term the Specified Rent (subject to revision under Schedule 5) and (where the Leaseholder acquires or staircases to the Maximum Percentage) the Ground Rent by equal monthly payments in advance on the first day of each month, the first payment to be made on the date of this Lease.

3. LEASEHOLDER'S COVENANTS

The Leaseholder covenants with the Landlord as follows:

3.1 Pay rent

To pay the Specified Rent and the Ground Rent at the times and in the manner mentioned in Clause 2 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 refund to the Landlord on demand all sums incurred by the Landlord (in so far as they relate to the Premises) pursuant to Clauses 3.3.1 to 3.3.5 (inclusive) of the Headlease
- 3.3.2 To reimburse the Landlord on demand the sums incurred by the Landlord (in so far as they relate to the Premises) pursuant to Clauses 3.11.4 and 6.1 of the Headlease; and
- 3.3.3 To reimburse the Landlord in respect of any costs charges or expenses payable by the Landlord to the Superior Landlord in respect of the Premises pursuant to Clause 3.16 of the Headlease where such costs charges or expenses are as a result of the neglect or default of the Leaseholder.

3.4 Repair

- 3.4.1 To repair and keep the Premises in good and substantial repair and condition (except in respect of damage by risks insured under Clause 4.2 of the Headlease) unless the insurance money is irrecoverable by reason of any act or default of the Leaseholder

DATE

PARTIES

- (1) **ORBIT GROUP LIMITED** (Exempt Charity) whose registered office is Garden Court Harry Weston Road Binley Business Park Binley Coventry CV3 2SU (registered with the Homes and Communities Agency under number L4123 and under the Co-operative and Community Benefit Societies Act 2014 with number 28503R) (the "**Landlord**")
- (2) [REDACTED] of [REDACTED]
(the "**Leaseholder**")

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Lease the terms defined in the Particulars and in Schedule 9 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:
 - 1.7.1 to defined terms are references to the relevant defined term in the Particulars and Schedule 9;
 - 1.7.2 to numbered Clauses and Schedules are references to the relevant Clause in, or Schedule to, this Lease; and
 - 1.7.3 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.

PARTICULARS

Commencement Date	4 August 2014
Gross Rent	£9,204.00 per annum, subject to review in accordance with Schedule 5.
Initial Market Value	The sum of £229,995.00.
Initial Percentage	99%
Maximum Percentage	99%
Review Date	1 st April 2015 and each successive 1 st April during the Term and the term the " Relevant Review Date " shall be construed accordingly.
Specified Rent	A sum equal to the Unacquired Percentage of the Gross Rent (the Specified Rent on the date of this Lease being £92.04 per annum) or (if greater) the Minimum Rent.
Ground Rent	Initially £150.00 per annum payable when the Leaseholder acquires or staircases to the Maximum Percentage and which shall be doubled on each and every fifteenth anniversary of the Term commencing from the date the Maximum Percentage has been acquired

	Property, or to acquire an interest in other land None
	LR9.2 Tenant's covenant to (or offer to) surrender this lease As specified in Clauses 6.6 and Schedule 7 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 LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property As specified in Schedule 4.
LR12. Estate rentcharge burdening the Property	None
LR13. Application for standard form of restriction	The Parties to this lease apply to enter the following standard form of restriction against the title of the Property "No disposition of the registered estate (other than a charge) by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the date 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 WK474393 or their conveyancer that the provisions of Clause 3.19 of the registered lease has been complied with or do not apply to the disposition"



Director

Company Secretary



Proposed Development for Independent Living

DRAWING TITLE

LEASE PLAN
Second Floor
Flat 120

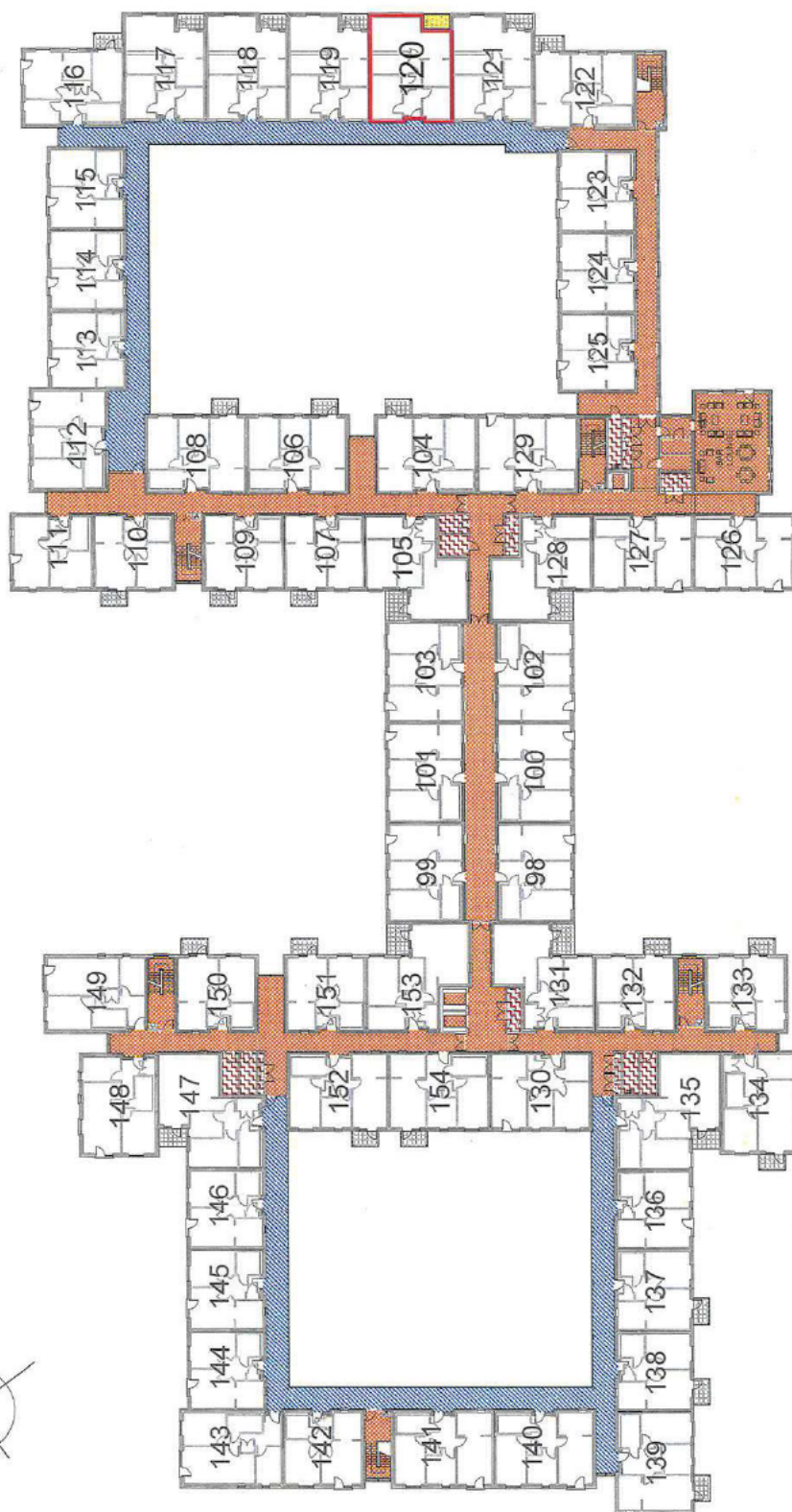
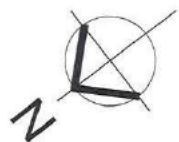
STATUS FINAL

SCALE 1:500

DATE 13 03 14

0770 4

REG. NO. 2118-1

JOINT
ACCESSAMENITY
AREASCOMMON
FOOTWAYPARKING
ACCESS

STAFF & ANCILLARIES



PATIO/BALCONY



EXECUTION PAGE - ORIGINAL

Executed as a deed by affixing the
common seal of Orbit Group Limited
(Exempt Charity) in the presence of

)
)
)

Director

Secretary



EXECUTION PAGE - COUNTERPART

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 20 on the payment of £(●) (the "Premium") being (●) % of the Market Value of the Premises as assessed by the Valuer on the 20 the Leaseholder purchased a Portioned Percentage of (●)%.

The total share in the Premises now owned by the Leaseholder is (●)%

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

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

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 (up to the Maximum Percentage) at the market value of those shares at the time of purchase. 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

As the lease is based on restricted staircasing the property will never be owned outright by the Leaseholder. The Leaseholder will therefore always be subject to all of the provisions of the Lease, including the payment of the service charge and the assignment provisions as indicated.

In addition to this, the lease also contains other 'standard' obligations on the Leaseholder. For example, the Leaseholder will:

- 2.1 if applicable, need to contribute towards the costs incurred by the Landlord in providing services (sometimes known as service charges);
- 2.2 need to seek the Landlord's consent before making certain alterations; and
- 2.3 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 PREMISES

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:

- 4.1 Assignment

If the Leaseholder assigns or transfers the lease the consent of the Landlord must be obtained. The Lease provides that the Leaseholder must firstly contact the Landlord (in writing) to advise of the intention to sell the property. The Landlord will then write to the Leaseholder setting out the procedure for finding a subsequent buyer for the property. The letter will normally advise the Leaseholder about obtaining a valuation and will confirm whether or not the Landlord or the local authority wish to nominate a buyer. It will also inform the Leaseholder about costs which will be incurred including fees payable for the nomination of the buyer. Where no buyer is identified by either the local authority or the landlord then the leaseholder can place the property on the market with an estate agent of their choice. Prospective purchasers will need to meet the court manager before the sale can proceed to ensure that they comply with the criteria for buyers as set out in the lease. The meeting will also allow the court manager to advise the buyer about the scheme so they are fully aware of their rights and obligations as leaseholder under the terms of the lease

4.2 Sub-letting

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

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

With a view to ensuring that the property remains in the ownership of people aged 55 years or over in need of shared ownership units, there are restrictions on the assignment and subletting of the Premises.

The Lease in addition makes further provision that if the Premises are assigned as a result of the divorce or death of the Leaseholder.

6. **MORTGAGEE PROTECTION PROVISIONS**

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

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

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

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

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

8. VARIATIONS TO THE STANDARD FORM LEASE

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

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

None except that the buyer should note that the scheme is a restricted shared ownership (maximum 99%) scheme for those people aged 55 years or over and therefore the buyer can never acquire more than 99% of the open market value of the Premises

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.

