SCHEDULES.

FIRST SCHEDULE

Section 2.

PART I

OUTSTANDING LEGAL ESTATES.

Provisions for discharging or getting in bare outstanding legal estates.

- 1 If any legal term of years absolute, subsisting at the commencement of this Act, would, if the same had been created out of an estate in fee simple, have been a satisfied term within the meaning of the Satisfied Terms Act, 1845, then that term shall merge in the reversion expectant thereon, and be deemed a satisfied term for the purposes of that Act, and shall cease accordingly.
- 2 Where at or immediately after the commencement of this Act any owner of a legal estate is entitled, subject only to the payment of the costs of tracing the title and of conveyance, to require any other legal estate to be surrendered, released or conveyed to him, the last-mentioned estate shall (except in the case of a satisfied term) by virtue of this enactment be extinguished or shall vest in manner hereinafter provided.
- Where at or immediately after the commencement of this Act any person is entitled, subject only to the payment of the costs of tracing the title and of conveyance, to require any legal estate to be conveyed to or otherwise vested in him, the same shall, by virtue of this enactment, vest in manner hereinafter provided. And this provision shall (without prejudice to any claim in respect of fines, fees, and other customary payments) apply to a person who, under a surrender or any disposition having the effect of a surrender, or under a covenant to surrender or otherwise, was, immediately before the commencement of this Act, entitled to require a legal customary estate of inheritance to be vested in him.
- Any person (not otherwise entitled under the foregoing provisions to have a legal estate vested in him) who, at or immediately after the commencement of this Act, is entitled to an equitable interest capable of subsisting at law which has priority over any legal estate in the same land, shall be deemed to be entitled for the foregoing purposes to require that legal estate to be vested in him for an interest not exceeding in duration the equitable interest, and this enactment shall apply so as to give legal effect to any derivative equitable interests capable of subsisting at law which cannot be overreached by virtue of a subsisting trust for sale or a settlement.
- 5 Any legal estate acquired by virtue of this enactment shall be held upon the trusts and subject to the powers, provisions, rents, covenants, conditions, rights of redemption (as respects terms of years absolute) and other rights, burdens and obligations (if any) corresponding to the limitations, trusts, powers, provisions, rents, covenants, conditions, rights of redemption and other rights, burdens, and obligations (if any) to, upon and subject to which the equitable interest (if any) which is extinguished by the acquisition of the legal estate would have been held immediately after the

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commencement of this Act, if it had not been extinguished, or if no interest is extinguished then upon or subject to which the estate acquired ought to go or be held.

- Under the provisions of this enactment the legal estate affected shall vest:-
 - (a) Where at the commencement of this Act there is a mortgage (not being an equitable charge unsecured by any estate), so as to give legal effect by way of demise or subdemise to the mortgage in accordance with Part I. of this Act;
 - (b) Where the land is at the commencement or by virtue of this Act subject or is made subject to a trust for sale, in the trustees for sale (including personal representatives holding land on trust for sale) but subject to any mortgage term subsisting or created by this Act;
 - (c) Where at the commencement or by virtue of this Act the land is settled, in the personal representative (if any) in whom the land may be vested or in the tenant for life of full age or statutory owner (entitled to require a vesting deed to be executed in his favour) as the case may require, but subject to any mortgage term subsisting or created by this Act;
 - (d) In any case to which paragraphs (b) and (c) do not apply in the person of full age who, immediately after the commencement of this Act, would have been entitled (subject to the payment of costs and any customary payments) to require the legal estate to be vested in him, but subject to any mortgage term subsisting or created by this Act.
- If and when any person is registered as proprietor of land in a compulsory area after the commencement of this Act, then this enactment shall apply to any legal estate in the land expressed to be conveyed or created in favour of a purchaser or lessee before the commencement of this Act which failed to pass or to be created by reason of the omission of the purchaser or lessee to be registered as proprietor of the land under the Land Transfer Acts 1875 and 1897 and shall operate to vest that legal estate In the person so registered as proprietor on his registration, but subject to any mortgage term subsisting or created by this Act.
- 8 Nothing in this Part of this schedule shall operate—
 - (a) To vest in a mortgagee of a term of years absolute any nominal leasehold reversion which is held in trust for him subject to redemption ; or
 - (b) To vest in a mortgagee any legal estate, except a term of years absolute; or
 - (c) To vest any legal estate in a person for an undivided share; or
 - (d) To vest any legal estate in an infant; or
 - (e) To affect, prejudicially the priority of any mortgage or other incumbrance subsisting at the commencement of this Act; or
 - (f) To render invalid any limitation or trust which would have been capable of taking effect as an equitable limitation or trust; or
 - (g) To vest in a purchaser (save as provided in the last preceding clause) or his personal representatives any legal estate which he has contracted to acquire and in regard to which a contract (including an agreement to create a legal mortgage) is pending at the commencement of this Act, although the consideration may have been paid or satisfied and the title accepted, or to render unnecessary the conveyance of such estate.
 - No stamp duty shall become payable by reason only of any vesting surrender or release effected by this enactment.

Section 4.

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PART II

ENFORCEMENT OF EQUITABLE INTERESTS AND POWERS.

- (1) All equitable interests and powers in or over land (whether created before or after any disposition on trust for sale or any vesting instrument affecting the legal estate) shall be enforceable against the personal representative (but subject to his rights and powers for purposes of administration), trustees for sale, tenant for life of full age, or statutory owner of the legal estate affected in manner following (that is to say):—
 - (i) The trustees for sale (but in the case of personal representatives without prejudice to their rights and powers for purposes of administration) shall stand possessed of the not proceeds of sale after payment of costs and of the net rents and profits of the land until sale after payment of rates, taxes, costs of insurance, repairs, and other outgoings, upon such trusts and subject to such powers and provisions as may be requisite for giving effect to the equitable interests and powers affecting the same according to their respective priorities:
 - (ii) Where, by reason of the exercise of any equitable power or under any trust affecting the proceeds of sale, any principal sum is required to be raised, or any person of full age becomes entitled to require a legal estate in the land to be vested in him in priority to the trust for sale, then, unless the claim is satisfied out of the net proceeds of sale, the trustees for sale shall (if so requested in writing) be bound to transfer or create such legal estates, to take effect in priority to the trust for sale, as may be required for raising the money (by way of demise or subdemise, or by charge by way of legal mortgage) or for giving legal effect to the rights of the person so entitled:

Provided that, if the proceeds of sale are held in trust for persons of full age in undivided shares absolutely (free from incumbrances affecting undivided shares), those persons shall not be entitled to require the land to be conveyed to them in undivided shares, but may (subject to legal effect being given by demise or subdemise, or by charge by way of legal mortgage, to incumbrances affecting the entirety) require the same to be vested in any of them (not exceeding four) as joint tenants on trust for sale ; and if the conveyance purports to transfer the land to any of them in undivided shares or to more than four such persons, it shall operate only as a transfer to them or (if more than four) to the four first named therein as joint tenants on trust for sale with full power to postpone the sale :

- (iii) The tenant for life of full age or statutory owner (including a personal representative where the settled land is vested in him, but without prejudice to his rights and powers for purposes of administration) shall stand possessed of the settled land and the income thereof upon such trusts and subject to such powers and provisions as may be requisite for giving effect to the equitable interests and powers affecting the settled land or the income thereof according to their respective priorities:
- (iv) Where, by virtue of any trust or by reason of the exercise of an equitable power affecting the settled land, any principal sum is required to be raised, or any person of full age becomes entitled to require a legal estate in the settled land to be vested in him in priority to the settlement, then (unless where a principal sum is raiseable the claim is discharged out of capital money) the tenant for life of full age, statutory owner, or personal representative in whom the settled land is vested shall be bound (if so requested in writing) to transfer or create such legal estates, to take effect in priority to the settlement,

as may be required for raising the money (by demise or subdemise, or by charge by way of legal mortgage) or for giving ' effect to the rights of the person so entitled:

Provided that, so long as the settlement remains subsisting, no legal estate shall be transferred or created for the purposes aforesaid except to satisfy or give effect to a claim which (by reason of money being actually raised, or of an exercise of an equitable power having priority to all the limitations or trusts of the settlement) ought no longer to be capable of being overreached under the powers of the Settled Land Acts.

- (2) If the legal estate is not vested in personal representatives or in trustees for sale, and there are no trustees of a settlement to whom capital money can be lawfully paid, then the estate owner shall be liable in equity to give effect to the equitable interests and powers affecting his estate of which he has notice according to their respective priorities, and, if any capital money arises under the transaction, shall not, by virtue of this Act, be entitled to overreach the same in favour of a purchaser with notice thereof, until such trustees as aforesaid are appointed, without the concurrence of the persons interested. This provision shall not affect the priority or powers of a mortgagee by demise or subdemise, or a chargee by way of legal mortgage.
- (3) Legal effect may be given, by means of a mortgage by demise or subdemise, or a charge by way of legal mortgage, to an agreement for a mortgage a charge or lien (whether or not arising by operation of law) if the agreement, charge or lien ought, in accordance with the foregoing provisions, to have priority, over the trust for sale or the settlement.
- (4) Where, by reason of a right of reverter, statutory or otherwise, or an equitable right of entry taking effect or otherwise, a person becomes entitled to require a legal estate to be vested in him, then and in any such case the estate owner whose estate is affected shall be liable in equity to convey or create such legal estates as the case may require.
- (5) If any question arises whether any and what legal estate ought to be transferred or created as aforesaid, any person interested may apply to the court for directions in the manner provided by this Act.
- (6) If the trustees for sale, tenant for life of full age, statutory owner or personal representatives or other estate owners refuse or neglect for one month after demand to transfer or create any such legal estate, or if by reason of their being out of the United Kingdom, or being unable to be found, or by reason of the dissolution of a corporation, or for any other reason, the court is satisfied that the transaction cannot otherwise be effected, or cannot be effected without undue delay or expense, the court may, on the application of any person interested, make a vesting order transferring or creating a legal estate in the manner provided by this Act.