

19 March 2019

Error! No bookmark name given.

Lease of land for the construction and sale of residential units  
on land at Land at 60-66 Arbutnot Lane, Bexley, DA5 1HD

**Dated**

**Transport for London**

(Landlord)

**{\*\*Party name 2\*\*}**

(Tenant)

**{\*\*Party name 3\*\*}**

(Surety)

**{\*\*Party name 4\*\*}**

(**{\*\*Party role\*\*}**)

# Contents

<b>1</b>	<b>Definitions</b>	<b>5</b>
<b>2</b>	<b>Interpretation</b>	<b>14</b>
<b>3</b>	<b>Demise and price</b>	<b>14</b>
<b>4</b>	<b>Transfer of Common Areas</b>	<b>15</b>
<b>5</b>	<b>Transfer etc of Common Services and Highways</b>	<b>15</b>
<b>6</b>	<b>General Provisions Relating To Transfers</b>	<b>15</b>
<b>7</b>	<b>Tenant's covenants</b>	<b>15</b>
<b>8</b>	<b>Landlord's Covenants</b>	<b>21</b>
<b>9</b>	<b>Commencement Date Extension</b>	<b>22</b>
<b>10</b>	<b>Commencement Period Termination</b>	<b>22</b>
<b>11</b>	<b>Forfeiture</b>	<b>23</b>
<b>12</b>	<b>Landlord's Rights of Re-Entry</b>	<b>24</b>
<b>13</b>	<b>Landlord's Put Option</b>	<b>26</b>
<b>14</b>	<b>Disputes</b>	<b>26</b>
<b>15</b>	<b>Notices etc</b>	<b>27</b>
<b>16</b>	<b>The Landlord's Powers and Liability</b>	<b>27</b>
<b>17</b>	<b>VAT</b>	<b>28</b>
<b>18</b>	<b>Acknowledgment</b>	<b>28</b>
<b>19</b>	<b>Surety Covenants</b>	<b>28</b>
<b>20</b>	<b>Overage</b>	<b>28</b>
<b>21</b>	<b>Miscellaneous</b>	<b>28</b>
	<b>Schedule 1 – Grants and Reservations</b>	<b>30</b>
	<b>Schedule 2 - Covenants by Surety</b>	<b>32</b>
	<b>Schedule 3 - Put Option</b>	<b>34</b>
	<b>Schedule 4 - Overage Provisions</b>	<b>37</b>
	<b>Annex 1 - Land - Plan A</b>	<b>43</b>
	<b>Annex 2 - Planning Permission</b>	<b>44</b>
	<b>Annex 3 – [Adjoining Land - Plan B]</b>	<b>45</b>

## **Lease**

### **LR1. Date of lease**

### **LR2. Title number(s)**

#### **LR2.1 Landlord's title number(s)**

SGL14405, SGL20491, SGL23944 and SGL45522

#### **LR2.2 Other title numbers**

None.

### **LR3. Parties to the Lease**

#### **Landlord**

Transport for London (**Landlord**) of 55 Broadway, London SW1H 0BD

#### **Tenant**

*[Details of relevant party to be inserted]* (**Tenant**) [of/Company Registration Number *[Details to be inserted]*] whose registered office is *[Details to be inserted]*

#### **Other parties**

*[Details of relevant party to be inserted]* (**Surety**) [of/Company Registration Number *[Details to be inserted]*] whose registered office is at *[Details to be inserted]*

### **LR4. Property**

In the case of a conflict between this clause and the remainder of the Lease then, for the purposes of registration, this clause shall prevail.

The land demised by the Lease is known as land at Arbutnot Lane, Bexley, defined as the **Land** in Clause 1 and more fully described in that definition.

### **LR5. Prescribed statements etc.**

[None.]

**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.**

[None.]

#### **LR5.2 The Lease is made under, or by reference to, provisions of:**

[Leasehold Reform Act 1967]

[Housing Act 1985]

[Housing Act 1988]

[Housing Act 1996]

**LR6. Term for which the Property is leased**

The term as specified in the Lease at Clause 1.1.

**LR7. Premium**

*[Insert amount in words] (£[Insert amount in numbers] [plus VAT of [Insert amount in words] (£[Insert amount in numbers] [Subject to adjustment under Clause 6.3 of Agreement for Lease].]*

**LR8. Prohibitions or restrictions on disposing of the Lease**

The Lease contains a provision that prohibits or restricts dispositions.

**LR9. Rights of acquisition etc.**

**LR9.1 Tenant's contractual rights to renew the Lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land**

None.

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

None.

**LR9.3 Landlord's contractual rights to acquire the Lease**

None.

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

None.

**LR11. Easements**

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

[None.] [See [Schedule 1 Part1].]

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

[None.] [See [Schedule 1 Part 2].]

**LR12. Estate rent charge burdening the Property**

None.

**LR13. Application for standard form of restriction**

*If more than one standard form of restriction is required, then use this clause to apply for each of them, repeating the introductory words below for each restriction.*

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

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without a certificate signed by [*Landlord's name and address details to be inserted*] or its conveyancers that the provisions of Clause 7.7 of the Lease dated [*insert date of Lease*] made between (1) [*insert Landlord name*] [and] (2) [*insert Tenant name*] ) [and (3) [*insert Surety name*]] in respect of Land known as [*insert property address*] have been complied with or that they do not apply to the disposition (Form N)".

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

"No disposition of the registered estate 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 [*Landlord's name and address details to be inserted*] or its conveyancers that the provisions of Schedule [4] paragraph [7.1] of the Lease dated [*insert date of Lease*] made between (1) [*insert Landlord name*] and (2) [*insert Tenant name*] ) [and (3) [*insert Surety name*]] in respect of Land known as [*insert property address*] have been complied with or that they do not apply to the disposition."

#### **LR14. Declaration of trust where there is more than one person comprising the Tenant**

*Clause LR14 may be deleted in its entirety if it is not relevant.*

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

OR

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

OR

[The Tenant is more than one person. They are to hold the Property on trust (*insert here details of the trust*).]

OR

[Not applicable.]

## Lease

### Dated

### Between

- (1) Transport for London (the **Landlord**) (referred to in Clause LR3 as the Landlord) of 55 Broadway, London, SW1H 0BD; [and]
- (2) *[Details of relevant party to be inserted]* (the **Tenant**) (referred to in Clause LR3 as the Tenant) (Company Registration Number *[Details to be inserted]*) whose registered office is at *[Details to be inserted]*;;and]
- (3) *[Details of relevant party to be inserted]* (the **Surety**) (referred to in Clause LR3 as the Surety) (Company Registration Number *[Details to be inserted]*) whose registered office is at *[Details to be inserted].]*

### It is agreed:

#### 1 Definitions

- 1.1 In the Lease the following definitions apply:

**1954 Act** means the Landlord and Tenant Act 1954.

**1995 Act** means the Landlord and Tenant (Covenants) Act 1995.

**[Adjoining Land]** means the land belonging to the Landlord which, together with the Development, is known as *[Details to be inserted]* and is shown edged *[Details to be inserted]* on the plan annexed hereto at Annex 3 marked **Plan B.]**.

**Affordable Dwelling** means [means any [Affordable Rented Units or Intermediate Units] as permitted by and described in the Planning Permission.

**Affordable Rented Units** means any units designated as London Affordable Rent.

**Agreement for Lease** means the agreement dated *[Details to be inserted]* made between the Landlord (1) [and] the Tenant (2) [and the Surety (3)] under which the Lease has been granted and any document supplemental to it or entered into pursuant to its terms.

**Breach Termination Notice** means a written notice served by the Landlord on the Tenant (copied to the Permitted Chargee) in the circumstances set out in Clause 11.1(b) referring to that Clause and the initial notice of breach and stating that failure to respond within 20 Working Days could lead to the Termination of the Lease, (such notice to follow failure by the Tenant to remedy a material breach within the period stated in the initial notice of a breach, non-performance or non-observance given to it by the Landlord in accordance with Clause 11.1(b)).

**[CLT** means Community Land Trust being (as provided in Section 79 Housing Act 2008) a corporate body which:

- (a) Is established for the express purpose of furthering the social, economic and environmental interests of a local community by acquiring and managing land and other assets in order:
  - (i) to provide a benefit to the local community;
  - (ii) to ensure that the assets are not sold or developed except in a manner which the member's think benefits the local community; and
- (b) Is established under arrangements which are expressly designed to ensure that:
  - (i) any profits from its activities will be used to benefit the local community (otherwise than by being paid directly to members);
  - (ii) individuals who live or work in the specified area have the opportunity to become members of the trust (whether or not others can also become members);
  - (iii) the members of a trust control it

[and (where the corporate body is being established) where the articles of association or rules of the corporate body have been approved by the Landlord (such approval not to be unreasonably withheld or delayed)]]

**Commencement Date** means the date which is [Insert relevant date ] months from the date of the Lease subject to the provisions of Clause [9].

**Common Areas** means:

- (a) those parts of the Land not included in any Dwelling;
- (b) [those highways and Common Services not intended to be adopted as maintainable at public expense;
- (c) Open Space Land not intended to be transferred to the Council].

**Common Services** means sewers, drains, channels, pipes, watercourses, gutters, wires, cables, pillars, turrets, amplifiers, poles, soakaways and any other apparatus for the supply, transmission or distribution of water, gas, electricity or telephone, radio or television signals or for the disposal of soil, foul water, rainwater or surface water, which are not to be adopted as maintainable at public expense.

**Community Infrastructure Levy** means the charge known by that name, as provided for in the Planning Act 2008 and any charge, levy, tax or imposition substituted for it and including related interest, penalties, liabilities, surcharges and costs of compliance.

**Compensation Sum** means the amount calculated as the Price reduced by [any payments provided for in Clause **Error! Reference source not found.** which have not yet been paid] together with any costs properly payable to the Landlord pursuant to Clause 7.11.

**Council** means the London Borough of Bexley.

**Development** means the erection and completion on the Land of all buildings, erections, structures, highways, drainage, infrastructure and other works in accordance with the Planning Permission.

**Dispute** means and includes any difference or dispute between the Landlord and the Tenant arising out of or in connection with the Lease or between the Landlord and the Permitted Chargee in relation to Clause 12.2 which the Landlord and the Tenant (or the Permitted Chargee as the case may be) have been unable to resolve between them prior to referring the matter for resolution in accordance with the provisions of this Clause 14 and shall include any question as to the validity or interpretation of the Lease and any dispute arising before or after Termination of the Lease.

**Dwelling** means any house, bungalow, flat, maisonette or other single unit of residential accommodation constructed on the Land together with any land forming its curtilage.

**Enactment** means statute, statutory instrument, statutory guidance, treaty, regulation, directive, byelaw, code of practice, guidance note, circular, common law and any notice, order, direction or requirement given or made pursuant to any of them for the time being in force.

**Environment** means all or any of the following media, alone or in combination: the air (including the air within buildings and the air within any other natural or man-made structures above or below ground), water (including water under or within land or in pipes or sewerage systems), soil, land and any ecological systems and living organisms supported by those media and buildings.

**Environmental Law** means all European Community, national and local statutes, and the common law, from time to time in force concerning:

- (a) pollution of, damage to or protection of the Environment or health and safety and/or the provision of remedies in respect of or compensation for damage or harm to the Environment or to health and safety and/or
- (b) emissions, discharges, releases or escapes into the Environment or the presence in the Environment of Hazardous Substances or the production, processing, management, treatment, storage, transport, handling or disposal of Hazardous Substances
- (c) and any bylaws, regulations or subordinate legislation, judgments, decisions, notices, orders, circulars, codes of practice and permits from time to time issued or made thereunder having force of law.

**Force Majeure** means any event or series of events of a similar nature to those set out below which is beyond the reasonable control of the Tenant or any person for which the Tenant is responsible including war or other hostilities, government restrictions, terrorism, sabotage, vandalism, riot or other civil commotion, political crisis, labour disputes, strikes, lockout, work stoppages or slowdowns, accidents, death of any person, flood, storm, earthquakes or other acts of God but excluding any such disputes, strikes, lockouts, stoppages or slowdowns affecting only the workforce of Tenant and its principal contractor (if any) or any person for which it is responsible and shall include delays in the commissioning of services and delays in obtaining discharge of planning conditions or obtaining any Requisite Consents (where these do not result from delays or failures to progress on the part of the Tenant and the Tenant can demonstrate that it has used all reasonable endeavours to obtain them).



**Full Occupancy Date** means the first date upon which all Dwellings upon the Land are occupied for residential purposes or occupied for commercial purposes or non-residential purposes.

**Group** means in relation to an undertaking, that undertaking, any subsidiary undertaking or parent undertaking of that undertaking, any other subsidiary undertaking of any parent undertaking of that undertaking (as each such term is defined in section 1161 or section 1162 (as applicable) of the Companies Act 2006).

**Hazardous Substances** means any wastes, pollutants, contaminants and any other natural or artificial substance, including, for the avoidance of doubt, radioactive material (in each case whether in the form of a solid, liquid, gas or vapour, and whether alone or in combination) which is capable of causing harm or damage to the Environment or to the health and safety of persons.

**Implementation** means the carrying out of a material operation (as defined in section 56 of the Town and Country Planning Act 1990) to implement the Planning Permission but disregarding any of the following operations which may be carried out on the Land:

- (a) demolition works;
- (b) site clearance;
- (c) ground investigations;
- (d) site survey works;
- (e) temporary access construction works;
- (f) archaeological investigation; and
- (g) erection of any fences and hoardings.

**Insolvency Event** means that the Tenant [or Surety]:

- (a) is the subject of an interim order under the Insolvency Act 1986;
- (b) has made any arrangement or composition for the benefit of its creditors which has not been discharged;
- (c) goes into liquidation whether voluntary or compulsory (save for the purpose of reconstruction or amalgamation without insolvency);
- (d) is, or is deemed for the purposes of section 123 of the Insolvency Act 1986 to be, unable to pay its debts as they fall due or admits inability to pay its debts as they fall due;
- (e) suffers the enforcement of any security over any of its material assets;
- (f) is otherwise dissolved, wound up, or ceases to exist;
- (g) has an administrator or a receiver or an administrative receiver appointed in respect of the whole or any part of its undertaking or assets; or

(h) is the subject of an analogous procedure or step in any other jurisdiction,

provided that an Insolvency Event shall not have occurred solely by reason of the delivery of a petition for winding up a company where such petition is withdrawn within 10 Working Days.

**Insolvency Termination Notice** means a written notice served by the Landlord on the Tenant (copied to the Permitted Chargee) referring to the provisions of Clause [11.1] and the relevant Insolvency Event and stating that Termination of the Lease has been triggered.

**Interest** means interest at the rate of four per cent per annum above the base lending rate from time to time of [Barclays Bank PLC] (or of such other UK clearing bank as the Landlord may designate from time to time by giving notice to the Tenant) both before and after any judgment, calculated on a daily basis from the date on which the payment is due under the Lease to the date on which such payment is made.

**[Intermediate Units** means any units designated as London Shared Ownership and London Living Rent.]

**[Intermediate Unit Adjustment Sum** means [Insert figure in words from the Tenant's bid] Pounds (£ [insert same figure in numbers]) per square foot.]

**[Intermediate Unit Base Area** [insert details from the Initial Planning Permission of the Net Internal Area of the Intermediate Units.]

**Land** means all that land situate at Arbuthnot Lane Bexley comprising the area which is edged red on the annexed hereto at Annex 1 plan marked Plan A and comprised within title number(s) SGL14405, SGL20491, SGL23944 and SGL45522 (and references to Land shall include any part or parts of it).

**Landlord** includes the person who is from time to time entitled to the reversion immediately expectant on the determination of the Lease.

**Landlord's Percentage** means 50%.

**Lease** means the Lease and any document supplemental to it or entered into pursuant to its terms.

**Local Planning Authority** means the Council or such other authority, as shall from time to time have authority to deal with town and country planning matters.

**London Affordable Rent** means low cost rented homes complying with the requirements designated for this type of tenure (including rent levels falling within the prescribed benchmarks) in the Mayor of London's Homes for Londoners Affordable Homes Programme 2016-21 Funding Guidance dated November 2016.

**London Living Rent** means an intermediate affordable housing rent to buy product with sub-market locally specified rents on time-limited tenancies complying with the requirements designated for this type of tenure in the in the Mayor of London's Homes for Londoners Affordable Homes Programme 2016-21 Funding Guidance dated November 2016.

**London Shared Ownership** means a housing product allowing a home buyer to purchase a share in a new home and pay a regulated rent on the remaining share complying with the requirements designated for this type of tenure in the in the Mayor of London's Homes for Londoners Affordable Homes Programme 2016-21 Funding Guidance dated November 2016.

**LUL** means London Underground Limited (Company No 1900907) of 55 Broadway, London SW1H 0BD and the successors in title to its functions.

**LUL Standards** means any documents as produced or varied from time to time and accessible to users authorised by LUL via the LUL Standards e-library website (which authorisation the Landlord will ensure is available to the Tenant) or otherwise communicated to the Tenant and which apply to the operation of the Transport Undertaking or the Transport Assets and Premises generally and contain requirements or guidance on:

- (a) matters of safety and security in respect of the operation of the Transport Undertaking or the Transport Assets and Premises;
- (b) the design or construction of the Transport Assets and Premises;
- (c) the operation of the Transport Undertaking or the Transport Assets and Premises; and/or
- (d) works carried on over or in the vicinity of the Transport Assets and Premises,

and in the event of any inconsistency between different rules, regulations, codes of practice or standards the Landlord's decision as to the application of each shall be final and conclusive;

**Management Company** means any organisation from time to time nominated by the Tenant to manage the Land.

**Open Space Land** means that part of the Land being any open space, play areas, amenity areas and landscaping areas for general public use.

**Overage Provisions** means the provisions related to overage payments set out in Schedule 4

**Party** means a party to the Lease and Parties means more than one Party.

**Permitted Chargee** means any mortgagee of the Lease and/or holder of a floating charge over all or substantially all of the Tenant's business and assets and of whom the Landlord has written notice before the date on which the events giving rise to the right of re-entry occurred.

**Permitted Disposal** means the disposal by way of transfer, lease, easement, wayleave or otherwise of:

- (a) any parts of the Land for services including (without prejudice to the generality) gas governor sites, electricity substation sites, energy centres and energy sub-stations and associated infrastructure, sewerage pumping stations and balancing pond sites ancillary to the development of the Land or any part thereof;
- (b) areas of open space and areas on which any community facility is to be provided in accordance with the requirements of the Local Planning Authority;
- (c) Highways in accordance with the requirements of the Local Planning Authority;
- (d) any parts of the Land pursuant to the requirements of any Planning Agreement or any requirements of the Local Planning Authority or other statutory body pursuant to any planning obligation.

**Permitted Part** means an individual Dwelling.

**Permitted Use** means the construction of the Development and thereafter the use and occupation of the Land for residential purposes (of which 100% (by habitable rooms) shall comprise Affordable Dwellings) in accordance with the Planning Permission and comprising [insert full details of the permitted development from the Planning Permission including where relevant numbers and types of Affordable Dwellings referring specifically to the numbers of each Unit Type (as defined in Schedule 4 – namely Affordable Rented Units (Including London Affordable Rent) and Intermediate Units (including the definitions of London Living Rent and London Shared Ownership) ][ where the Tenant is a CLT include in addition the wording "and the Land shall not be used except as part of the assets of a CLT"].

**Planning Acts** means all Enactments relating to town and country planning.

**Planning Agreement** means any agreement and/or undertaking required by the Local Planning Authority to be entered into as a condition of the grant or implementation of any planning consent, including any agreement pursuant to any one or more of Section 38 or Section 278 of the Highways Act 1980, Section 33 of the Local Government (Miscellaneous Provisions) Act 1982, Section 111 of the Local Government Act 1972, Section 106 of the Act (as amended by the Planning and Compensation Act 1991) or Section 104 of the Water Industry Act 1991 or any agreement with a water or sewerage undertaker or other appropriate authority as to water supply or to drainage or surface water and/or effluent from the Land or any provision of similar intent and any variation, amendment or modification thereof.

**Planning Permission** means the planning permission dated [Insert relevant date] issued by [Insert relevant details] under reference [ ] annexed hereto at Annex 2.

**Price** means [Insert details of amount in words] (£[Insert details of amount in numbers]) [subject to adjustment under Clause 6.3 of the Agreement for Lease].

**Prohibited Person** means an individual or entity:

- (a) which is a company incorporated in or an individual resident in a country outside the United Kingdom unless it agrees to be bound by the jurisdiction of the English Courts and in respect of which a legal opinion from a reputable independent law firm in the relevant jurisdiction is provided in a form reasonably satisfactory to the Landlord (acting reasonably) relating to:
  - (i) the authority and capacity of the company or individual to act as the assignee, guarantor or funder (as applicable); and
  - (ii) the enforceability of the obligations of the company or individual as assignee, guarantor or funder (as applicable);
- (b) which enjoys sovereign or state immunity, unless it is a department, body or agency of the United Kingdom Government;
- (c) which uses funds that are derived from illegal or illegitimate activities;
- (d) which has been convicted of criminal activities, or is or has been involved in organised crime;
- (e) which is named on the consolidated list of terrorists maintained by the Bank of England pursuant to any authorising statute, regulations or guideline;

- (f) which is, or professes to be, resident in a nation state which at the relevant time is not recognised by the Government of the United Kingdom;
- (g) which is otherwise prohibited from entering into the proposed transaction pursuant to any applicable law or requirements of any country or governmental authority (including any exchange control regulations applicable thereto);
- (h) with whom the Landlord or any member of its Group may not lawfully contract, or with whom the established policy of the UK Government is that they should not contract;
- (i) whose activities would prevent the discharge by the Landlord or any member of its Group of its or their statutory duties or other legal functions;
- (j) which has a substantial direct interest(s) in gambling, gaming, pornography, the production or sale of alcoholic drinks, the production or sale of products containing or derived from tobacco or the manufacture or sale of arms and weapons (provided that any organisation that is engaged in legitimate investment and lending to any such business shall not constitute a Prohibited Person); or
- (k) whose activities could pose a threat to national security.

**Requisite Consents** means all or any consents orders approvals licences and permissions on terms, and subject to conditions and limitations, acceptable to the Tenant (acting reasonably) required pursuant to the following (as applicable):

- (a) any Acts of Parliament and any statutory instruments, rules, orders, regulations, notices, directions, bye-laws and permissions for the time being made under or deriving validity from any Act of Parliament;
- (b) any European directive or regulations and rules having the force of the law in the United Kingdom; and
- (c) any Planning Acts, regulations (Including planning regulations, works, bye-laws or codes of practice of any local or statutory authority having jurisdiction over the Land and/or the Development,

which are required for the commencement, carrying out and use of the Development.

**Regulations** means the Construction (Design and Management) Regulations 2015.

**Senior Representative** means any director or senior executive officer of the Landlord or the Tenant (or the Permitted Chargee as the case may be).

**Substantially Commence** means:

- (a) that all Requisite Consents have been obtained;
- (b) all pre-commencement planning conditions of the Planning Permission have been satisfied;
- (c) initial registration certificates from NHBC or Zurich or such other insurance or building warranty provider as is acceptable to a reasonable number of lenders that are

members of the Council of Mortgage Lenders in respect of the Dwellings comprised within the Development have been obtained;

- (d) construction of the Development has commenced and Implementation has taken place.

**Substantially Commenced Notice** means a notice served by the Tenant pursuant to and in accordance with Clause 10.4, which is accompanied by copies evidencing that all Requisite Consents have been obtained, all pre-commencement planning conditions of the Planning Permission have been satisfied and that an initial registration certificate from NHBC or Zurich or such other insurance or building warranty provider as is acceptable to a reasonable number of lenders that are members of the Council of Mortgage Lenders has been obtained.

**Suitable Substitute** means a person, firm or company, approved by the Landlord (such approval not to be unreasonably withheld or delayed) with the technical ability, commercial expertise and adequate financial facilities to complete the Development on the terms contemplated by the Lease.

**[Surety** means any person who, for the time being, guarantees performance of the Tenant's Covenants that person currently being the person specified as the Surety in Land Registry Prescribed Clause LR 3].

**Tenant** includes every person who is a successor in title under the Lease.

**Tenant's Covenants** means the covenants, terms, conditions, agreements, restrictions, stipulations and obligations falling to be complied with by the Tenant under the Lease.

**Term** means 250 years from the date of this Lease.

**Terminate the Lease** means the exercise by the Landlord of the right identified in Clauses 10.1 and 11.1, and **Termination of the Lease** shall be construed accordingly.

**Title Matters** means the matters contained or referred to in (or in the documents contained or referred to in) the entries on the register of the title(s) under which the Landlord holds the Land.

**Transport Assets and Premises** means the whole or any part or parts of the transport infrastructure, roads, pavements, track, buildings, works, conducting media, lifts, escalators, bridges, tunnels, structures, plant, apparatus and equipment and all other things serving or used, controlled or enjoyed in connection with the Transport Undertaking from time to time including all those over, under, adjoining or near to the Property at any time.

**Transport Undertaking** means the transport undertakings or networks operated by the Landlord, relevant member(s) of the Landlord's Group or any successor to its functions (including London Underground system, the Docklands Light Railway and the Elizabeth Line or any London railway system running on, under, over or through the Land).

**VAT** means value added tax charged under the Value Added Tax Act 1994 and shall include any interest, fine, penalty or surcharge in respect of value added tax charged.

**Working Day** means any day except Saturday, Sunday or any public holiday in England.

## **2 Interpretation**

- 2.1 Where a Party includes two or more persons, the covenants made by that Party are made by those persons jointly and severally.
- 2.2 Words implying one gender include all other genders; words implying the singular include the plural and vice versa and words implying persons include any person or entity capable of being a legal person.
- 2.3 A covenant by the Tenant not to do any act or thing includes a covenant not to permit or suffer such act or thing to be done.
- 2.4 A reference to any Enactment includes all modifications, extensions, amendments and re-enactments of such statute in force for the time being and all instruments, orders, notices, regulations, directions, bye-laws, permissions and plans for the time being made, issued or given under them or deriving validity from them.
- 2.5 Provisions are to be construed independently and, if any provision is void or wholly or partly unenforceable, then that provision, to the extent that it is unenforceable, shall be deemed not to form part of the Lease, but the validity and enforceability of the remainder of that provision or of the Lease shall not be affected.
- 2.6 A reference to a numbered clause, schedule or paragraph is a reference to the relevant clause, schedule or paragraph in the Lease.
- 2.7 Headings to clauses, schedules and paragraphs are for convenience only and do not affect the meaning of the Lease.
- 2.8 The words **including** and **in particular** shall be construed as being by way of illustration or emphasis only and shall not limit the generality of the preceding words.
- 2.9 References to the completion of a transfer or other disposal mean the execution and delivery of the necessary documents, not their subsequent registration.
- 2.10 Any right or exception granted or excepted in favour of the Landlord shall be deemed to be granted or excepted in addition in favour of any other person authorised by the Landlord.
- 2.11 Where the consent or approval of the Landlord is required such consent or approval must be in writing and be signed by the appropriate officer who has been notified in writing by the Landlord to the Tenant as being the appropriate officer for such purposes).

## **3 Demise and price**

- 3.1 In consideration of the Price payable by the Tenant to the Landlord (the payment details of which are set out in Clause **Error! Reference source not found.**) and any other sums payable under the Lease and the Tenant's Covenants the Landlord Hereby Demises to the Tenant with [full] title guarantee the Land.

Together with the benefit of the rights set out in Part I of Schedule 1 (so far as the Landlord can grant the same) and in common with the Landlord and all others now or hereafter enjoying or entitled to the like rights but

Except and Reserving to the Landlord (and those authorised by the Landlord) and its successors in title for the benefit of the Adjoining Land and the owners and occupiers thereof the rights, easements and privileges set out in Part 2 of Schedule 1.

To Hold the same unto the Tenant for the Term.

Subject to all Title Matters and to all rights, easements, quasi easements and privileges affecting the Land or any part thereof Paying Therefor the yearly rent of One Pound (if demanded) on the anniversary of the date of the Lease.

#### **4 Transfer of Common Areas**

4.1 The Tenant and Landlord agree to join in, at any time (after the Full Occupancy Date) at the Tenant's request, a transfer of the whole or any part of the Common Areas to the Management Company and to surrender the Tenant's interest in the land transferred.

4.2 The transfer shall be in such form as the Landlord shall reasonably require.

#### **5 Transfer etc of Common Services and Highways**

The Tenant and Landlord agree to enter into, at any time at the Tenant's request and cost, any leases, transfers, easements, licences, agreements or other document with any public or statutory authority in connection with any Common Services or highways or matters ancillary thereto in such form as the Landlord shall approve (acting reasonably) (including any surrender of the Tenant's interest in any land the subject of those documents).

#### **6 General Provisions Relating To Transfers**

Notwithstanding the completion of any transfer of this Lease, the provisions of this Lease shall remain in force in respect of anything remaining to be done by the Tenant or the Landlord. In particular, such completion is not to be treated as an acknowledgment by the Landlord that all money due from the Tenant to the Landlord in respect of the transfer has been paid or that the Tenant has complied with any other obligations on its part.

#### **7 Tenant's covenants**

The Tenant further covenants with the Landlord as follows:

##### **7.1 Rent**

To pay (if demanded) the reserved rent on the days and in the manner as set out in Clause 3.1.

##### **7.2 Interest**

To pay Interest on the rent which is not paid when payment is due and in respect of any other sum of money payable to the Landlord by the Tenant under the Lease to pay Interest which is not paid within 7 days of payment becoming due.

##### **7.3 Outgoings**

To pay all rates, taxes, levies, costs, charges, impositions, claims, assessments and outgoings whatsoever assessed on, or attributable to the Land its use and occupation (except in relation to any Dwelling [or Commercial Unit (if any)] which has lawfully been disposed of to



a buyer/tenant and any land which is the subject of a transfer in accordance with Clauses [5] and [6]) now or hereafter imposed or charged upon the owner or occupier and to pay all charges for utilities consumed on the Land.

#### **7.4 Indemnity**

To indemnify and keep indemnified the Landlord from and against all consequences of claims, demands and liabilities howsoever arising from the use or occupation of the Land or its state of repair and condition or any breach by the Tenant of the Tenant's Covenants or the Title Matters or in respect of the design of the Development or any part thereof and the materials and workmanship used by the Tenant in the Development or any part thereof and any inaccuracies in the plan or other description of any Dwelling [or Commercial Unit (if any)] used in any disposal document.

#### **7.5 Use**

Not to use the Land or exercise any right granted by this Lease other than for the Permitted Use.

***[Note: the Following wording may need amending to reflect any equivalent provisions included in any s106 agreement for the Development]***

[but Provided Further that any Permitted Chargee shall prior to seeking to dispose of any part of the Land pursuant to any default under the terms of its mortgage or charge shall give not less than [six] months' prior notice to the Landlord of its intention to dispose and:

- (a) if the Landlord responds within [three] months from receipt of the notice indicating that arrangements for the disposal of the Land can be made in such a way as to safeguard as the Affordable Dwellings [and as part of the assets of a CLT] then the Permitted Chargee shall co-operate with such arrangements and use reasonable endeavours to complete the disposal of the Affordable Dwellings within [three] months of the date of the Permitted Chargee gives notice to the Landlord of its intention to dispose;
- (b) if the Landlord does not serve its response to the notice served under Clause 7.5(a) within the [three] months then the Permitted Chargee shall be entitled to dispose of the Land pursuant to its or their power of sale or other remedies under the mortgage or charge in question on the open market and from the date of actual completion of any such sale the designation of the Land or any part of it for use as Affordable Dwellings [and as part of the assets of a CLT] shall no longer apply and the whole of the Land may be used as private residential Dwellings;
- (c) if the Landlord or any other person cannot within [six] months of the date of service of the Permitted Chargee's notice complete such a disposal then provided that the Permitted Chargee shall have complied with its obligations under Clause 7.5(a) the Permitted Chargee shall be entitled to dispose of the Land pursuant to its or their power of sale or other remedies under the mortgage or charge in question on the open market and from the date of actual completion of any such sale the designation of the Land or any part of it for use as Affordable Dwellings [and as part of the assets of a CLT] shall no longer apply and the whole of the Land may be used as private residential Dwellings and the definition of Permitted Use will thereafter be deemed to have been modified to allow for such use.

Provided That at all times the rights and obligations in this Clause 7.5 shall not require the Permitted Chargee to act contrary to its duties under the charge or mortgage and that the Landlord must give full consideration to protecting the interest of the Permitted Chargee in respect of moneys outstanding under the charge or mortgage.]

## 7.6 Alienation

Not to assign, transfer, charge, share or part with possession of or grant any licence or interest in respect of the whole or any part of the Land to a Prohibited Person.

7.7 Not to assign, underlet, transfer, charge, mortgage, hold on trust, share or part with possession of or grant any licence or interest in respect of the whole or any part of the Land or agree to do so provided that the Tenant may:

- (a) prior to the Full Occupancy Date charge the Lease to a person, firm or company providing the finance for the acquisition of the Land and the construction of the Development;
- (b) prior to the Full Occupancy Date assign the Lease or underlet the whole (other than a Permitted Part) of the Land with the consent of the Landlord which shall not be unreasonably withheld or delayed provided that the Tenant complies with the following obligations:
  - (i) paying to the Landlord upon the date of completion of any such assignment or under-letting any part of the Price which remains unpaid pursuant to Clause **Error! Reference source not found.** [together with (if applicable) any sums that have fallen due under the Overage Provisions in Schedule 4
  - (ii) paying to the Landlord upon the date of completion of any such assignment or under-letting a sum calculated as follows:

A – B multiplied by the Landlord's Percentage

Where:

A = the amount of any payment or valuable consideration received or receivable by the Tenant in relation to such assignment or under-letting; and

B = the amount of the Price in respect of the whole of the Land;
  - (iii) delivering to the Landlord unconditionally a deed of covenant from the under-tenant or assignee to comply with the provisions of this Clause 7.7(b); and
  - (iv) pays the proper and reasonable costs and expenses of the Landlord (including without limitation the reasonable costs and expenses of the Landlord's solicitors) in respect of the preparation and approval of the deed of covenant together with any VAT on those costs and expenses which the Landlord is unable to recover; and
  - (v) makes an application to the Land Registry on form RX1 together with the requisite fee for a restriction to be entered onto the proprietorship register of the title number of the Land (or part of it, as applicable) allocated to it by the Land Registry in the form of the restriction set out in LR13 of the Lease;

- (c) underlet any part of the Land in Permitted Parts upon leases of not more than 250 years less three days (with the term ending on the same date) in a form appropriate to residential Dwellings or upon leases of appropriate commercial terms acceptable to a willing lessor and a willing lessee in the open market for Commercial Units (if any) which may be underlet on a shorter term than the residential Dwellings;
  - (d) make a Permitted Disposal; and
  - (e) after the Full Occupancy Date assign underlet, transfers, charge, mortgage or hold on trust the whole of the Land without Landlord's consent being required.
- 7.8 In the case of a disposal in accordance with Clause 7.7 of a Permitted Part or a Permitted Disposal the Landlord shall within [20] Working Days of receipt of a written request from the Tenant, provide to the Tenant the necessary release documentation in respect of the restriction entered against the title to the Land in respect of Clause 7.7 provided that the Tenant shall be responsible for paying the Landlord's costs in so doing.
- 7.9 Once all payments due to the Landlord have been paid whether due under Clause **Error! Reference source not found.** [or the Overage Provisions in Schedule 4], the Landlord shall within [20] Working Days of a written request from the Tenant, provide to the Tenant the necessary release documentation for the withdrawal of the relevant restriction entered against the title to the Land in respect of Clause 7.7 provided that the Tenant shall be responsible for paying the Landlord's costs in so doing.
- 7.10 Within 10 Working Days after the date of every dealing charge or other devolution of the Lease to give notice thereof in writing to the Landlord and produce to it a certified copy of the instrument effecting the devolution and pay the Landlord's reasonable registration fee (being not less than £30 plus VAT) (and in the case of a Permitted Chargee, such notice shall contain an address for service within England and Wales for the chargee).
- 7.11 To pay all proper costs and expenses (including solicitors' costs and surveyor's fees) incurred by the Landlord of and incidental to and in connection with:
- (a) the preparation and service of any notice under Section 146 of the Law of Property Act 1925 and any proceedings under Sections 146 or 147 of that Act even if forfeiture is avoided otherwise than by relief granted by the Court;
  - (b) taking action to forfeit the Lease, or terminate the Lease pursuant to Clause 10 whether or not it is forfeited or terminated including cancellation of the Lease at the Land Registry; and
  - (c) any notices or consents required or given under the Lease even if the application is withdrawn or properly refused or if the proposal requiring consent does not proceed.

## 7.12 Communications

On the receipt of any notice, order, direction or thing from any competent authority affecting or likely to affect the Land whether the same shall be served directly on the Tenant or the original or a copy thereof be received from any other person whatsoever the Tenant will:

- (a) so far as such notice, order, direction or other thing or the Enactment regulations or other instrument under or by virtue of which it is issued or the provisions of the Lease require it so to do comply therewith at its own expense; and

(b) promptly deliver to the Landlord a copy of such notice, order, direction or other thing.

### **7.13 Repair**

Subject to Clause 7.14, throughout the Term to keep the Land and all the buildings or Dwellings from time to time erected upon the Land (or relevant parts) well and substantially repaired and maintained in a structurally sound and safe condition.

7.14 Until the date upon which it has been certified that the Development has achieved practical completion pursuant to the Tenant's building contract for the works comprising the Development, to keep the part or parts of the Land subject to the Development in a safe and secure condition and all boundaries of the Land secure.

7.15 To permit the Landlord and its employees or agents at all reasonable and proper times to enter into, inspect and view the Land and any buildings and examine their condition Provided That (save in the case of an emergency), the Landlord shall not be entitled to so enter, inspect, view or examine any Dwelling on the Land following the grant of any under-lease of a Permitted Part in accordance with Clause 7.7(c).

7.16 To remedy any breach of the Tenant's Covenants, immediately after notice of the breach is given to the Tenant and to pay as a debt, recoverable as if it were rent in arrears, all costs and expenses properly incurred by or on behalf of the Landlord in remedying any breach of the Tenant's Covenants.

7.17 To ensure all repairs and redecoration to the Land are to be carried out in a good and workmanlike manner using good and proper materials in accordance with good building practice and in accordance with the requirements of all laws and regulations affecting the repairs or the means by which they are carried out, including the Regulations and LUL Standards (where applicable).

### **7.18 Yield-up**

At the end or sooner determination of the Term quietly to yield up the Land to the Landlord in accordance with the Tenant's Covenants.

7.19 On Termination of the Lease if and to the extent required by the Landlord in writing following Termination of the Lease, the Tenant shall as quickly as reasonably practicable at the Landlord's request and in a good and workmanlike manner reinstate the works comprising the Development which has been carried out and clear the Land to the Landlord's reasonable satisfaction.

### **7.20 Other Tenant Covenants**

Not to use the Land for any illegal or immoral purposes and not to do anything on the Land which may be or become a nuisance or annoyance or cause damage or inconvenience to the Landlord or to the owners or occupiers of any adjoining or neighbouring land or cause or give rise to the significant possibility of significant harm to the health of living organisms and other interference with the ecological systems of which they form part or cause pollution of ground or surface water.

7.21 Not to commence any works forming part of the Development until the Tenant has obtained all permissions and consents required by all Planning Acts and any other Enactments in relation to the Development and to observe perform and comply with all obligations imposed

on it by the Planning Permission, Requisite Consents and any Planning Acts or any Enactments.

- 7.22 To comply with all Planning Agreements affecting the Development including the payment of all sums payable thereunder and the discharge of all obligations thereunder and shall indemnify and keep indemnified the Landlord against all actions proceedings claims demands losses costs expenses damages and liabilities arising directly or indirectly from any breach of any Planning Agreements.
- 7.23 The Tenant must do all acts and things required by, and comply and conform in all respects with, the provisions of any Enactments applicable to the use and occupation of the Land (which for the avoidance of doubt shall include the provisions of Section 57 of and Schedule 22 to the Environment Act 1995 and the Regulations) and in particular:
- (a) to be treated as the only client for the purposes of the Regulations;
  - (b) to comply with the lawful requirements of any statutory undertakers in respect of electricity, gas, water, telephone or other public services;
  - (c) to comply with the conditions imposed by any agreements, licences, permissions and approvals for development or use granted in relation to the Land and the Development; and
  - (d) arising from any Planning Permission, Requisite Consents, Planning Acts or Enactments (including but not limited to payment of any Community Infrastructure Levy).
- 7.24 The Tenant must not do or omit to be done anything which may result in the Landlord incurring or becoming liable to pay any penalty, damage, compensation, costs, charges or expenses.

**7.25 Competent Authorities**

- (a) In this 7.25(a) **Competent Authority** means any government body, the Environment Agency, court, tribunal or other body deriving power under Environmental Law.
- (b) The parties agree that the apportionment by a Competent Authority of any liabilities that may arise under Part IIA of the Environmental Protection Act 1990 (as amended) (**Part IIA**) in respect of pollution or contamination present in on or under or originating from the Land shall be undertaken on the basis that the Tenant shall have full responsibility for any and all such liabilities and the commercial terms of this Lease (including without limitation the Price) have been settled on that basis.
- (c) It is hereby acknowledged and intended by the parties that Clause 7.25(b) is an agreement on liabilities for the purposes of Part IIA.
- (d) The parties agree that in the event of a notification being served on any of them which indicates that the Land is or is likely to be determined 'contaminated land' under Part IIA to notify the other as soon as is reasonably practicable.
- (e) The parties undertake to furnish the Competent Authority with a copy of the Lease as soon as is reasonably practicable after receiving a note from the Competent Authority or a notification under Clause 7.25(d) and individually to agree to the application of

Clause 7.25(b) and to confirm such individual agreement in writing to the Competent Authority following receipt of such notice or notification.

- (f) The parties hereby undertake to use all reasonable endeavours to ensure that the Competent Authority applies the agreement on liabilities set out in Clause 7.25(b).
  - (g) For the avoidance of doubt the Landlord shall retain the right to appeal against a decision of a Competent Authority in accordance with Part IIA's appeal procedure.
- 7.26 The Tenant hereby undertakes to indemnify the Landlord and keep the Landlord indemnified in respect of all and any fines, penalties, charges, actions, losses, costs, claims, expenses, demands, duties, obligations, damages and other liabilities that the Landlord may suffer:
- (a) as a result of any failure of the Tenant to adhere to the provisions of Clause 7.25; or
  - (b) arising from any pollution or contamination present in or under or originating from the Land; or
  - (c) arising from any Planning Permission, Requisite Consents, Planning Acts or Enactments (including but not limited to Community Infrastructure Levy).
- 7.27 To comply with all obligations affecting the Land and not to interfere with any rights which benefit them, including all Title Matters.
- 7.28 [Infrastructure Protection Provisions] ***[Note: The following clauses contain the starting point for insertion of infrastructure protection provisions which may be required where Transport for London is the Landlord and Transport for London operational infrastructure is either close to the Land or forms part of any Adjoining Land. Where it is required the relevant details in square brackets will need to be completed on a case by case basis.]***
- [Define **Critical Works** on a site by site basis]
- 7.29 [Not to carry out any Critical Works whatsoever to the Land which may adversely affect the Transport Undertaking, the Transport Assets and the Land or the Adjoining Land without obtaining the Landlord's consent, such approval not to be unreasonably withheld or delayed where the Tenant can demonstrate to the satisfaction of the Landlord in its absolute discretion that the Transport Undertaking the Transport Assets and the Adjoining Land (as the case may be) will be adequately protected, and in carrying out any alterations the Tenant shall promptly make good all damage caused to the Transport Undertaking, the Transport Assets and the Land and the Adjoining Land to the satisfaction of the Landlord (acting reasonably).]
- 7.30 [Imposition of conditions to be inserted if relevant]
- 7.31 [Insurance provisions to be inserted if relevant]]

## **8 Landlord's Covenants**

- 8.1 The Landlord covenants with the Tenant as follows:
- (a) That the Tenant observing and performing the several covenants and stipulations on the part of the Tenant in the Lease shall peacefully hold and enjoy the Land during the Term without any interruption by the Landlord or any person rightfully claiming under or in trust for it.

- (b) If requested by the Tenant and at the Tenant's expense (and provided that the Tenant has provided any bond or guarantee required by the relevant authority), the Landlord will enter into any Planning Agreements or any agreements (excluding any guarantee or bond) as landowner in so far as it is necessary to dedicate the land, sewer or other matter the subject of the agreement on terms approved by the Landlord (acting reasonably) and subject to the Tenant entering into an indemnity (in a form required by the Landlord) indemnifying the Landlord against all liability for all costs, obligations and liabilities in connection or arising therefrom.
- (c) If requested by the Tenant the Landlord as landowner (and in accordance with Clause 5) will enter into any transfers, leases, easements, licences or other agreements with any public authority in connection with any adoptable common services or any service media and any ancillary apparatus pursuant to Clause 5 on terms approved by the Landlord acting reasonably subject to the Tenant entering into an indemnity (in a form required by the Landlord acting reasonably) indemnifying the Landlord against all liability for all costs, obligations and liabilities in connection or arising therefrom.

## 9 Commencement Date Extension

- 9.1 If the Tenant is materially delayed in commencing or proceeding with the Development solely by reason of Force Majeure then the Landlord shall allow such further time for the completion of the Development as is reasonable in all the circumstances [(being not more than [12] months)] as may be agreed by the parties (both acting reasonably) and the Commencement Date shall be extended accordingly.
- 9.2 Any extension of time for completion of the Development in accordance with Clause 9.1 shall not have effect unless confirmed by the entry by the parties into a deed of variation to amend the Lease to reflect the extended Commencement Date at the expense of the Tenant.

## 10 Commencement Period Termination

- 10.1 If the Tenant shall fail to Substantially Commence the Development by the Commencement Date then the Landlord may serve a written notice on the Tenant (copied to the Permitted Chargee (if any)) referring to this clause and stating that Termination of the Lease has been triggered (**Commencement Date Termination Notice**). Following the service of any Commencement Date Termination Notice under this clause, the provisions of Clause 12 shall govern the respective rights of the Landlord, the Tenant and the Permitted Chargee.
- 10.2 Where the Lease is terminated following service of a Commencement Date Termination Notice the provisions of Clause 11.4 shall apply.
- 10.3 Where the Lease is determined pursuant to Clause 10.1, the Landlord shall pay the Tenant the Compensation Sum 10 Working Days after the date upon which the amount of the Compensation Sum has been agreed or determined or (if later) the date upon which the provisions of Clause 12 have been complied with.
- 10.4 On or after the Development having Substantially Commenced (but prior to termination of this Lease), the Tenant shall be entitled to serve a Substantial Commencement Notice on the Landlord confirming that Implementation has taken place and on service of such notice, the provisions of Clauses 9 and 10 shall be deemed to be of no further effect.

## **11 Forfeiture**

11.1 Without prejudice to any other remedies and powers contained in the Lease or otherwise available to the Landlord if:

- (a) an Insolvency Event shall occur at any time prior to the first occupation of the first Dwelling constructed on the Land to be occupied then and in any such case the Landlord may notwithstanding the waiver of any previous right of re-entry serve an Insolvency Termination Notice; or
- (b) there shall be a material breach, non performance or non-observance by the Tenant of any of the Tenant's Covenants contained in Clauses [7.1, 7.2, 7.3, 7.5, 7.7, 7.12, 7.13, 7.18, 7.19, 7.20, 7.21, 7.23 and 7.24],

and the Tenant has failed to remedy the breach within a reasonable period commensurate with the breach which shall be specified in a written notice given by the Landlord to the Tenant (which shall also specify the breach, non performance or non-observance) then and in any such case the Landlord may serve a Breach Termination Notice.

11.2 Following the service of any Insolvency Termination Notice or Breach Termination Notice in accordance with Clause 11.1, the provisions of Clause [12] shall govern the respective rights of the Landlord, the Tenant and the Permitted Chargee.

### **11.3 Termination of the Lease**

The Landlord may not:

- (a) re-enter and take possession of the Land; or
- (b) forfeit the Lease;

unless it has first served on the Tenant (copied to the Permitted Chargee) a Commencement Period Termination Notice in accordance with Clause 10.1, a Insolvency Termination Notice in accordance with Clause 11.1(a), or a Breach Termination Notice in accordance with Clause 11.1(b) or and complied with the provisions of Clause 12.

11.4 In the event of Termination of the Lease:

- (a) to the extent that the beneficial ownership of copyright, design right and any other intellectual property right in any documents, reports, investigations and designs submitted and approved as part of the Planning Permission is vested in it, the Tenant grants to the Landlord, and the Permitted Chargee a royalty free, non exclusive and irrevocable licence to use and reproduce any and all of such documents and the designs and any intellectual property contained in them in connection only with its ownership of the Development, any works carried out by the Tenant and the Land and this licence shall be freely assignable to third parties and carry the right to grant sub-licences;
- (b) to the extent that the beneficial ownership of copyright, design right or any other intellectual property right in any documents referred to in Clause 11.4(a) above is vested in any person other than the Tenant the Tenant shall use its reasonable endeavours to procure that the beneficial owner grants to the Landlord non-exclusive and irrevocable licence to use and reproduce all and any of the documents and the



designs contained in them, for any of the purposes and on the same terms as set out in Clause 11.4(a) above;

- (c) the Tenant shall execute such document as the Landlord shall reasonably require to cancel any entry or title at the Land Registry;
- (d) the Tenant shall deliver to the Landlord reliance letters in a form acceptable to the Landlord acting reasonably from [insert details of specific consultants].

11.5 Neither the Tenant nor the Landlord may vary or supplement (or attempt to vary or supplement) the Lease without the prior written consent of the Permitted Chargee, whose consent shall not be unreasonably withheld or delayed.

## **12 Landlord's Rights of Re-Entry**

12.1 Within three months after the service of a Breach Termination Notice, Commencement Date Termination Notice or Insolvency Termination Notice the Permitted Chargee shall confirm in writing to the Landlord whether it:

- (a) proposes to complete the Development in accordance with the terms of the Lease; or
- (b) proposes to seek a Suitable Substitute to complete the Development; or
- (c) proposes not to complete the Development; or
- (d) proposes to remedy the breach of the Tenant's Covenants in Clause 11.1(b).

12.2 Where the Permitted Chargee informs the Landlord pursuant to Clause 12.1 they propose to either seek a Suitable Substitute or to complete the Development, then, within six calendar months of service of the Breach Termination Notice, Commencement Date Termination Notice or Insolvency Termination Notice the Permitted Chargee must either:

- (a) where they have indicated an intention to seek a Suitable Substitute:
  - (i) identify that Suitable Substitute;
  - (ii) obtain the Landlord's approval to that Suitable Substitute (such approval not to be unreasonably withheld or delayed); and
  - (iii) procure that the Suitable Substitute enters into an assignment of the Lease with such extension of the Commencement Date (where the Tenant has not Substantially Commenced the Development) [and Payment End Date] as is reasonable in order to permit the completion of the Development and subject to any arrangements for curing any antecedent breaches by the Tenant as the Suitable Substitute and Landlord shall agree acting reasonably (or in the absence of agreement as determined in accordance with Clause 14); or
- (b) where they have indicated an intention to complete the Development enter into an assignment of the Lease as is reasonable in order to permit the completion of the Development and subject to any arrangements for curing any antecedent breaches by the Tenant as the Suitable Substitute and Landlord shall agree acting reasonably (or in the absence of agreement as determined in accordance with Clause 14)]; or

- (c) where they have indicated an intention to remedy the breach(es) of the Tenant's Covenants, to remedy such a breach.
- 12.3 Where the Permitted Chargee has responded within the period referred to in Clause 12.2 confirming it will seek either a Suitable Substitute or will complete the Development, the Landlord will not take any steps to Terminate the Lease for the reasons set out or remedy the breach in Clauses 10.1, 11.1(a) or 11.1(b) until after the expiry of the time periods set out in Clause 12.2.
- 12.4 Where the Permitted Chargee does not respond within the requisite period referred to in Clause 12.2 or has replied indicating it will not be taking any action the Landlord shall be entitled forthwith to Terminate the Lease.
- 12.5 If the Permitted Chargee fails to complete the assignment of the Lease directly or to a Suitable Substitute in accordance with Clause 12.2 then the Landlord may, without prejudice to any right of action or remedy which may have accrued in respect of any antecedent breach by either party of the Lease, Terminate the Lease.
- 12.6 Pending completion of any assignment and or actual Termination of the Lease pursuant to this Clause 12 the Tenant shall remain liable for and shall continue to perform the provisions of the Lease unless the Landlord otherwise directs.
- 12.7 If this Lease is forfeited and within two months of the forfeiture any undertenant (or its mortgagee) of an underlease that has been granted in compliance with Clause 7.7 prior to the date of forfeiture serves on the Landlord a written request under this Clause 12.7:
  - (a) the Landlord shall within 25 Working Days of receiving that request grant to that undertenant a new lease of the premises the subject of the underlease on the same terms as the underlease but:
    - (i) for a term beginning on the date of the forfeiture and continuing for the residue of the term of the underlease;
    - (ii) without payment of a premium;
    - (iii) at an initial rent equal to the rent (if any) reserved by the underlease immediately before this Lease was forfeited; and
    - (iv) subject to any sub-underlease or other derivative interest affecting the premises demised by the underlease immediately before the forfeiture and to the right of the Tenant or any other person to have this Lease vested in it by the court on whatever terms the court may order;
  - (b) the undertenant shall execute and deliver to the Landlord a counterpart of the new lease and pay to the Landlord on demand all reasonable and proper legal and other costs, disbursements and any value added tax on them reasonably and properly incurred by the Landlord in connection with the preparation and execution of the new lease.

## 13 Landlord's Put Option

The Tenant grants the Landlord a put option conferring on the Landlord the right to require the Tenant to buy the Landlord's interest in the Land from the Landlord in accordance with the provisions of Schedule 3.

***[Note: A Tenant Call Option may be required where houses are expected to be built (in view of anticipated legislation)].***

## 14 Disputes

- 14.1 Any Dispute between the Landlord or the Tenant or the Permitted Chargee arising out of or connected with any matter referred to in the Lease for which a dispute resolution procedure is expressly provided in other clauses of the Lease shall be resolved in accordance with the dispute resolution procedure so provided. Any other Disputes which may arise between the Landlord or the Tenant shall be resolved in accordance with the procedures of this Clause 14.
- 14.2 Any Dispute which may arise shall first be referred to the Senior Representative of the Landlord and the Tenant or the Permitted Chargee for resolution through negotiation. Either the Landlord or the Tenant or the Permitted Chargee may at any time give 10 Working Days' notice to the other requiring that a Dispute be referred to the Senior Representatives of the Landlord and the Tenant or the Permitted Chargee. Any such notice shall contain brief particulars of the Dispute which is to be so referred. The Senior Representatives will meet within 10 Working Days of the expiry of the notice, or within such shorter or longer period as may be agreed between the Landlord and the Tenant or the Permitted Chargee and shall at their meeting negotiate in good faith in an attempt to resolve the Dispute. The Landlord and the Tenant or the Permitted Chargee shall bear their own costs of referring a Dispute to Senior Representatives for resolution through negotiation.
- 14.3 If a Dispute is not resolved by Senior Representative, or if a Dispute has not been resolved within 20 Working Days after service of notice requiring that a Dispute be referred to Senior Representatives for resolution, either the Landlord or the Tenant or where relevant the Permitted Chargee shall be entitled to implement the dispute resolution procedure as set out in the following sub-clauses:
- (a) Any Dispute arising between the Landlord and the Tenant over any calculation or valuation to be made under the Lease (or any other issue which is not covered by Clauses 14.3(b) or 14.3(c) shall be referred to an expert to be agreed upon by the parties, or failing agreement, to an expert nominated by the President for the time being of the Royal Institution of Chartered Surveyors and the expert's determination of the calculation or valuation shall be conclusive and binding save in the case of manifest error or fraud.
  - (b) In so far as the provisions of this Lease require the form and contents of any document to be entered into between any of the parties hereto to be settled and the settling or conditions of such form shall not be agreed or where the Dispute concerns the construction of this Lease then the same shall be settled by counsel of at least seven years call and experienced in property matters willing to act and in default of agreement as to his appointment to be appointed by the President for the time being of the Law Society and the Counsel's determination shall be conclusive and binding save in the case of manifest error or fraud.

- (c) Any Dispute over any accounting issue shall be referred to an expert to be agreed upon by the parties or failing agreement to an expert nominated by the President for the time being of the Royal Institution of Chartered Accountants and the expert's determination shall be conclusive and binding save in the case of manifest error or fraud.
- (d) Any costs payable by reason of the provisions of this Clause 14 shall be borne initially in equal proportions by the Landlord and the Tenant (or where relevant the Permitted Chargee) and thereafter as may be adjusted by the award or awards pursuant to the provisions thereof.

## **15 Notices etc**

- 15.1 Any notice, decision, direction, approval, authority, permission or consent to be given by the Landlord under the Lease must be in writing and shall be valid and effectual (unless express provisions be made to the contrary) if signed by the director or such other officer or agent as the Landlord may from time to time by resolution designate for the purpose.
- 15.2 Any notice, decision, direction, approval, authority, permission or consent to be given by a Party must be in writing, addressed to the relevant party at a correct address and be sufficiently served, in the case of anything to be served on the Tenant, by being left or sent by post to the Tenant at its registered office for the time being and, in the case of anything to be served on the Landlord, by being left or sent by prepaid registered post or by recorded delivery to the Landlord at [insert relevant address details] and marked for the attention of the [insert relevant person's details ] (or such other address or reference as may be notified in writing by the Landlord to the Tenant for such purpose) [and in the case of anything to be served on the Surety, by being left or sent by post to the Surety at the address specified at the beginning of the Lease as being the address for service of the Surety (or such other address in England or Wales as the Surety may notify to the serving Party as its address for service for the purposes of the Lease)].

## **16 The Landlord's Powers and Liability**

- 16.1 Nothing contained or implied in this Lease or any consent or approval granted pursuant to it shall prejudice or affect the rights, powers, duties and obligations of the Landlord or any member of its Group in the exercise or discharge of its/their statutory or public functions (whether directly or under authorisation/delegation) as a statutory body or authority [which, in the case of Transport for London or any member of its Group, involve the functions of the strategic transport authority for Greater London which includes, but is not limited to, its role as a statutory consultee under the planning process.
- 16.2 The Parties acknowledge that:
  - (a) nothing in the Lease shall amount to a waiver by Transport for London or any member of its Group of their rights as a statutory consultee under the planning process and the Tenant shall not make any representations to the local planning authority to the effect that such consultation is not required;
  - (b) in giving any consent approval or acknowledgement under the Lease the Landlord shall have regard to the requirements of Transport for London or any member of its Group if, in its absolute discretion, it believe that the proposed development of the Land will have an effect on the transport operations and undertakings of Transport for London or any member of its Group; and

- (i) matters or concerns relating to the operations or undertakings of Transport for London or any member of its Group are paramount and that such matters or concerns take precedence.
- (c) the Landlord shall not be under any liability whatsoever in respect of any defect in the design of the Development permitted by the Planning Permission or otherwise and shall not be deemed to have made any representation or warranty as to the fitness or suitability of the Land for the purposes of the Development or any other representation or warranty and the Tenant declares that:
  - (i) no oral representation has been made to the Tenant prior to the date hereof by the Landlord or its agents concerning the subject matter of the Lease which has influenced, induced or persuaded the Tenant to enter into the Lease; and
  - (ii) it has been provided with all information necessary to assess the state and condition of the Land and has been afforded full opportunity to enter the Land to conduct such surveys as it wished.

## **17 VAT**

- 17.1 All monies payable under the terms of the Lease are paid exclusive of VAT.
- 17.2 In the event of VAT being chargeable on such monies the Tenant will on demand pay the same to the Landlord at the appropriate rate in exchange for a VAT invoice addressed to the Tenant.

## **18 Acknowledgment**

- 18.1 The Parties to the Lease do not intend that any term of the Lease shall be enforceable solely by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a Party.
- 18.2 No variation of the Lease shall be made other than by deed.

## **19 Surety Covenants**

The Surety covenants with the Landlord as a direct and primary obligation in the terms set out in Schedule 2.

## **20 Overage**

The Tenant covenants to pay overage in accordance with the Overage Provisions of Schedule 4 and the parties agree to comply with their obligations thereunder.

## **21 Miscellaneous**

### **21.1 Law**

The Lease is governed by and shall be construed in accordance with English law and subject to the exclusive jurisdiction of the English courts.

### **21.2 Commencement**

For the avoidance of doubt the provisions of this document (other than those contained in this clause) shall not have any effect until this document has been dated.

- 21.3 If, before the expiry of this Lease or the Put Option in Schedule 3 the Landlord grants a tenancy of the reversion immediately expectant on the determination of this Lease, whether under section 19 of the 1995 Act, or otherwise, any obligation of the Tenant to obtain the consent of the Landlord under this Lease to any dealing with it includes an obligation to obtain the consent of the lessor under such tenancy to that dealing.

**21.4 Exclusion of warranty as to use**

Nothing contained in the Lease or in any consent or approval given by the Landlord pursuant to the terms of the Lease shall imply or warrant that the Land may be used under the Planning Acts for the Permitted Use or for any other purpose authorised by the Landlord and the Tenant acknowledges that the Landlord has not given or made at any time any representation or warranty that any such use is or will be or will remain a lawful use under the Planning Acts.

**21.5 New tenancy**

The Lease granted pursuant to the Agreement for Lease creates a **new tenancy** as defined by section 28(1) of the 1995 Act.

**21.6 Landlord's release on transfer of reversion**

On every transfer (whether legal or equitable) of its interest in the whole of the Land, the Landlord is released from all liability for any breach of any landlord covenant of the Lease occurring after the transfer.

**21.7 Compensation**

Any statutory right of the Tenant to claim compensation from the Landlord on vacating the Land is excluded to the extent lawful.

**21.8 Land Registration**

The Tenant will register the grant and any transfer of the Lease or any right relating to it under the Land Registration Act 2002, and will comply with the relevant registration requirements. In doing so, the Tenant will ensure that any requisitions raised by the Land Registry are dealt with promptly and properly and the Landlord will provide such assistance as is reasonably required by the Tenant. The Tenant is to apply to the Land Registry on form RX1 together with the requisite fee for the restrictions in the form of the restriction set out in LR13 of the Lease to be entered onto the proprietorship registers of each of the title number(s) to be allocated to the Lease. The Tenant will provide the Landlord's solicitors with an official copy of the relevant register showing compliance with these requirements as soon as practicable.

The Lease is executed as a deed by the parties and is delivered and takes effect on the date at the beginning of the Lease.

## Schedule 1 – Grants and Reservations

**NOTE: the rights and reservations will need to be reviewed and if necessary revised to reflect the requirements of the agreed development scheme.**

### Part 1 – Rights Easements and privileges granted to the Tenant

- 1 A right (until adoption) to the free passage of water and soil, gas and electricity, telephone radio or television signals through the Common Services running through, in, under or over, or attached to, the Adjoining Land together with the right to enter the Adjoining Land to inspect, make, lay, clean, reconstruct, divert, alter, maintain or connect into such Common Services until they have been adopted, such entry to be on the following terms:
  - (a) entry may take place only at times to be agreed with the Landlord;
  - (a) entry shall otherwise be subject to such conditions as the Landlord may require including the requirement that no Common Services shall be overloaded;
  - (b) entry may only be over such parts of the Adjoining Land as may be necessary in order to carry out any infrastructure works and, in any event, may not be over any part of the Adjoining Land that has been built upon or is no longer in the Landlord's possession or control.
- 2 A right to enter the Adjoining Land to carry out any infrastructure works, and entry to be on the following terms:
  - (a) entry may take place only at times to be agreed with the Landlord;
  - (b) entry shall otherwise be subject to such conditions as the Landlord may require;
  - (c) entry may only be over such parts of the Adjoining Land as may be necessary in order to carry out the Infrastructure Works and, in any event, may not be over any part of the Adjoining Land that has been built upon or is no longer in the Landlord's possession or control.
- 3 Any right of entry pursuant to paragraphs 1 and 2 shall be on the basis that the person so entering shall causing as little damage as possible and make good any damage so caused as soon as reasonably practicable and to the reasonable satisfaction of the Landlord.

### Part 2 – Exceptions and reservations

The following rights and easements are excepted and reserved out of the Land to the Landlord and all those that it reasonably authorises and the owners and occupiers of the Adjoining Land and all those that they reasonably authorise and all other persons having similar rights and easements.

- 1 A right of way (until adoption) at all times and for all purposes over and along all roads and footpaths either existing at the date of this Lease or constructed at any time upon the Land.

- 2 The right to free passage of water, soil, gas and electricity, telephone, radio or television signals through the Common Services now or at any time running through, in, under or over or attached, to the Land.
- 3 The right to use, install, lay, clean, enlarge, extend, connect into, repair, reconstruct, divert, remove, alter and replace Common Services now or at any time in, under, over or attached to the Land and to enter upon such part of the Land as may be necessary (but excluding any parts which have permanent structures upon them or are within building lines ) for any of the foregoing the person so entering doing as little damage as possible and as soon as reasonably possible making good any damage done.
- 4 A right of entry on to the Land in order to carry out any works to any Adjoining Land.
- 5 All other rights of entry given to the Landlord referred to elsewhere in the Lease.
- 6 The right to enter upon all such parts of the Land as may be appropriate for any other reasonable purpose connected with the Development.
- 7 All rights, easements, quasi-easements and privileges granted to, or enjoyed by, any third party in respect of the construction of any infrastructure or related matters.



## **Schedule 2 - Covenants by Surety**

### **1 Indemnity by Surety**

The Tenant or the Surety shall while the Tenant remains bound by the Tenant's Covenants comply with the Tenant's Covenants and the Surety shall indemnify the Landlord against all claims, demands, losses, damages, liabilities, costs, fees and expenses sustained by the Landlord by reason of or arising out of any default by the Tenant in complying with the Tenant's Covenants.

### **2 Surety jointly and severally liable with Tenant**

The Surety shall be jointly and severally liable with the Tenant (whether before or after any disclaimer by a liquidator or trustee in bankruptcy or any forfeiture of the Lease) for the fulfilment of all the obligations of the Tenant under the Lease and agrees that the Landlord in the enforcement of its rights under the Lease may proceed against the Surety as if the Surety were named as the Tenant in the Lease.

### **3 Waiver by Surety**

The Surety waives any right to require the Landlord to proceed against the Tenant or to pursue any other remedy whatsoever which may be available to the Landlord before proceeding against the Surety.

### **4 No release of Surety**

None of the following or any combination of them shall release, discharge or lessen or affect the liability of the Surety under the Lease:

- (a) any neglect, delay or forbearance of the Landlord in endeavouring to obtain payment of any sums due under the Lease or in enforcing compliance with the Tenant's Covenants;
- (b) any refusal by the Landlord to accept any payment tendered by or on behalf of the Tenant at a time when the Landlord is entitled (or would after the service of a notice under section 146 of the Law of Property Act 1925 be entitled) to re enter the Land;
- (c) any extension of time given by the Landlord to the Tenant;
- (d) save as provided for in the 1995 Act any variation of the terms of the Lease or the transfer of the Landlord's reversion or the assignment of the Lease;
- (e) any surrender by the Tenant of any part of the Land (in which event the liability of the Surety shall continue in respect of the part of the Land not so surrendered after making any necessary apportionments);
- (f) any other act, omission, matter or thing whereby but for this provision the Surety would be exonerated wholly or in part (other than a release under seal given by the Landlord).

## **5 Disclaimer or forfeiture of Lease**

5.1 If the Tenant (being an individual) becomes bankrupt or (being a company) enters into liquidation and the trustee in bankruptcy or liquidator disclaims or surrenders the Lease or the Lease is forfeited then the Surety shall (if it gives written notice to the Landlord within 30 Working Days after such disclaimer or other event) accept from and execute and deliver to the Landlord a counterpart of a new lease of the Land (the proper and reasonable costs of which shall be borne by the Surety) and the Landlord shall grant such new lease to the Surety:

- (a) to take effect from the date of the disclaimer or other event;
- (b) for a term beginning on the date of the disclaimer and equal in length to the residue of the term granted by the Lease which would have remained had there been no disclaimer;
- (c) reserving by way of yearly rent an amount equal to the yearly rent payable immediately before the date of the disclaimer or other event such yearly rent to be payable from that date;
- (d) imposing on the Surety the same obligations as the Tenant was subject to immediately before the disclaimer or other event; and
- (e) otherwise containing the same terms and provisions as the Lease, including the provisions relating to payment of money, except that the Surety shall not be required to procure that any other person is made a party to the new lease as surety.

5.2 If the Surety does not require to take a new lease, the Surety shall nevertheless on demand pay to the Landlord a sum equal to the rents and other sums that would have been payable under the Lease but for the disclaimer or other event, from and including the date of such disclaimer or other event for a period of two years or (if sooner) until the date on which a lease or underlease of the Land to a third party is completed.

## **6 Supplemental documents**

The Surety shall at the request of the Landlord join in any document made supplemental or collateral to the Lease.

## **7 Address for service**

The Surety shall promptly notify in writing the Landlord of any change in the Surety's address for service and until such notice has been given the Surety's address for service shall be the Surety's address for service most recently notified in writing to the Landlord.

## Schedule 3 - Put Option

### 1 Definitions and interpretation

#### 1.1 Definitions

In this Schedule the following definitions apply:

**Completion Date** means the date which is 15 Working Days after the date of service of the Option Notice.

**Option** means the put option granted by paragraph 2.1

**Option Notice** means written notice exercising the Option

**Option Period** means the period of [five] years commencing on the Practical Completion Date

**Part 1 Conditions** means Part 1 of the Standard Commercial Property Conditions (Second Edition) and Condition means any one of them.

**Part 2 Conditions** means Part 2 of the Standard Commercial Property Conditions (Second Edition).

**Practical Completion Date** means the date of the certificate of practical completion of the Development issued under the terms of any building contract.

**Purchase Price** means One Pound (£1.00)

### 2 Put Option

2.1 The Tenant grants the Landlord a put option to require the Tenant to buy the reversionary interest in the Land (subject to the Lease) at the Purchase Price within the Option Period.

2.2 On exercise of the Option, the Landlord shall sell and the Tenant shall buy the reversionary interest in the Land (subject to the Lease) for the Purchase Price on the terms set out in this Schedule.

### 3 Option Notice

The Landlord may exercise the Option at any time during the Option Period by serving an Option Notice on the Tenant.

### 4 Title guarantee

The Landlord shall sell the Land with [full][limited] title guarantee but the covenants for title shall be modified as set out in paragraph 7.

## **5 Conditions**

- 5.1 On exercise of the Option, the Part 1 Conditions shall be incorporated into this agreement in relation to the sale by the Landlord of the Land to the Tenant and in so far as they:
- (a) apply to a sale by private treaty;
  - (b) relate to freehold property;
  - (c) are not inconsistent with the other clauses in this Schedule and the Lease; and
  - (d) have not been modified or excluded by any of the other clauses in this Schedule and the Lease.
- 5.2 On exercise of the Option, the Part 2 Conditions shall not be incorporated into this agreement.
- 5.3 The following Conditions shall not apply:
- (a) Conditions 1.1.4(a), 1.3, 1.4.3 and 1.5;
  - (b) Condition 2.2;
  - (c) Conditions 3.1.4 and 3.3;
  - (d) Conditions 6.2, 6.4.1 and 6.6.2; and
  - (e) Condition 7.1.3.

## **6 Vacant possession**

The Land shall be sold subject to any buildings or structures upon the Land and to any subsisting leasehold interests.

## **7 Transfer**

- 7.1 The transfer to the Tenant shall contain the following covenants and declarations:
- (a) a declaration:
    - (i) that the Land is sold with [full][limited] title guarantee but the Transfer shall state that the covenants set out in sections 2 and 3 of the Law of Property (Miscellaneous Provisions) Act 1994 shall not extend to matters which are referred to in this Schedule; and
    - (ii) that the covenant set out in section 4(1)(b) of the 1994 Act shall not extend to imply that any covenant in the Lease which constitutes an obligation to put the Land in a better state of repair, decoration or condition than it is now in has been complied with;
    - (iii) a covenant by the Tenant with the Landlord that the Tenant and its successors in title will observe and perform the covenants, stipulations, obligations, restrictions and other matters which fall to be observed and performed by the Landlord (whether as original covenantor or by way of

indemnity) contained or referred to in or in documents contained or referred to in:

- (iv) the entries appearing in the property and charges registers of title number [insert the relevant title number] so far as they relate to the Land;
- (v) and will indemnify and keep indemnified the Landlord against all demands, claims, liabilities, losses, damages, costs and expenses suffered or sustained by the Landlord as a result of any future breach, non performance or non observance of the same;
- (vi) [a covenant by the Tenant as transferee not to use the Land except for the Permitted Use;]
- (vii) the overage provisions set out in Schedule 4 of the Lease.

## **8 Completion**

- 8.1 Completion of the transfer shall take place on the Completion Date.
- 8.2 On completion, the Tenant shall pay the Purchase Price to the Landlord.

## **9 Indemnity**

- 9.1 With effect from the Completion Date, the Tenant shall indemnify and keep indemnified the Landlord and the Landlord's Group from and against any and all demands, claims, liabilities, losses, damages, costs, expenses, fines and penalties suffered or incurred by the Landlord and any member of the Landlord's Group as a result of, or arising out of, or in connection with:
  - (a) any failure by the Tenant to adhere to the provisions of paragraph 9; or
  - (b) the presence of any Hazardous Substance in, on, under, or originating from the Land,
  - (c) regardless of the cause or reason.

## **10 Disputes**

Any disputes between the Landlord and the Tenant (including any failure by them to agree a matter which they are at first instance required to do) may be referred by either of them to a Senior Representative and resolved in accordance with Clause [12] [*Appointment of Independent Person*] of the Lease.

## Schedule 4 - Overage Provisions

**NOTE:** The purpose of the overage provisions below is to recalculate the purchase price by capturing both increases and decreases in square footage across the site, where further planning permissions are obtained within the overage period.

### 1 Definitions

In this Schedule the following definitions apply:

**[Affordable Rented Units]** means any units designated as London Affordable Rent.]

**[Affordable Rented Unit Adjustment Sum]** means [Insert figure in words from the Tenant's bid] Pounds (£ [insert same figure in numbers]) per square foot.]

**Calculation Date** means, for each Further Planning Permission, the earlier of:

- (a) the date on which the Further Planning Permission becomes Finally Determined; and
- (b) the date on which the Further Planning Permission is implemented.

**[Commercial Units]** means any part of the Land intended exclusively for use or occupation for trade or business or other non-residential uses.]

**[Commercial Unit Adjustment Sum]** means [Insert figure in words from the Tenant's bid] Pounds (£ [insert same figure in numbers]) per square foot].]

**Disposal** means the transfer, assent or grant of a lease of the whole or any substantial part of the Land by the Tenant or any chargee or mortgagee of the Land whether or not for valuable consideration and any comparable arrangement to the same or similar effect but excluding any Permitted Disposal or the under-lease or grant of a tenancy agreement of a Permitted Part.

**End Date** means the date being 5 years from the Practical Completion Date.

**Finally Determined** means six weeks have elapsed since the date of issue of the Further Planning Permission and either:

- (a) no Proceedings have been instituted in respect of that Further Planning Permission; or
- (b) any Proceedings which may have been instituted in respect of that Further Planning Permission have been exhausted (which shall occur on the withdrawal of such Proceedings or when the time for appealing against the decision of any court has expired and no appeal has been lodged) with that Further Planning Permission being finally upheld.

**Further Planning Permission** means a planning permission relating to the Land (including outline planning permission and any planning permission pursuant to section 73 of the Town and Country Planning Act 1990) obtained by or for the Tenant or any of the Tenant's successors in title to the Land.

**Initial Planning Permission** means the planning permission for the development of the Land dated [insert relevant date of the Planning Permission attached at Annex 2 of the Lease] (reference: [            ]).

**[Intermediate Units]** means any units designated as London Shared Ownership and London Living Rent.

**[Intermediate Unit Adjustment Sum]** means [Insert figure in words from the Tenant's bid] Pounds (£ [insert same figure in numbers]) per square foot].

**London Affordable Rent** means low cost rented homes complying with the requirements designated for this type of tenure (including rent levels falling within the prescribed benchmarks) in the Mayor of London's Homes for Londoners Affordable Homes Programme 2016-21 Funding Guidance dated November 2016.

**London Living Rent** means an intermediate affordable housing rent to buy product with sub-market locally specified rents on time-limited tenancies complying with the requirements designated for this type of tenure in the in the Mayor of London's Homes for Londoners Affordable Homes Programme 2016-21 Funding Guidance dated November 2016.

**London Shared Ownership** means a housing product allowing a home buyer to purchase a share in a new home and pay a regulated rent on the remaining share complying with the requirements designated for this type of tenure in the in the Mayor of London's Homes for Londoners Affordable Homes Programme 2016-21 Funding Guidance dated November 2016.

**Measurement Code** means the edition of the RICS Property Measurement published on behalf of RICS which is current at the date of this Lease.

**Net Internal Area** means the net internal area as calculated in accordance with the Measurement Code.

**Overage** has the meaning given to it in paragraphs 2.2 and 2.3 of this Schedule.

**Overage Calculation Sum** has the meaning given to it in paragraph 2.2 of this Schedule.

**Overage Percentage** means 50%.

**Payment Date** means the [20th] Working Day after the Calculation Date or (if later) after the amount of the payment has been agreed or determined.

**Permitted Chargee** means any mortgagee of the Lease and/or holder of a floating charge over all or substantially all of the Tenant's business and assets and of whom the Landlord has written notice before the date on which the events giving rise to the right of re-entry occurred.

**Practical Completion Date** means the date of the certificate of practical completion of the Development issued under the terms of any building contract.

**[Private Sale Unit]** means any Dwelling which is not an Affordable Dwelling.]

**Private Sale Unit Adjustment Sum** means [Insert figure in words from the Tenant's bid] Pounds (£ [insert same figure in numbers]) per square foot].

**Proceedings** means all or any of the following as the case may be:

- (a) an application for judicial review under Part 54 of the Civil Procedure Rules arising from the grant, or any procedural step towards the grant, of Planning Permission, including any appeals to a higher court following a judgement of a lower court;
- (b) an application pursuant to Section 288 of the Town and Country Planning Act 1990 arising from the grant of Planning Permission by the secretary of state, including any appeals to a higher court following a judgement of a lower court;
- (c) any reconsideration by the planning authority of a planning application or by the secretary of state of an appeal (as the case may be) following a previous Planning Permission being quashed pursuant to an application within the meaning of paragraphs (a) or (b) above and the matter being remitted to the planning authority or the secretary of state (as the case may be).

***[NOTE: Overage applies to any Further Planning Permission and is not limited to a Unit Type until and including the End Date.]***

## **2 Overage**

2.1 The Tenant agrees that, for any part of parts of the Land or the whole of the Land, as the case may be, in respect of which Further Planning Permission has been obtained prior to the End Date the Overage Calculation Sum shall be calculated in accordance with the provisions of paragraph 2.2:

2.2 The Overage Calculation Sum shall be the product of the following formula  $A = ((B \times \text{Affordable Rented Unit Adjustment Sum}) + (C \times \text{Commercial Unit Adjustment Sum}) + (D \times \text{Intermediate Unit Adjustment Sum}) + (E \times \text{Private Sale Unit Adjustment Sum}))$

Where:

A = Overage Calculation Sum;

B = the Net Internal Area of the Affordable Rented Units;

C = the Net Internal Area of the Commercial Units;

D = the Net Internal Area of the Intermediate Units;

E = the Net Internal Area of the Private Sale Units;

and B and/or C and/or D and/or E can be a positive or a negative figure.

Where the Net Internal Area of the Affordable Rented Units, Commercial Units, Intermediate Units and Private Sale Units shall be calculated as follows:

- (a) If the relevant Further Planning Permission is for the whole of the Land, then the Net Internal Area which shall be included in the calculation at paragraph 2.2 shall be the Net Internal Area the construction of which is consented by the Further Planning Permission;
- (b) If the relevant Further Planning Permission is not for the whole of the Land then the Net Internal Area which shall be included in the calculation at paragraph 2.2 shall be the sum of the Net Internal Area the construction of which is consented by the Further Planning Permission which gave rise to the Calculation Date, together with the Net Internal Area which was consented by the Initial Planning Permission and/or Further Planning Permission (as the



context permits) on such part of the Land as is not subject to the relevant Further Planning Permission.

- 2.3 Where the Overage Calculation Sum as calculated in accordance with paragraph 2.2 above is a positive figure, Overage shall be calculated as follows:

$$O = (X - Y) \times Z$$

Where

O = the Overage

X = the Overage Calculation Sum

Y = the Price; and

Z = the Overage Percentage

Where the Tenant has already obtained a Further Planning Permission and has paid Overage in respect of that permission, then Overage shall be payable in accordance with the following calculation:

$$O = ((X - Y) \times Z) - W$$

Where

O = the Overage

X = the Overage Calculation Sum

Y = the Price; and

Z = the Overage Percentage

W = the total amount of Overage previously paid

- 2.4 The minimum value for the Overage shall be £0, so that where the Overage is a negative value, no Overage shall be payable.

### **3 Payment of Overage**

The Tenant agrees that, for any Further Planning Permission in respect of which the Calculation Date occurs before the End Date, the Tenant shall (subject to the terms of paragraph 2) pay Overage to the Landlord on or before the relevant Payment Date.

### **4 Interest on late payment**

If a party fails to pay any amount payable by it to another party under this Schedule on its due date, Interest shall accrue on the overdue amount on a daily basis from the due date up to the date of actual payment (both before and after judgment). Any Interest accruing under this paragraph 4 shall be compounded with the overdue amount on the last day of each month and shall be immediately payable on demand.

## **5 Keep Landlord informed**

The Tenant shall supply promptly to the Landlord all documents and information relating to Overage as the Landlord shall reasonably require, and in particular shall supply a copy of each Further Planning Permission together with their calculation of any Overage which is payable within 10 Working Days of this permission being issued.

## **6 Anti-avoidance**

6.1 The Tenant shall act in good faith.

6.2 In particular, the Tenant shall:

- (a) not do anything which is likely to adversely affect the amount of Overage or its prospects of being triggered;
- (b) use reasonable endeavours to maximise the amount of Overage.

## **7 Dispositions**

7.1 The Tenant may not make a Disposal (other than a Permitted Disposal or an under-lease of a Permitted Part) unless the donee:

- (a) executes a deed of covenant with the Landlord to comply with the Tenant's obligation in this Schedule on or before the date of the deed or document effecting the Disposal and delivers it unconditionally to the Landlord; and
- (b) pays the proper and reasonable costs and expenses of the Landlord (including without limitation the reasonable costs and expenses of the Landlord's solicitors) in respect of the preparation and approval of the deed of covenant together with any VAT on those costs and expenses which the Landlord is unable to recover; and
- (c) makes an application to the Land Registry on form RX1 together with the requisite fee for a restriction to be entered onto the proprietorship register of the title number of the Land (or part of it, as applicable) allocated to it by the Land Registry in the form of the restriction set out in LR13 of the Lease

Provided that the provisions of paragraph 7.1 (a) to (c) shall not apply to the grant of an under-lease in respect of a Dwelling [or Commercial Unit (if any)] or to any Permitted Disposal.

7.2 The Tenant is to apply to the Land Registry on form RX1 together with the requisite fee for a restriction in the form of the restriction set out in LR13 of the Lease relating to the provisions of para 7.1 to be entered onto the proprietorship registers of each of the title number(s) to be allocated to the Lease.

7.3 The parties acknowledge that a restriction in these terms is not intended to be registered against any subsidiary titles created pursuant to a Permitted Disposal or under-lease of a Permitted Part and the Landlord will co-operate with the Tenant and any donees to assist in dealing with any Land Registry requisitions in respect thereof provided that the Tenant shall be responsible for paying the Landlord's costs in so doing.

- 7.4 After the End Date and subject to all Overage due to the Landlord having been paid, the Landlord shall within 20 Working Days of the written request, provide to the Tenant the necessary release documentation for the withdrawal of the restriction entered against the title to the Land provided that the Tenant shall be responsible for paying the Landlord's costs in so doing.

## **8 Disputes**

Any disputes between the Landlord and the Tenant (including any failure by them to agree a matter which they are at first instance required to do) may be referred by either of them to a Senior Representative and resolved in accordance with Clause 14 of the Lease.

## **Annex 1 - Land - Plan A**

## **Annex 2 - Planning Permission**

## **Annex 3 – [Adjoining Land - Plan B]**

**Execution page**

**Signed** as a deed by )

affixing the Common Seal of **TRANSPORT** )

**FOR LONDON** in the presence of: )

Authorised Signatory : .....

**Signed** as a deed by [*insert name of the* )

*Tenant company*] acting by a )

director in the presence of: Director ) Director

Signature of witness: .....

Name of witness: .....

Address: .....

.....

.....

**Signed** as a deed by [*insert name of the* )  
*Surety company*] acting by a )  
director in the presence of: Director ) Director

Signature of witness: .....

Name of witness: .....

Address: .....

.....

.....