

SCHEDULES

SCHEDULE 2

CONSEQUENCES OF CONSEQUENCES OF CONVERSION OF PERPETUALLY RENEWABLE LEASES

Continuance of certain provisions of lease or sublease

1.—(1) The estate in fee simple which comes into existence under paragraph (4), or paragraphs (4) and (5), of Article 36 (“the fee simple”) takes effect in substitution for the estate created by the lease or sub-lease to which that paragraph, or those paragraphs, applied (“the lease”), and, subject to the necessary consequences of that substitution (and, in particular, to sub-paragraph (2)), the provisions of the lease then subsisting are the provisions subject to which the fee simple is held.

(2) The following provisions of the lease do not apply—

- (a) provisions about the falling of lives or the renewal of the lease or, subject to paragraph 7, the payment of fines, fees or costs upon, for or in respect of renewal;
- (b) provisions prohibiting or restricting assignment, sub-demise or parting with possession;
- (c) any other provisions that are repugnant to a fee simple;

but, subject thereto, the fee simple is (without prejudice to paragraphs 5 to 8 and 10) subject to a perpetual fee farm rent payable in the same amounts, at the same times and recoverable in the same manner as the rent under the lease and is subject to the same conditions, covenants, exceptions and reservations as in the lease.

(3) Where the lease is a sub-lease such as is mentioned in Article 36(5), the fee simple is also subject to a fee farm rent equal to the rent payable under the superior lease, or, as the case requires, to fee farm rents equal to the rents payable under the respective superior sub-lease or sub-leases and the superior lease, but subject to any agreement for indemnity relating to those rents.