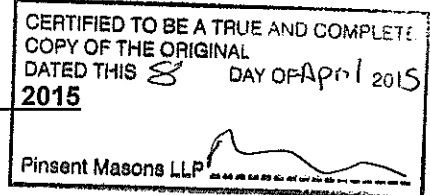


DATED 2 April



(1) LONDON LEGACY DEVELOPMENT CORPORATION

(2) B.V. INVESTMENTS LIMITED

(3) CONSTABLE HOMES LIMITED

PLANNING OBLIGATION BY AGREEMENT
relating to the development of land at
4 Roach Road, Fish Island, London E3 2PA



Pinsent Masons

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THIS DEED OF AGREEMENT is made on

2nd April

2015

BETWEEN:-

- (1) **LONDON LEGACY DEVELOPMENT CORPORATION LIMITED** of Level 10, 1 Stratford Place, Montfichet Road, London 20 1EJ (the "**LPA**");
- (2) **B.V. INVESTMENTS LIMITED** (Company Number 3492074) of 38 Chigwell Lane, Loughton, Essex IG10 3NY (the "**Owner**");
- (3) **CONSTABLE HOMES LIMITED** (Company Number 03943413) of Colchester Road, Springfield, Chelmsford, Essex CM2 5PW (the "**Developer**").

WHEREAS:-

- (A) The LPA exercises the functions of the local planning authority for the Site pursuant to The London Legacy Development (Planning Functions) Order 2012 and is the local planning authority by whom the obligations contained in this Agreement are enforceable.
- (B) The Owner is the freehold owner of the Site as registered at the Land Registry under Title Number NGL451028
- (C) The Developer has a beneficial interest in the Site pursuant to an Agreement for Lease dated 10 May 2012 and referred to at entry 4 of the Charges Register of the Title Number NGL451028.
- (D) The Owner submitted the Planning Application and the LPA has resolved to grant the Planning Permission subject to conditions and to the completion of this Agreement.
- (E) The Parties agree that the obligations contained in this Agreement meet the three tests for planning obligations set out in Regulation 122(2) of the Community Infrastructure Levy Regulations 2010 (as amended).

IT IS AGREED as follows:-

OPERATIVE PROVISIONS

1. DEFINITIONS

1.1 For the purposes of this Deed the following words and expressions have the following meanings:-

"1990 Act"	means Town and Country Planning Act 1990
"2011 Act"	means the Localism Act 2011
"Affordable Housing"	means housing which is available to persons who have housing need or who are on a low income insufficient to meet their housing need in the open market either to rent or purchase as required to be provided pursuant to the terms of this Agreement
"Affordable Housing Management Scheme"	means a scheme specifying:- <ol style="list-style-type: none">(a) the Affordable Housing Provider(b) management and servicing arrangements for the Affordable Housing Units(c) details of the rent, service charge and any estate or other charges payable for each Affordable Housing Unit together with an explanation of how the Affordable

Housing Units remain affordable notwithstanding such charge

- "Affordable Housing Provider"** means a person, company, partnership, organisation or manager from time to time permitted by law to provide Affordable Housing
- "Affordable Housing Units"** means the Residential Units comprised within the Development as identified on drawings 0205_SEW_RR_1101 (in respect of the 5x Affordable Rented Units) and 0205_SEW_RR_1102 (in respect of the 4 x Shared Ownership Units) both of which are attached at Appendix 1 and which shall be provided as Affordable Housing in accordance with the terms of this Deed
- "Affordable Rented Units"** means the Affordable Housing Units to be made available for Affordable Rented Housing
- "Affordable Rented Housing"** means rented housing that has the same characteristics as Social Rented Housing except that it is outside the National Rent Regime, but is subject to other rent controls that require it to be offered to eligible households at a rent of up to 80 per cent of local market rents;
- "Affordable Rents"** means the rents (inclusive of service charge) not exceeding those set out in the table below:

Size of Affordable Housing Unit	Maximum rent
1 bedroom	65% of local market rent
2 bedroom	55% of local market rent
3 bedroom	50% of local market rent

SUBJECT TO an annual percentage rent increase by reference to the amount of the annual increase in the Retail Price Index (RPI) + 0.5% (calculated from the date of this Agreement and based on the annual RPI rate published for the preceding September), or such other rate of annual increase as shall be published by the HCA under their Rent Standard Guidance, including any rate published by the HCA pursuant to the consultation entitled "The Regulatory Framework for Social Housing in England from April 2012 Annex A: Rent Standard Guidance");

- "Affordable Workspace"** means the unit comprised within the Development identified edged blue on drawing 0205_SEW_RR_1100 at Appendix 1 to this Deed being three hundred and ninety-four (394) square metres of B1(c) or B2 floor space comprised within the Development and made available to Occupiers on leases which must comply with the following terms:-
- (a) the total of the rent and service charge shall not exceed the Affordable Workspace Rent;
 - (b) the first six months of the tenancy of each unit of Affordable Workspace shall be rent free; and
 - (b) there shall be no upward rent review for the first five (5) years from first Occupation

"Affordable Workspace Provider"		means a provider and manager of affordable workspace as approved in writing by the LPA before any lease of the Affordable Workspace to such provider
"Affordable Workspace Report"		means a report prepared by the Owner setting out the lease terms on which the Affordable Workspace has been offered together with:- <ul style="list-style-type: none"> (a) evidence as to how such lease terms compare with market lease terms for equivalent market workspace elsewhere within the London Borough of Tower Hamlets using relevant benchmark data and (b) a reasoned explanation and justification as to how such lease terms are, in the opinion of the Owner, reasonable lease terms on which the Affordable Workspace is to be offered
"Affordable Workspace Rent"		means rent of four pounds (£4) per square foot plus a service charge of not more than one pound and fifty pence (£1.50) per square foot
"Agreement"		means this agreement made pursuant to section 106 of the 1990 Act and other enabling powers
"Bridge Notice"		a written notice served by the LPA on the Owner informing the Owner of its intention to construct a bridge over the River Lee Navigation to connect into the Safeguarded Area (or part thereof) and such notice may only be validly served if accompanied by: <ul style="list-style-type: none"> (a) evidence of approval to construct the bridge through the LPA's Board, Executive Team or Committee; (b) a specification for the bridge; and (c) a programme for implementation of the bridge;
"Commencement"		means the carrying out of a material operation as defined in section 56(4) of the 1990 Act and "Commence" and "Commenced" shall be construed accordingly
"Construction Contract"		means an unconditional contract for the construction and completion of the Development entered into by the Owner in the form of a JCT Design and Build Contract (or such edition extant at or around the time of Commencement) or such other form of equivalent construction contract as is custom and practice to use in the industry incorporating the programme for the completion of the Development by a specified completion date documentary evidence of which shall be submitted to the LPA in writing together with the Unconditional Obligation Certificate
"Deferred Affordable Housing"		means the Deferred Affordable Housing Units or the Deferred Affordable Housing Payment
"Deferred Affordable Housing Units"		means Affordable Housing to be provided as part of the Development up to a maximum of 16 (sixteen) Residential Units

"Deferred Affordable Housing Payment"	means a sum of money representing the cost of providing the Deferred Affordable Housing so as to increase the Affordable Housing provided by the Development above the figure of 9 Residential Units secured through this Agreement up to a cap of fifty percent (50%) of the Residential Units comprised within the Development in accordance with the requirements of Policy DM 3 of the London Borough of Tower Hamlets' Managing Development Document DPD (adopted April 2013);
"Deferred Affordable Housing Scheme"	means a scheme specifying the quantum, size and location of the Deferred Affordable Housing Units with reference to plans and drawings approved as part of the Planning Application, which; <ul style="list-style-type: none"> (a) is submitted by the Owners with any Viability Review; or (b) is either: <ul style="list-style-type: none"> (i) agreed by the LPA and the Owner; or (ii) determined by the Specialist
"Design Monitoring Costs"	means the monies paid in accordance with paragraph 2.1 of Schedule 1 to meet the LPA's reasonable costs incurred in monitoring the design quality of the "Development"
"Design Monitoring Period"	means the period starting no later than Commencement of the Development and extending to the conclusion of RIBA Stage L
"Development"	means the development of the Site and all other operations and/or works authorised by the Planning Permission
"Force Majeure"	fire, explosion, aircraft and aerial devices dropped from aircraft, war, riot, civil commotion or terrorist activity
"Homes and Communities Agency" or "HCA"	means the organisation empowered to regulate registered providers of Affordable Housing under the Housing and Regeneration Act 2008 or any successor body having functions currently exercised by the Homes and Communities Agency;

"Index"	<p>means:-</p> <p>(a) in respect of the Public Realm and Local Infrastructure Contribution and of the Waterway Improvements Contribution the Building Costs Index as published by the Building Cost Information Service; and</p> <p>(b) in all other cases the Consumer Prices Index published by the Office for National Statistics unless otherwise expressly provided for in this Agreement</p> <p>and "Indexed" shall be construed accordingly. If any of the above indices is no longer published or otherwise discontinued "Index" includes any replacement index performing substantially the same function published from time to time by any of the above organisations (or any successors to their respective functions)</p>
"Initial Monitoring Period"	means six months after first Occupation until 36 months after first Occupation;
"Landscaping Scheme"	means a scheme for landscaping works to be carried out on the land shown hatched green on drawing 0205_SEW_RR_7100 attached at Appendix 1 such works to include at least 2 visitor moorings for use by vessels on the River Lee Navigation;
"Landscaping Works"	means the works set out in the Landscaping Scheme approved by the LPA pursuant to paragraph 8.1 of Schedule 1;
"Lease"	means the lease to be granted pursuant to the Agreement for Lease which is referred to at Recital (C);
"Letter of Intent"	means a letter relating to the construction and completion of the Development in the form normally issued to a contractor in advance of the completion of a Construction Contract
"Memorandum"	means a memorandum required by Schedule 3 and made in accordance with paragraph 12 of Schedule 3;
"Market Housing Unit"	means the Residential Units that are not Affordable Housing;
"Model Form of Lease"	means the model forms of lease for Intermediate Housing published by the HCA from time to time;
"Modal Split Targets"	means the modal split targets identified in the approved Travel Plan;
"Occupation"	means occupation for the purposes permitted by the Planning Permission but not including occupation by personnel engaged in construction, fitting out or decoration or occupation for marketing or display or occupation in relation to security operations and "Occupy" and "Occupier" shall be construed accordingly
"Parties"	means the parties to this Agreement and the word "Party" shall mean any one of them

- "Planning Application"** means the full application for planning permission submitted to the LPA and given reference number 14/00260/FUL
- "Planning Permission"** means the planning permission subject to conditions for the proposals within the Planning Application
- "Public Realm and Local Infrastructure Contribution"** means a contribution of two hundred and thirty-three thousand, seven hundred and eight pounds (£233,708) to be applied by the LPA to public realm and local infrastructure improvements
- "Reasonable Endeavours"** means that it is agreed by the Parties that the Owner under such an obligation will not thereby be required to take proceedings (including any appeal) in any court public inquiry or other hearing (unless specified to the contrary) but subject thereto and to other terms of this Agreement the Owner will be bound to attempt to fulfil the relevant obligation by the expenditure of such effort and/or sums of money and the engagement of such professional or other advisers as in all the circumstances may reasonably be expected of a competent commercial developer in the context of the Development (or part of the Development)
- "Relevant Report"** means a detailed report setting out and evidencing the Owner's reasons and justification (financial and otherwise) as to why any Viability Review submitted would not support any Deferred Affordable Housing;
- "Remaining Units"** means the 35 Residential Units being provided as Market Housing Units (which for the avoidance of doubt excludes the Affordable Housing Units);
- "Rental Cap"** means the weekly rents (inclusive of service charge) set out in the table below:

Size of Affordable Housing Unit	Weekly Rent (including Service Charge) on first letting of an Affordable Rented Unit
1 bedroom	£169.85
2 bedroom	£198.32
3 bedroom	£218.76

SUBJECT TO an annual percentage rent increase by reference to the amount of the annual increase in the Retail Price Index (RPI) + 0.5% (calculated from the date of this Agreement and based on the annual RPI rate published for the preceding September), or such other rate of annual increase as shall be published by the HCA under their Rent Standard Guidance, including any rate published by the HCA pursuant to the consultation entitled "The Regulatory Framework for Social Housing in England from April 2012 Annex A: Rent Standard Guidance");

- "Rents and Nominations Agreement"** means the London Borough of Tower Hamlets' standard rents and nominations agreement

"Residential Units"	means any unit of residential accommodation comprised within the Development (whether house or flat) including any unit of either Market Housing or Affordable Housing
"Residual Site Value"	means the amount remaining once the gross development cost of the Development is deducted from its gross development value and an appropriate return has been deducted;
"RIBA Stage L"	means the stage in the operational development following practical completion of the Development, during which final inspections are made to ensure that design and construction specifications have been met and the final account is settled
"Safeguarded Area"	means the area shown hatched blue on drawing 0205_SEW_RR_7100 at Appendix 1 to this Deed;
"Shared Ownership Unit"	means a unit occupied partly for rent and partly by way of owner occupation on shared ownership terms as defined in section 2(6) of the Housing Act 1996 where the lessee for the time being has the right to carry out staircasing and dispose of the unit on the open market in accordance with the provisions of the Model Form of Lease;
"Shell and Core Standard"	means accommodation constructed to shell and core finish as that expression is understood in the commercial development industry and shall include fair faced block work party walls, utility supplies, drainage connections, allowances for conduits for internet/TV/telecommunication connections, Disability and Equality Act 2010 compliant, toilet facilities provided in accordance with Building Regulations and including any final wall, floor and ceiling finishes and services installations, fixtures and fittings
"Site"	means the whole of the land to which the Planning Permission relates as the same is shown edged red on the title plan for title NGL451028 at Appendix 1 to this Deed
"Social Rented Housing"	means housing which is managed by local authorities and Affordable Housing Providers and for which guideline target rents are determined through the national rent regime
"Specialist"	means an expert appointed in accordance with Schedule 3;

"Substantial Commencement"

means the occurrence of all of the following events:

- (a) a Construction Contract is let by the Owner and certified documentary evidence of the same is provided to the LPA; and
- (b) an Unconditional Obligation Certificate is provided to the LPA in writing (which for the avoidance of doubt can be in the form of a letter); and
- (c) Commencement of the Development has occurred and works (including but without limitation building or engineering works) pursuant to the Construction Contract have taken place and are ongoing in respect of the Site for at least three (3) calendar months (without interruption to the construction programme under the Construction Contract lasting more than one (1) week in total in any given month);

"Sustainable Transport Measures"

means measures to promote sustainable transport and encourage behavioural change (which may include the provision of physical infrastructure in order to encourage greater travel by walking and cycling) **PROVIDED THAT** such measures are in accordance with the requirements of regulation 122(2) of the Community Infrastructure Levy Regulations 2010;

"Travel Plan"

means the travel plan to be submitted to the LPA for Approval pursuant to paragraph 6.1 of Schedule 3;

"Travel Plan Monitoring"

means monitoring of the Travel Plan by carrying out the following monitoring of travel to and from the Development which shall as a minimum include the following:

- (a) carrying out representative surveys of the modal split of visitors to the Development (including staff) together with details of where those who have travelled by vehicle (for all or part of their journey) have parked;
- (b) monitoring of the usage of the car parking which is available for use in the Development;
- (c) monitoring of the usage of cycle parking facilities by visitors to, and employees of, the Development;

"Travel Plan Monitoring Officer"

means a person appointed by the Owner to monitor and promote the success in meeting the targets set out in the Travel Plan;

"Travel Plan Monitoring Report"

a report setting out the data and information gathered during the Travel Plan Monitoring undertaken during the Travel Plan Review Period and such report shall include:

- (a) details of trip generation rates;
- (b) details of mode share and change in mode share over time;
- (c) details of how effectively the Travel Plan has operated within the previous period;
- (d) any data and information necessary for the purposes of determining whether or not the Modal Split Targets have been achieved; and
- (e) (where the objectives and/or targets specified in the Travel Plan have not been met) a proposed revision to the Travel Plan for approval by the LPA setting out additional and/or enhanced measures to bridge any shortfall in achieving the objectives and targets of the Travel Plan together with a timetable for implementing such measures;

"Travel Plan Review Period"

means initially the period of 6 months commencing on first Occupation of a Residential Unit and thereafter annually on a rolling basis.

"Unconditional Obligation Certificate"

means a certificate provided by solicitors acting for the Owner to the effect that:

- (a) the Owner has completed the Construction Contract in which a construction contractor agrees to construct the Development by a specified completion date in accordance with an agreed programme subject to the usual extensions, and
- (b) all contractual conditions precedent to the enforcement of the obligation to construct the Development referred to at (a) above have been satisfied;

"Viability Review"

means an appraisal to be provided by the Owner assessing the ability of the Development to viably deliver some or all of the Deferred Affordable Housing based on the GLA Affordable Housing Toolkit Three Dragons model or such other model for evaluating the financial viability of developments of a similar kind to the Development as may be agreed between the Parties and the appraisal shall be based on the agreed financial assumptions set out in the viability statement prepared by Montagu Evans with document reference 'Roach Road Agreed Viability Statement' and dated 1st April 2015

"Waterway Improvements Contribution" means a contribution of twenty thousand pounds (£20,000) as a contribution towards the improvement of the waterway environment

"Working Day" means a day other than a Saturday or Sunday or public holiday in England or the period between 24 December and 1 January inclusive.

2. CONSTRUCTION OF THIS AGREEMENT

2.1 In this Agreement:-

2.1.1 unless otherwise indicated reference to any:-

- (a) clause, schedule or appendix is to a clause of, schedule to or appendix to this Agreement;
- (b) paragraph is to a paragraph of a schedule to this Agreement;
- (c) reference within a schedule to a paragraph is to a paragraph of that Schedule;
- (d) part is to a part of a schedule to this Agreement;
- (e) table is to a table of a schedule to this Agreement;
- (f) recital is to a recital to this Agreement; and
- (g) plan, is to a plan annexed to this Agreement as an Appendix;

2.1.2 references to any statute or statutory provision include references to:-

- (a) all Acts of Parliament and all other legislation having legal effect in the United Kingdom as enacted at the date of this Agreement;
- (b) any orders, regulations, instruments or other subordinate legislation made or issued under that statute or statutory provision; and
- (c) in each case shall include any re-enactment thereof for the time being in force and any modifications or amendments thereof for the time being in force;

2.1.3 headings, the table of contents and titles to the plans are for reference purposes only and are not incorporated into this Agreement and shall not be deemed to be an indication of the meaning of the parts of the Agreement to which they relate;

2.1.4 any notice, notification, consent, approval, agreement, request, statement or details to be made, given or submitted under or in connection with this Agreement shall be made or confirmed in writing;

2.1.5 references to the Site include any part of it;

2.1.6 references to the LPA comprise the London Legacy Development Corporation in its capacity as local planning authority and include successors to such function;

2.1.7 references to any other party to this Agreement shall include the successors in title to that party and to any person deriving title through or under that party;

2.1.8 **"including"** means **"including without limitation"**;

2.1.9 unless otherwise indicated references to the singular include the plural and references to the plural include the singular and words importing any gender include every gender;

- 2.1.10 unless otherwise indicated words importing persons include firms, companies, other corporate bodies or legal entities and vice versa;
- 2.1.11 any obligation, covenant, undertaking or agreement by the Owner or LPA not to do any act or thing includes an obligation, covenant, undertaking or agreement not to permit or allow the doing of that act or thing;
- 2.1.12 save where expressly stated to the contrary, where in this Agreement there is reference to using Reasonable Endeavours to achieve an outcome, upon written request by any of the Parties at reasonable intervals (not to exceed more than once every three months), within 10 Working Days of such request reasonable evidence of the steps taken to achieve such outcome shall be provided in documentary form (where possible) to the requesting Party.

2.2 The Interpretation Act 1978 shall apply to this Agreement.

2.3 This Agreement includes the Schedules, Recitals and Appendices to this Agreement.

3. **LEGAL BASIS**

3.1 This Agreement is made under section 106 of the 1990 Act with the intention that it should bind the Owner's interest in the Site as provided by that Section.

3.2 The covenant, restrictions and requirements imposed on the Owner in this Agreement create planning obligations pursuant to and for the purposes of section 106 of the 1990 Act so as to bind the Site and are enforceable by the LPA as local planning authority against the Owner.

3.3 The covenant given by the LPA in Clause 7 is given by the LPA under section 201 of the Localism Act 2011 and all other powers so enabling.

4. **CONDITIONALITY**

4.1 Save where expressly provided for in this Agreement, this Agreement is conditional upon and shall not take effect until the Planning Permission has been granted.

5. **THE OWNER'S COVENANTS WITH THE LPA**

5.1 The Owner covenants with the LPA:-

5.1.1 as set out in Schedule 1, Schedule 2 and Schedule 3;

5.1.2 not to encumber or otherwise deal with its interest in the Site or any part or parts thereof in any manner whatsoever whereby the obligations, covenants and undertakings imposed by this Agreement are rendered impossible to carry out;

5.1.3 to notify the LPA of within five working days of the occurrence of the following dates:-

(a) actual Commencement of Development;

(b) Occupation of the first Residential Unit.

6. **DEVELOPER'S COVENANTS WITH THE LPA**

6.1 Subject to the grant of the Lease the Developer covenants jointly and severally with the Owner to perform the covenants set out in Schedule 1, Schedule 2 and Schedule 3.

6.2 The Developer agrees that following the grant of the Lease it shall be bound by the obligations herein pursuant to section 106 of the 1990 Act.

7. THE LPA'S COVENANTS WITH THE OWNER

- 7.1 The LPA covenants with the Owner that it shall perform and comply with and procure performance of and compliance with, each and every of the obligations, covenants and undertakings on the part of the LPA contained in this Agreement.

8. FINANCIAL CONTRIBUTIONS AND INDEXATION

- 8.1 Where, pursuant to this Agreement, a payment or financial contribution is to be made, such payment or financial contribution shall be paid in accordance with the triggers and provisions for payment set out in and in accordance with all relevant provisions of this Agreement.
- 8.2 All payments or financial contributions to be paid pursuant to this Agreement will be increased (and not decreased) by reference to the amount of the quarterly increase in the Index from the date of this Agreement until the date such sums are paid.
- 8.3 Where any sum or value is referred to in this Agreement (but is not the subject of a payment) such sum or value shall be increased (and not decreased) by the increase of the Index from the date of this Agreement until the date the sum or value falls to be considered or applied.
- 8.4 All payments or financial contributions to be paid pursuant to this Agreement shall be made on the dates provided in this Agreement and if paid late shall be paid with interest accrued calculated from the date such payments or financial contributions were due to the date of the actual payment at 2% above the base rate of a clearing bank to be approved by the LPA.
- 8.5 Following receipt of any payments or financial contributions from the Owner pursuant to any obligations contained in this Agreement, the LPA covenants and undertakes to:-
- 8.5.1 apply such payments or financial contributions only for the purposes specified in this Agreement **PROVIDED THAT** for the avoidance of doubt the LPA will be entitled to treat any accrued interest as if it were part of the principal sum paid by the Owner; and
- 8.5.2 at the written request of the Owner and provided that no more than one such report shall be required in any calendar year provide annual reports to the Owner setting out the expenditure from such payments or financial contributions in the previous 12 (twelve) month period.
- 8.6 Save where expressly stated to the contrary, the LPA shall return to the person who paid to the LPA the original payment or financial contribution any sums from such payment or financial contribution that remain contractually uncommitted or unspent as at the fifth anniversary of payment by the Owner.
- 8.7 Where sums have been paid to the LPA and the LPA has thereafter paid those sums to a third party then the LPA's obligation to repay any such sums pursuant to Clause 8.6 shall be conditional upon the repayment of any such sums by such third party to the LPA and the LPA shall not be obliged to repay such sums until such time as the sums have been repaid by such third party.

9. NOTICES

- 9.1 Any notice or other written communication to be served upon a Party or given by one Party to any other under the terms of this Agreement shall be deemed to have been validly served or given if delivered by hand or sent by first class post or sent by recorded delivery post to the Party upon whom it is to be served or to whom it is to be given and shall conclusively be deemed to have been received on:-
- 9.1.1 if delivered by hand, the next Working Day after the day of delivery; and
- 9.1.2 if sent by first class post or recorded delivery post, the day two Working Days after the date of posting.

- 9.2 The address for any notice or other written communication shall be within the United Kingdom only and shall be as specified below or such other address as shall be specified by the Party upon whom the notice is to be served to the other Parties by not less than five Working Days' notice:-

LPA:

DIRECTOR OF PLANNING POLICY AND DECISIONS
London Legacy Development Corporation – Planning Policy and Decisions Team
Level 10
1 Stratford Place
Montfichet Road
London E20 1EJ

with a copy to:-

HEAD OF DEVELOPMENT MANAGEMENT
London Legacy Development Corporation – Planning Policy and Decisions Team
Level 10
1 Stratford Place
Montfichet Road
London E20 1EJ

Owner:

The Company Secretary, 47/47a Church Lane, Loughton, Essex

Developer:

The Development Director, Colchester Road, Springfield, Chelmsford, Essex CM2 5PW

- 9.3 Any notice or other written communication to be given by the LPA shall be deemed valid and effectual if on its face it is signed on behalf of the LPA by an officer or duly authorised signatory.

10. SATISFACTION OF ANY OF THE PROVISIONS OF THIS AGREEMENT

- 10.1 Where in the opinion of the Owner any obligation, covenant, undertaking or other provision on the part of the Owner contained in this Agreement has been satisfied wholly or in part, the Owner shall be entitled to apply to the LPA for a notification to that effect, and where the relevant obligation, covenant, undertaking or other provision has been satisfied (wholly or in part) the LPA shall as soon as reasonably practicable issue a notification to such effect. A notification may be given that the relevant obligation, covenant, undertaking or other provision (as the case may be) has been satisfied in relation to part of the Site.

- 10.2 Where in the opinion of the LPA, any obligation, covenant, undertaking or other provision on the part of the LPA contained in this Agreement has been satisfied wholly or in part, the LPA shall be entitled to apply to the Owner for a notification to that effect, and where the relevant obligation, covenant, undertaking or other provision has been satisfied (wholly or in part) the Owner shall as soon as reasonably practicable issue a notification to such effect. A notification may be given that the relevant obligation, covenant, undertaking or other provision (as the case may be) has been satisfied in relation to part of the Site.

- 10.3 Where all of the obligations, covenants, undertakings and other provisions contained in this Agreement have been satisfied wholly the LPA shall request that the London Borough of Tower Hamlets (and any statutory successor to its functions) remove the entry in its Local Land Charges Register relating to this Agreement.

11. VERIFICATION AND ENFORCEMENT

The Owner shall permit the LPA and its authorised employees agents surveyors and other representatives to enter upon the Site and any buildings erected thereon pursuant to the

Development at reasonable times and upon reasonable prior notice for the purpose of verifying whether or not the obligations contained in this Agreement are being performed and complied with **PROVIDED THAT** the LPA shall make good any damage caused by the LPA and its authorised employees, agents, surveyors and other representatives during the carrying out of such verification.

12. **NO WAIVER**

No waiver (whether expressed or implied) by the LPA of any breach or default by the Owner in performing or Complying with any of the obligations, covenants or undertakings contained in this Agreement shall constitute a continuing waiver and no such waiver shall prevent the LPA from enforcing any of the said obligations, covenants or undertakings or from acting upon any subsequent breach or default in respect thereof by the Owner.

13. **DUTY TO ACT REASONABLY AND IN GOOD FAITH**

The Parties agree with one another to act reasonably and in good faith in the fulfilment of this Agreement.

14. **EXCLUSION OF CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

The Parties to this Agreement do not intend that any term of this Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.

15. **CHANGE IN OWNERSHIP**

15.1 The Owner agrees with the LPA to give the LPA immediate written notice of any change in ownership of any of its interests in the Site occurring before all the obligations under this Deed have been discharged such notice to give details of the transferee's full name and registered office (if a company or usual address if not) together with the area of the Site or unit of occupation purchased by reference to a plan PROVIDED that disposals of individual Residential Units or Commercial Units to individual occupiers of such units do not need to be notified.

16. **THE LPA'S LEGAL AND OTHER COSTS**

16.1 The Owner agrees that it will pay the LPA's reasonable costs incurred in negotiating and completing this Agreement (inclusive of any such reasonable costs incurred by external lawyers and other consultants appointed by the LPA in relation to the negotiation and completion of this Agreement) on completion of this Agreement.

17. **VAT**

17.1 If VAT becomes payable on payments made under this Deed that VAT will be additional to the sums required provided that the payor will be entitled to valid VAT receipts in respect of any vatable supplies properly incurred under this Deed.

18. **EXCLUSION OF MORTGAGEE OF THE AFFORDABLE HOUSING PROVIDER**

18.1 In respect only of the Affordable Housing Units provided pursuant to this Agreement the provisions of Schedule 2 shall not bind any mortgagee or chargee of the Affordable Housing Provider or any administrator, fixed charge receiver (including an administrative receiver appointed pursuant to the Law of Property Act 1925) administrative receiver or any other person appointed under any security documentation to enable such mortgagee to realise its security or their successors in title or persons deriving title therefrom exercising a power of sale in respect of the Affordable Housing Units provided that:-

18.1.1 it has given the LPA at least three months written notice of its intention to exercise such power of sale so as to provide the LPA with the opportunity to complete an assignment of

the Affordable Housing Units in question to ensure that they continue to be used for the purpose of Affordable Housing;

18.1.2 the said mortgagee or receiver has used its Reasonable Endeavours to first dispose of the Affordable Housing Units to an Affordable Housing Provider and provided written evidence of such Reasonable Endeavours to the LPA and for the avoidance of doubt such mortgagee chargee or receiver shall not be under any obligation to dispose of the Affordable Housing Units for a sum less than the monies outstanding pursuant to the legal charge or mortgage; and

18.1.3 if the said mortgagee chargee or receiver shall not have disposed of the said Affordable Housing Units or any part thereof in accordance with Clause 18.1.1 above within the said three month period the said mortgagee or the receiver may (but without imposing any obligation on the said mortgagee or receiver) dispose of the Affordable Housing Units which have not by that time been disposed of to such Affordable Housing Provider on the open market to a willing buyer and such buyer shall take free of the restrictions imposed herein in relation to the Affordable Housing Units.

18.2 The provisions of Schedule 2 shall:-

18.2.1 cease to apply to any part or parts of the Site which are transferred or leased by any party referred to in paragraph 18.1 above;

18.2.2 cease to apply to any completed Affordable Housing Units where an Affordable Housing Provider shall be required to dispose of the same pursuant to a right to buy under Part V of the Housing Act 1985 as amended by the Housing (Preservation of Right to Buy) Regulations 1993 or pursuant to a right to acquire under Section 180 of the Housing and Regeneration Act 2008 or any similar or substitute right applicable;

18.2.3 cease to apply to any completed Affordable Housing Units where a Affordable Housing Provider sells to a tenant through Social Homebuy funded pursuant to Section 19(3) of the Housing and Regeneration Act 2008 or any amendment or replacement thereof;

18.2.4 cease to apply to any Shared Ownership Unit where one hundred per cent of the equity in that Shared Ownership Unit has been purchased by the tenant via staircasing.

18.3 No obligation in this Agreement shall be binding on or enforceable against any chargee or mortgagee from time to time who shall have the benefit of a charge or mortgage of or any part or parts of the Site or any receiver appointed by such chargee or mortgagee or any person deriving title through such chargee, mortgagee or receiver unless and until such charge, mortgagee, receiver or person has entered into possession of the Site or part thereof to which such obligation relates.

19. MISCELLANEOUS

19.1 If any provision of this Agreement is held to be illegal invalid or unenforceable the legality validity and enforceability of the remainder of the Agreement is (if and to the extent that it may properly and lawfully be construed as such) to be unaffected.

19.2 Where in this Agreement there is any reference to an expression of satisfaction certificate Approval agreement or other consent to be given or made by the LPA such expression of satisfaction certificate Approval agreement or other consent shall be requested in writing and the LPA shall not unreasonably withhold or delay the giving or making of the same.

19.3 Nothing in this Agreement restricts or is intended to restrict the proper exercise at any time by the LPA of any of its statutory powers functions or discretions.

19.4 No person shall be liable for any breach of any of the obligations, covenants and undertakings or other provisions of this Agreement after parting with its interest in the Site or its interest in respect

of that part of the Site on which the breach occurs but without prejudice to liability for any subsisting breach arising before parting with that interest.

- 19.5 The LPA shall request registration of this Agreement as a local land charge by the London Borough of Tower Hamlets or its respective statutory successor in function.
- 19.6 This Agreement and the obligations, covenants and undertakings which it contains shall lapse and be extinguished automatically if (and from the date that) the Planning Permission lapses without the Development being Commenced or is otherwise revoked, withdrawn or (without the consent of the Owner) modified.
- 19.7 Other than the Planning Permission nothing in this Agreement shall prohibit or limit the right to develop any part of the Site in accordance with a planning permission granted (whether or not on appeal) after the date of this Agreement.
- 19.8 If the LPA agrees pursuant to an application under section 73 of the 1990 Act to any variation or release of any condition contained in the Planning Permission or if any such condition is varied or released following an appeal under section 78 of the 1990 Act the covenants or provisions of this Agreement shall be deemed to bind the varied permission and to apply in equal terms to the new planning permission save where the LPA in their determination of such an application for the new planning permission indicate that consequential amendments are required to this Agreement to reflect the impact of the section 73 application and in such circumstances a separate deed pursuant to section 106 of the 1990 Act will be required to secure relevant planning obligations relating to the new planning permission.

20. JURISDICTION AND LEGAL EFFECT

- 20.1 This Agreement shall be governed by and interpreted in accordance with the law of England.
- 20.2 The provisions of this Agreement (other than this Clause 20.2 which shall be effective in any event) shall be of no effect until this Agreement has been dated.

EXECUTED AS A DEED by the parties on the date which first appears in this Deed.

SCHEDULE 1

OWNER'S GENERAL OBLIGATIONS

1. CONTRIBUTIONS

1.1 The Owner shall pay:-

1.1.1 50% of the Public Realm and Local Infrastructure Contribution; and

1.1.2 50% of the Waterway Improvements Contribution,

to the LPA before the Commencement of the Development and the Development shall not be Commenced before 50% of the Public Realm and Local Infrastructure Improvements Contribution and 50% of the Waterway Improvements Contribution has been paid to the LPA.

1.2 The Owner shall pay:-

1.2.1 the remaining 50% of the Public Realm and Local Infrastructure Contribution; and

1.2.2 the remaining 50% of the Waterway Improvements Contribution,

to the LPA before Occupation of the Development and the Development shall not be Occupied before the remaining 50% of the Public Realm and Local Infrastructure Improvements Contribution and the remaining 50% of the Waterway Improvements Contribution has been paid to the LPA.

2. DESIGN QUALITY

2.1 If at any point during the Design Monitoring Period the services of the architectural practice of Studio Egret West is not retained to oversee the delivery of the design quality of the Development in accordance with the drawings listed within the Planning Permission the Owner shall forthwith:-

2.1.1 notify the LPA of such non-retention; and

2.1.2 pay to the LPA within 10 Working Days of demand the Design Monitoring Costs PROVIDED THAT the amount payable to the LPA in Design Monitoring Costs shall not exceed £50,000.

2.2 The Development shall not Commence before the Owner has either:-

2.2.1 provided satisfactory evidence to the LPA that the architectural practice of Studio Egret West will be retained to oversee the delivery of the design quality of the Development in accordance with the drawings listed within the Planning Permission or in accordance with such other architectural drawings approved by the architectural practice of Studio Egret West which deliver the vision for the Development as shown in the drawings listed within the Planning Permission during the Design Monitoring Period; or

2.2.2 paid the first instalment of the LPA's Design Monitoring Costs if the architectural practice of Studio Egret West has not been retained to oversee the design quality of the Development.

2.3 During the Design Monitoring Period no Development shall be carried out if the LPA's Design Monitoring Costs have not been paid in accordance with paragraph 2.1.2.

2.4 During the Design Monitoring Period no Development shall be carried out in accordance with any changes to the detailed designs for the Development as prepared by the architectural practice of Studio Egret West unless agreed in writing by the LPA and for the avoidance of doubt, the LPA

may require the architectural practice of Studio Egret West to approve any subsequent changes in writing before the LPA gives its own written approval under this paragraph.

3. AFFORDABLE WORKSPACE

3.1 The Development shall not be Occupied before:-

3.1.1 the Affordable Workspace has been completed to Shell and Core Standard; and

3.1.2 a lease of the Affordable Workspace to an approved Affordable Workspace Provider has been completed.

3.2 The Affordable Workspace shall not be Occupied other than as Affordable Workspace throughout the life of the Development or if earlier until the expiry of 25 years from the date each unit of Affordable Workspace is first Occupied unless otherwise agreed in writing by the LPA.

3.3 Within 20 working days of:-

3.3.1 first Occupation of all or any part of the Affordable Workspace; or

3.3.2 any re-Occupation of all or any part of the Affordable Workspace where a tenant of the Affordable Workspace changes;

the Owner shall provide the Affordable Workspace Report to the LPA.

3.4 The Owner shall include the obligations contained in paragraphs 3.2 and 3.3 of this Schedule 1 in any lease of the Affordable Workspace to an Affordable Workspace Provider.

4. SUSTAINABILITY

4.1 The Owner will:-

4.1.1 provide all Residential Units and units of Affordable Workspace with electricity meters, low-water-use fittings, and space to dry clothes naturally;

4.1.2 install in all common areas low-energy lighting which is automatically controlled to avoid unnecessary use;

4.1.3 install in all Affordable Housing Units A+ or A rated white goods; and

4.1.4 use Reasonable Endeavours to encourage all Occupiers of the Development to reduce their energy usage which shall include (without limitation):-

(a) dissemination of marketing materials and the provision of education and training (including tips and advice) on energy saving methods;

(b) the promotion of the use of energy efficient appliances;

(c) the installation of energy efficient appliances where these are installed as part of the original construction and fit out of the Development (or any part thereof).

5. LOCAL SUPPLIES AND CONTRACTORS

5.1 To the extent that it is reasonably practicable to do so and the Owner is not prevented from doing so by any rule of law whether domestic or international, the Owner shall use Reasonable Endeavours to ensure that:-

5.1.1 20 per cent (20%) of the workforce employed at the Development during the construction phase shall be residents of the London Borough of Tower Hamlets

5.1.2 20 per cent (20%) of goods and services procured during the construction phase are supplied by businesses located within the London Borough of Tower Hamlets; and

5.1.3 businesses located in the London Borough of Tower Hamlets benefit directly from the commercial opportunities arising from the Development,

and the Owner shall provide evidence of such Reasonable Endeavours within 20 working days of any request for such evidence by the LPA provided that the LPA shall not make such requests more than once in each calendar year.

5.2 The Owner shall use Reasonable Endeavours to ensure that any transfer of the site or build contract relating to the Development includes terms securing the outcomes envisaged in paragraph 5.1 of this Schedule 1.

6. TRAVEL PLAN

6.1 The Development shall not Commence until:

6.1.1 a Travel Plan has been submitted to and approved by the LPA;

6.1.2 the Owner has appointed a Travel Plan Monitoring Officer and notified the LPA of the name and contact details of such officer.

6.2 The Travel Plan shall contain separate measures, commitments, targets and plans for the residential and commercial uses authorised by the Planning Permission.

6.3 The Travel Plan to be submitted pursuant to paragraph 6.1 shall:

6.3.1 comply with TfL 'Travel Planning for new development in London' or such other best practice guidance as shall apply at the date of submission of the Travel Plan;

6.3.2 contain clear commitments to measures, including investigation of potential additional measures;

6.3.3 set out a clear process for review, consultation and approval of changes (and specifically targets) with the LPA;

6.3.4 have obtained a 'Passed' score in the online Travel Plan assessment tool 'ATTRBUTE';

6.3.5 contain measures aimed at:

(a) positively influencing the travel behaviour of residents, employees and other users of the Development by promoting alternative travel modes to the car including initiatives to reduce reliance on the car and over time reduce car parking On Site;

(b) encouraging travel by cycle, on foot and by public transport by highlighting their accessibility, availability and reviewing cycle parking space demand and use and set out measures for providing additional cycle parking spaces should further demand arise;

(c) setting out how monitoring travel surveys will be undertaken which cover all employees within the Development.

6.3.6 include a parking review plan which sets out:

(a) a strategy for periodic review of the parking spaces;

- (b) a strategy for periodic review of blue badge parking spaces to ensure that 1 x space is provided for each employee who is a disabled motorist in line with London Plan policy.

6.3.7 include a car parking management plan which sets out:

- (a) principles for allocating car parking spaces for staff and enforcement of allocated spaces;
- (b) principles for the prevention of unauthorised parking Off Site which could affect performance of the local highway network.

- 6.4 The Owner shall implement the approved Travel Plan during the life of the Development and shall include provisions in any lease or licence of any non-residential unit requiring any Occupier of such unit to comply with the Travel Plan and any amendments thereto.
- 6.5 No Development shall be Occupied other than in accordance with the approved Travel Plan and any amendments thereto.
- 6.6 In order to monitor the effectiveness of the Travel Plan the Owner shall during the relevant Initial Monitoring Period carry out the Travel Plan Monitoring.
- 6.7 During the Initial Monitoring Period the Owner shall prepare and submit to the LPA for approval a Travel Plan Monitoring Report by not later than 42 days after the end of each Travel Plan Review Period.
- 6.8 Prior to the submission of a report referred to in paragraph 6.7 the Owner shall agree the structure of that report with the LPA.
- 6.9 Following the expiry of the Initial Monitoring Period the Owner shall continue the Travel Plan Monitoring and either paragraph 6.10 or paragraph 6.11 of this Schedule shall apply.
- 6.10 If the Travel Plan Monitoring Report that is submitted to the LPA during the final year of the Initial Monitoring Period shows that the Modal Split Targets in the Travel Plan have been achieved then the Owner shall prepare a Travel Plan Monitoring Report on the third anniversary of the expiry of the relevant Initial Monitoring Period and subsequently every three years thereafter.
- 6.11 If the Travel Plan Monitoring Report that is submitted to the LPA during the final year of the Initial Monitoring Period shows that any of the Modal Split Targets in the Travel Plan have not been achieved then the Owner shall prepare a Travel Plan Monitoring Report in accordance with a timetable specified by the LPA PROVIDED THAT the LPA shall not require the Owner to prepare a Travel Plan Monitoring Report more than once a year.
- 6.12 The Travel Plan Monitoring Reports that the Owner is required to prepare pursuant to either paragraphs 6.10 or 6.11 of this Schedule shall be submitted to the LPA for approval within 42 days of the date by which they are required to be prepared.
- 6.13 If any Travel Plan Monitoring Report includes a revised Travel Plan for approval by the LPA the Owner shall implement the revised Travel Plan as approved so that it is in place and operational as soon as reasonably practicable after the LPA's approval of the same.
- 6.14 If any Travel Plan Monitoring Report ("**First Monitoring Report**") shows that any of the Modal Split Targets in the Travel Plan have not been achieved the Owner shall in the First Monitoring Report identify Sustainable Transport Measures that it can implement with the aim of seeking to achieve the Modal Split Targets in the Travel Plan which shall include a timetable for the implementation of such Sustainable Transport Measures.
- 6.15 The Owner shall implement the Sustainable Transport Measures that are set out in any First Monitoring Report in accordance with the timetable set out therein as approved by the LPA.

6.16 If the Travel Plan Monitoring Report for the year immediately following the First Monitoring Report shows that any of the relevant Modal Split Targets are not being achieved the Owner shall repeat the process set out in paragraphs 6.14 and 6.15 of this Schedule for that year and each subsequent year until the Modal Split Targets are achieved.

7. **CAR CLUB**

7.1 The Owner shall:

7.1.1 procure at its own cost one car club parking space on a road in the vicinity of the Development the exact location of which is to be agreed with the LPA prior to Occupation of the Development and not to Occupy the Development unless and unless such car club parking space has been provided and demarked as "car club parking only".

7.1.2 procure a car club operator to provide a single car club vehicle in the parking space referred to in sub-paragraph 7.1.1 above from Occupation of the Development and to operate that car club vehicle for the life of the Development commencing on Occupation of the Development.

7.2 The Owner shall provide the first household to Occupy each Residential Unit with free membership for a period of 1 year for the use of the car club referred to in paragraph 7.1.

8. **BRIDGE SAFEGUARDING**

8.1 The Owner covenants:

8.1.1 that no development or works of construction (temporary or permanent) shall be undertaken on the Safeguarded Area; and

8.1.2 upon service of a Bridge Notice the Owner shall grant to the LPA or its nominee such property rights and/or easements over the Safeguarded Area as shall be necessary to carry out and complete the works to construct the bridge and to thereafter retain the bridge on the Safeguarded Area.

9. **LANDSCAPING WORKS**

9.1 Prior to Commencement of Development the Owner shall submit a draft Landscaping Scheme to the LPA for approval and the Owner shall not Commence the Development until the Landscaping Scheme has been approved by the LPA.

9.2 Prior to first Occupation of the Development the Owner shall carry out and complete the Landscaping Works and the Owner shall not Occupy the Development until the Landscaping Works have been completed.

9.3 The Owner shall maintain the Landscaping Works throughout the life of the Development.

SCHEDULE 2

AFFORDABLE HOUSING

1. AFFORDABLE HOUSING UNITS

- 1.1 No more than fifty per cent (50%) of the Market Housing Units shall be Occupied until the Affordable Housing Units have been constructed in accordance with the Planning Permission and made ready for residential occupation and written notification of such has been received by the LPA.
- 1.2 The Affordable Housing Units shall be provided in the following tenure and mix:

Size	Number of Shared Ownership Units to be provided	Number of Affordable Rented Units to be provided
1 bedroom	2	2
2 bedroom	1	1
3 bedroom	1	2
TOTAL	4	5

- 1.3 Unless otherwise agreed in writing with the LPA, no more than fifty per cent (50%) of the Market Housing Units shall be Occupied before the Affordable Housing Units have been transferred to an Affordable Housing Provider and satisfactory evidence of such completed transfer has been provided to the LPA.
- 1.4 Subject to Clause 18 of this Agreement the Affordable Housing Units provided in accordance with this Schedule shall not be used for any purpose other than for Affordable Housing in accordance with the terms of this Deed.
- 1.5 No Affordable Housing Unit shall be Occupied before the Affordable Housing Provider has entered into a Rents and Nominations Agreement with the London Borough of Tower Hamlets in respect of the Affordable Housing Units and evidence thereof has been provided to and approved in writing by the LPA.
- 1.6 Unless otherwise agreed in writing by the LPA, no Affordable Housing Unit shall be Occupied before an Affordable Housing Management Scheme for the Affordable Housing Units has been submitted to and approved in writing by the LPA and the Affordable Housing Units shall thereafter be Occupied in accordance with the approved Affordable Housing Management Scheme.

2. AFFORDABLE RENTS

- 2.1 The rent (inclusive of service charge) charged for the first letting of any Affordable Rented Unit shall not exceed the applicable Affordable Rent PROVIDED THAT:
- 2.1.1 the Owner shall obtain the written agreement of the LPA as to the amounts of the weekly rents and the LPA shall act reasonably when agreeing any proposed revisions to these weekly rents; and
- 2.1.2 the Affordable Rent shall not exceed the relevant Rental Cap.
- 2.2 The rents (inclusive of service charge) on subsequent lettings and tenancy renewals of any Affordable Rented Unit (which for the avoidance of doubt shall not include tenancies which are

continuing after a probationary period) shall not exceed the applicable Affordable Rent unless otherwise agreed in writing with the LPA.

3. AFFORDABLE RENTED UNITS AND SHARED OWNERSHIP UNITS

3.1 Subject to the terms of this Schedule and any Rents and Nominations Agreement:

3.1.1 no Affordable Rented Unit provided under the terms of this Schedule shall be Occupied other than as an Affordable Rented Unit and all occupational leases and tenancies of such units shall include a provision preventing sub-letting and underletting save that this shall not prevent an occupational tenant having the right to take in a lodger or share occupation with another person provided that the occupational lease or tenancy contains a provision to the effect that the tenant must obtain the prior written consent of the landlord and is not permitted to grant any assured tenancy of any part of the Affordable Rented Unit;

3.1.2 no Shared Ownership Unit shall be Occupied other than as a Shared Ownership Unit pursuant to the appropriate Model Form of Lease save that this shall not prevent an occupational tenant having the right to take in a lodger or share occupation with another person provided that the occupational lease or tenancy contains a provision to the effect that the tenant must obtain the prior written consent of the landlord and is not permitted to grant any assured tenancy of any part of the Shared Ownership Unit.

SCHEDULE 3 VIABILITY REVIEW

1. EVIDENCE OF COMMENCEMENT

- 1.1 Upon the occurrence of Substantial Commencement within 18 months of the date of grant of the Planning Permission the Owner shall submit to the LPA written evidence of the events which amount to Substantial Commencement including the Construction Contract and the Unconditional Obligation Certificate and shall allow the LPA (and its agents) access to the Site at all reasonable times for the purposes of inspecting the Site and verifying Substantial Commencement.

2. VIABILITY REVIEW

- 2.1 If the Development has not been Substantially Commenced within 18 (eighteen) months of the date of the Planning Permission the Owner shall prior to Substantial Commencement or as the case may be prior to any undertaking any further development work which would constitute Substantial Commencement submit to the LPA a Viability Review which shall be accompanied by:

2.1.1 either:

- (a) the Relevant Report; or
- (b) a Deferred Affordable Housing Scheme

2.1.2 the Construction Contract or a Letter of Intent, and

2.1.3 an Unconditional Obligation Certificate

(together known as the "**Contract Documents**").

3. INTERRUPTIONS TO THE PROGRAMME

- 3.1 Subject to Force Majeure if at any time following Commencement no construction works at the Development have taken place for a period exceeding three (3) consecutive calendar months, the Owner shall submit to the LPA a Viability Review prior to re-commencement of works on the Development and the provisions of paragraph 2.1 above and the remainder of this Schedule 3 shall apply to such Viability Review

4. CONTENT OF VIABILITY REVIEW

- 4.1 The Viability Review required to be submitted to the LPA pursuant to the provisions of paragraph 2 and 3 of Schedule 3 of this Deed shall be accompanied by:

4.1.1 The Owner's justification (financial and/or otherwise) as to why no on-Site Deferred Affordable Housing Units can be provided as part of the Development; or

4.1.2 A Deferred Affordable Housing Payment proposal in the event that the Viability Review demonstrates that a Deferred Affordable Housing Payment can be made.

5. VALIDATION OF VIABILITY REVIEW AND REQUESTS FOR FURTHER INFORMATION

- 5.1 Within ten Working Days of receipt of a Viability Review (unless otherwise agreed between the LPA and the Owner), the LPA shall either:

5.1.1 confirm in writing to the Owner that it has received a valid Viability Review and the Contract Documents ("**Validation Date**"); or

5.1.2 request such further financial, planning, legal or other information as acting reasonably it deems necessary in order to assess viability

and for the avoidance of doubt nothing in this paragraph 5.1 shall amount to agreement of any of the matters contained in the Viability Review nor preclude the LPA from seeking further relevant information during the course of negotiations pursuant to paragraph 6 provided that seeking further relevant information shall not be a reason for delaying the Viability Review if it can be progressed or for completing any other process required by this sub-paragraph 5.1 if it can be completed without the information requested in paragraph 5.1.2 above.

- 5.2 On receipt of any request for further information, the Owner shall as soon as reasonably practicable and in any case within ten Working Days (or such longer period as may be agreed between the LPA and the Owner) of such request provide to the LPA the information requested whereupon the LPA shall confirm receipt of a valid Viability Review in writing (and such date shall be deemed the Validation Date).
- 5.3 The Owner acknowledges that during the course of negotiations pursuant to paragraph 6 below, the LPA or its surveyor shall be entitled to seek such further information as either deems relevant or reasonable to settling the Viability Review and/or Deferred Affordable Housing Scheme and/or Deferred Affordable Housing Payment with which the Owner shall comply as outlined in paragraph 5.3 above using all reasonable endeavours.
- 5.4 If either paragraph 2 or paragraph 3 of this Schedule 3 applies, the Owner shall not Commence or continue to Commence (as applicable) the Development or otherwise cause or permit Commencement or continued Commencement (as applicable) of the Development until the LPA has received a valid Viability Review.

6. REVIEW OF VIABILITY REVIEW AND DEFERRED AFFORDABLE HOUSING SCHEME

- 6.1 The LPA shall be entitled to instruct external surveyors to act on its behalf to review and assess the Viability Review and the Owner shall pay the LPA's reasonable and properly incurred costs of that review and subsequent advice to the LPA.
- 6.2 For a period not exceeding 2 (two) calendar months commencing on the Validation Date (unless otherwise agreed between the LPA and the Owner in writing), the Owner and the LPA (or its surveyor) both acting reasonably and in good faith may review:
- 6.2.1 the Viability Review, and
- 6.2.2 if relevant, the Deferred Affordable Housing Scheme or Deferred Affordable Housing Payment

and shall give effect to such agreement in a Memorandum.

- 6.3 Within 3 (three) calendar months of the Validation Date, the LPA shall confirm in writing that either :
- 6.3.1 it rejects (with reasons) the conclusions of the Viability Review (as submitted) ("**Non-Acceptance Notice**"); or
- 6.3.2 it accepts the conclusions of the Viability Review as submitted or as negotiated between the Owner and the LPA and confirms that no Deferred Affordable Housing is triggered; or
- 6.3.3 it accepts the conclusions of the Viability Review as submitted or as revised following a review between the Owner and the LPA, and the Deferred Affordable Housing Scheme or Deferred Affordable Housing Payment (if relevant) is agreed by way of a completed Memorandum ("**Acceptance Notice**").

7. REFERRAL TO THE SPECIALIST

- 7.1 In the event that pursuant to paragraph 6.3.1 above, the Owners and the LPA have not agreed the Viability Review and/or the Deferred Affordable Housing either Party shall be entitled to refer the matter to the Specialist for determination and each shall use its reasonable endeavours to do so within 1 (one) calendar month of the date of the Non-Acceptance Notice (unless otherwise agreed

between the LPA and the Owner) and the date the matter is referred shall be referred hereafter as the "**Referral Date**".

7.2 Unless otherwise agreed between the LPA and the Owner or required by the Specialist each shall within a further period of 10 (ten) Working Days from the Referral Date submit its evidence and representations to the Specialist in respect of the Viability Review and the Deferred Affordable Housing which for the avoidance of doubt shall include representations explaining whether Deferred Affordable Housing could be provided on Site as Deferred Affordable Housing Units ("**Representations Period**").

7.3 In addition to the matters specified in Paragraph 7.2, in making his determination the Specialist shall have regard to:

7.3.1 all relevant material submitted to him by the LPA and the Owner;

7.3.2 such relevant financial, legal, planning or other matters he considers relevant using reasonable care and skill and his professional expertise;

7.3.3 the provisions of this Agreement and this Schedule 3, in particular but without prejudice to the generality of the provisions relating to on-Site Deferred Affordable Housing at paragraph 8.

7.4 Unless otherwise agreed by the LPA and the Owner or notified to them by the Specialist the Specialist shall be appointed on the basis that, if the Specialist determines that the Deferred Affordable Housing requirement is triggered that his or her decision shall include a Deferred Affordable Housing Scheme or calculation of the Deferred Affordable Housing Payment ("**the Decision**") which the LPA and the Owners shall thereafter incorporate in a completed Memorandum in accordance with paragraph 12 below.

8. **ON-SITE DEFERRED AFFORDABLE HOUSING UNITS**

8.1 The Owner covenants to provide any Deferred Affordable Housing Units as may be required and agreed between the Parties (or determined by the Specialist) on the Site as part of the Development in accordance with:

8.1.1 the Deferred Affordable Housing Scheme; and

8.1.2 the programme comprised in the Construction Contract; and

8.1.3 the obligations and covenants on the part of the Owner in relation to Affordable Housing in Schedule 2 applied mutatis mutandis.

9. **DEFERRED AFFORDABLE HOUSING PAYMENT**

9.1 If the Specialist determines or the Owner and LPA agree that the Development can viably support Deferred Affordable Housing but the Deferred Affordable Housing cannot be provided within the Development and the Owner has previously submitted to the LPA or the Specialist (as the case may be) a detailed report evidencing the reasons why it would not be practicable to provide the Deferred Affordable Housing Units within the Development, the Owners shall pay to the LPA the Deferred Affordable Housing Payment prior to Occupation of the Development.

10. **RESTRICTION ON IMPLEMENTATION**

10.1 If paragraph 2 applies The Owner covenants that it shall not Occupy or otherwise cause or permit Occupation of the Development until:

10.1.1 the LPA or the Specialist has confirmed in writing that the Viability Review is accepted and no Deferred Affordable Housing is required; or

- 10.1.2 the LPA has confirmed its approval of the Deferred Affordable Housing Scheme and the same has been documented by way of Memorandum; or
- 10.1.3 if the matter has been referred to the Specialist by either Party the Specialist has issued his Decision including the Deferred Affordable Housing Scheme or Deferred Affordable Housing Calculation (as relevant) and the same has been documented by way of Memorandum; or
- 10.1.4 the Deferred Affordable Housing Payment has been received by the LPA.

11. EXPIRY OF VIABILITY REVIEW AND DEFERRED AFFORDABLE SCHEME

11.1 Any Viability Review shall expire ("**Expiry Date**") after a period of 12 (twelve) months:

11.1.1 from the date of its preparation; or

11.1.2 if the LPA requested further information resulting in its revision from the Validation Date where the Owners have not Commenced Development.

11.2 If a Viability Review expires without the LPA and the Owners having agreed or the Specialist having determined the issue of the Deferred Affordable Housing, then the Owners shall within 1 (one) calendar month of the Expiry Date submit to the LPA (or the Specialist as the case may be) an up to date Viability Review whereupon the provisions and covenants on behalf of the Owners in this Schedule 3 shall apply to any subsequent Viability Review(s) and Deferred Affordable Housing.

11.3 Notwithstanding the agreement of the LPA and Owner (or the Specialist's determination) of the Deferred Affordable Housing Scheme, if following Commencement construction works have not taken place for a period exceeding 12 (twelve) calendar months, then the Owners shall: -

11.3.1 submit to the LPA an updated Viability Review prior to re-commencement of works, and

11.3.2 immediately cease to dispose off-plan of any Residential Units

and the provisions and covenants on behalf of the Owner in this Schedule 3 shall apply to any subsequent Viability Review(s) and Deferred Affordable Housing such that any further or revised Deferred Affordable Housing Scheme shall be agreed by way of a fresh Memorandum.

12. MEMORANDUM

12.1 Within 15 (fifteen) Working Days of the LPA and the Owner agreeing (or the Specialist determining by issuing his Decision) a Deferred Affordable Housing Scheme or Deferred Affordable Housing Payment, the Owner and the LPA shall record the Deferred Affordable Housing Scheme or Deferred Affordable Housing Payment by completing a Memorandum by each of the LPA and the Owner signing the same (acting by authorised signatories).

12.2 The LPA and the Owner agree that upon completion of a Memorandum, to endorse each engrossed copy of this Agreement with the insertion of the following:

"The Parties have agreed the details of the [Deferred Affordable Housing Scheme/Deferred Affordable Housing Payment] by way of a signed Memorandum between the LPA and the Owner dated 20xx".

12.3 Upon completion of a Memorandum, this Deed shall be construed such that:

12.3.1 in the case of Deferred Affordable Housing Units being provided:

- (a) the number of Deferred Affordable Housing Units shall be included within the definition of Affordable Housing Units; and

- (b) the number of Remaining Units shall be reduced by the corresponding number of Deferred Affordable Housing Units;
- (c) the obligations in Schedule 2 (Affordable Housing) shall apply to the Deferred Affordable Housing to be provided within the Development and shall be construed such that any reference to "Affordable Housing Units" shall include the corresponding number of "Deferred Affordable Housing" Units to be provided within the Development; or

12.3.2 in the case of a Deferred Affordable Housing Payment becoming payable the payment will be due in accordance with the terms of the Memorandum.

EXECUTED as a Deed by affixing the Common Seal of LONDON LEGACY DEVELOPMENT CORPORATION, in the presence of:-

[Handwritten Signature]

Authorised Signatory



1595-

EXECUTED as a Deed (but not delivered until dated) by CONSTABLE HOMES LIMITED acting by two Directors or a Director and the Secretary:-

Director

[Handwritten Signature]

Director/Secretary

[Handwritten Signature]

EXECUTED as a Deed by B.V. INVESTMENTS LIMITED acting by a Director in the presence of

Signature

[Handwritten Signature]

Director

BALJIT VIRK

Signature of Witness

[Handwritten Signature] 30/3/15

Name of Witness (BLOCK CAPITALS) BRIAN KING

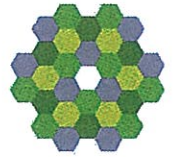
Address 118 VICTORIA ROAD
STANFORD-LE-HOPE
ESSEX
SS17 0HY

APPENDIX 1

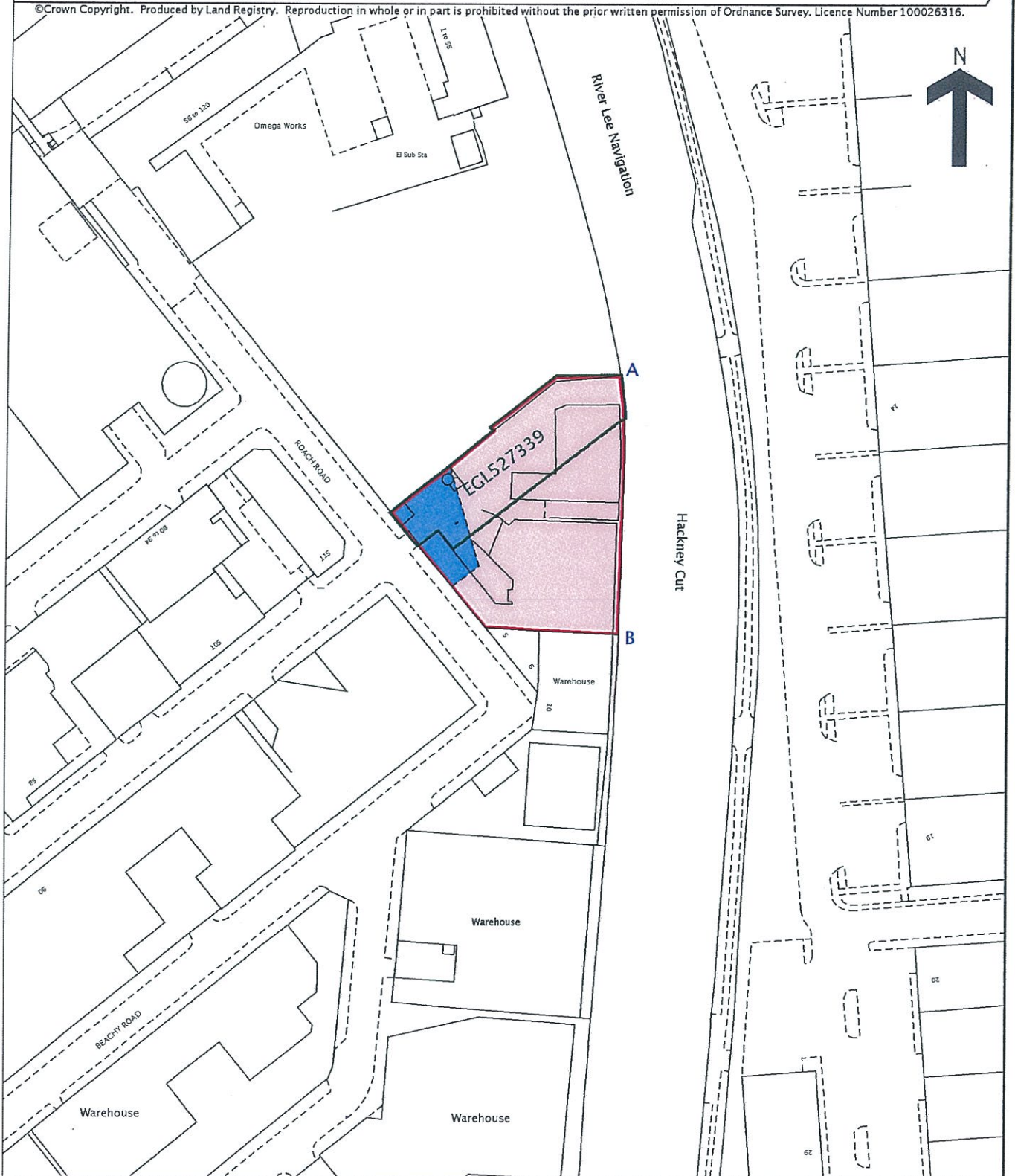
PLANS

Land Registry
Official copy of
title plan

Title number **NGL451028**
Ordnance Survey map reference **TQ3784SW**
Scale **1:1250**
Administrative area **Tower Hamlets**



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General Notes
 ALL INTERNAL LAYOUTS ARE INDICATIVE SUBJECT TO DETAILED DESIGN

KEY

- Site Boundary
- Cafe (A3)
- Workspace (B1) / Exhibition Space
- Plant and services
- Private Ancillary Space (C3)
- Social Rented Ancillary Space (C3)
- 1 Bed Apartment (C3)
- 2 Bed Apartment (C3)
- 3 Bed Apartment (C3)

Area of Cafe

Basement	146 sqm
Ground	134 sqm
First	197 sqm
Total	477 sqm (GIA)

Area of Cafe

- Area of Cafe
- Affordable Housing Provision
- Affordable Workspace

Keyplan

Scale Bar

sew
 No. 1 Gannon Court | 4410@getmail.com
 69 Gannon St | 4410@getmail.com
 London EC2V 5ND | 0207 548 1750

Client: Constable Homes Limited

Project: No. 4 Roach Road

Drawing Title: Proposed First Floor Plan Section 106

Project Number	0205	Status	PLANNING
Scale at A1 (A3)	1:100	Date	30.03.15
Drawn by	SPS	Checked by	SEW
Drawing Number		Revision	



General Notes

The drawings are for information only. The client is responsible for ensuring that the proposed development complies with all applicable planning and building regulations. All areas are subject to detailed design. ALL INTERNAL LAYOUTS ARE INDICATIVE SUBJECT TO DETAILED DESIGN.

Notes

KEY

- Site Boundary
- Cafe (A3)
- Workspace (B1) / Exhibition Space
- Plant and services
- Private Ancillary Space (C3)
- Social Rented Ancillary Space (C3)
- 1 Bed Apartment (C3)
- 2 Bed Apartment (C3)
- 3 Bed Apartment (C3)

Affordable Housing Provision

Rev | Date | Reason for Issue | Chk

Keyplan

Scale Bar

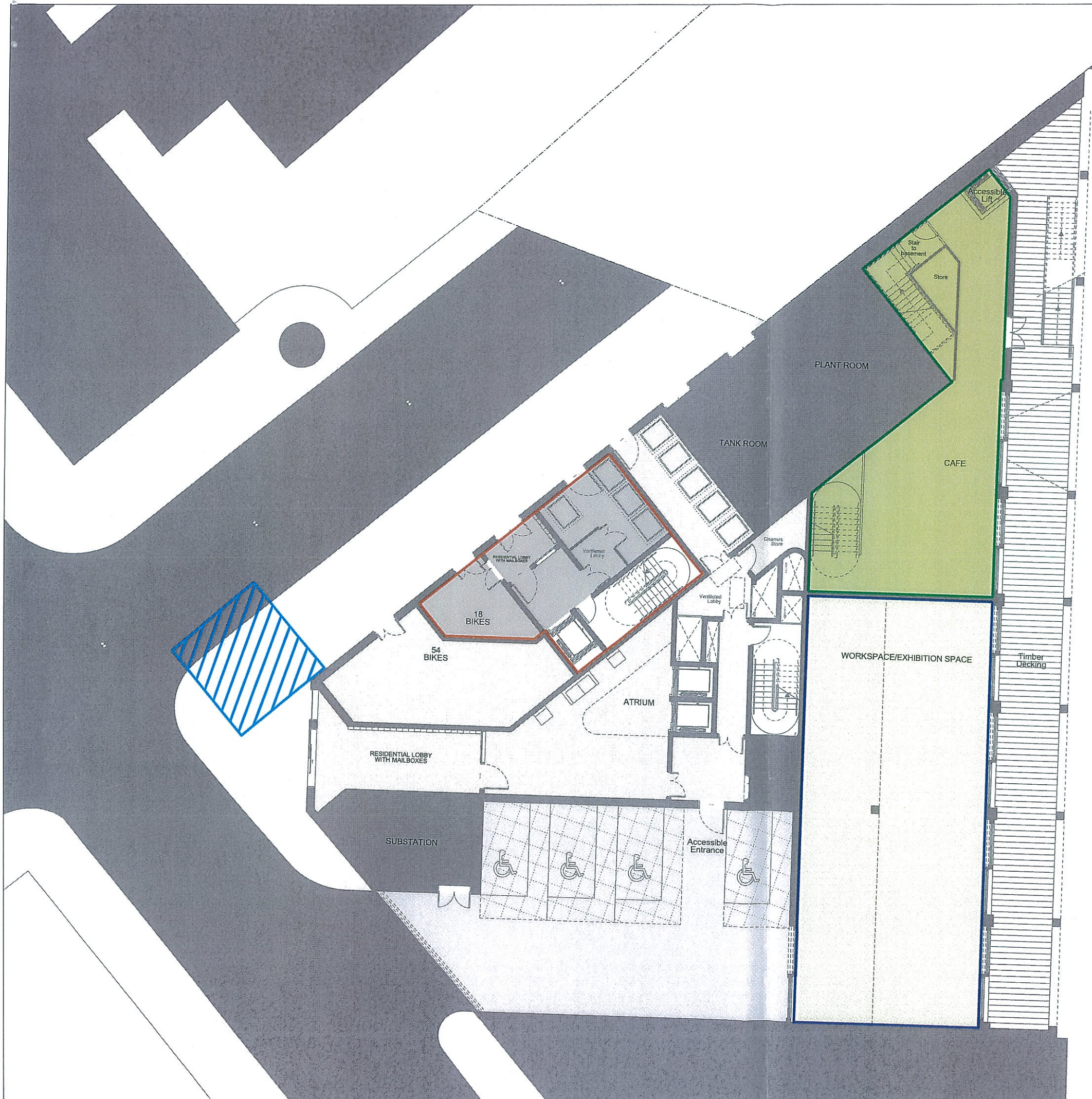
sew
 Sew Creative Consult
 43 Conyngham St
 London EC1V 9BB
 0207 549 1759
 Client: Constable Homes Limited

Project
 No. 4 Roach Road

Drawing Title
 Proposed Second Floor Plan
 Section 106

Project Number 0205	Status PLANNING
Scale at A1 (A3) 1:100	Date 30.03.15
Drawn by SPS	Checked by SEW

Drawing Number | Revision



General Notes
 The drawings are prepared on the basis of the information provided to the Consultant and are not to be construed as a contract. All services are subject to the terms and conditions of the Consultant's terms and conditions of service. All work is subject to the terms and conditions of the Consultant's terms and conditions of service. All work is subject to the terms and conditions of the Consultant's terms and conditions of service.

Notes
 ALL INTERNAL LAYOUTS ARE INDICATIVE SUBJECT TO DETAILED DESIGN

- KEY**
- Site Boundary
 - Cafe (A3)
 - Workspace (B1) / Exhibition Space
 - Plant and services
 - Private Ancillary Space (C3)
 - Social Rented Ancillary Space (C3)
 - 1 Bed Apartment (C3)
 - 2 Bed Apartment (C3)
 - 3 Bed Apartment (C3)
-
- Area of Cafe
 - Affordable Housing Provision
 - Affordable Workspace
 - Land required for delivery of the A8 Modes bridge

Rev	Date	Reason for Issue	CHK

Keyplan

Scale Bar
 0 5 10 M

sew
 8th Colston Court | 01273 814100
 45 Colston St | 01273 814100
 Leeds City Centre | 01273 814100
 LS2 7BA | www.sew.co.uk

Client
Constable Homes Limited

Project
No. 4 Roach Road

Drawing Title
Proposed Ground Floor Plan Section 106

Project Number 0205	Status PLANNING
Scale at A1 (A3) 1:100	Date 30.03.15
Drawn by SPS	Checked by SEW
Drawing Number	Revision



General Notes
 ALL INTERNAL LAYOUTS ARE INDICATIVE
 SUBJECT TO DETAILED DESIGN

KEY

- Site Boundary
- Cafe (A3)
- Workspace (B1) / Exhibition Space
- Plant and services
- Private Ancillary Space (C3)
- Social Rented Ancillary Space (C3)
- 1 Bed Apartment (C3)
- 2 Bed Apartment (C3)
- 3 Bed Apartment (C3)

Landscaping Scheme

- Land required for the delivery of the A3 blocks bridge
- Visitor Moorings

Rev	Date	Reason for Issue	CHK
00	31.03.15	First Issue	PC

Keyplan

Scale Bar

sew
 No. 1 Coppage Court
 45 Coppage St
 London EC1Y 9BB
 0207 549 1199

Client
Constable Homes Limited

Project
 No. 4 Roach Road

Drawing Title
 Landscaping Scheme
 Section 106

Project Number	Status
0205	PLANNING

Scale at A1 (A3)	Date
1:100	31.03.15

Drawn by	Checked by
PC	SEW

Drawing Number	Revision