

DATED 29th October

(1) LONDON LEGACY DEVELOPMENT CORPORATION

2014

- (2) LONDON & CONTINENTAL RAILWAYS LIMITED
- (3) MANHATTAN LOFT GARDENS LIMITED

Planning Obligation by Deed of Agreement under Section 106 of the Town and Country Planning Act 1990

Relating to the development of a 42 storey building comprising a hotel at ground to 6th floor, a restaurant at 7th floor level 248 residential units at 8th to 41st floor and flexible A1-A4 space on the ground floor at Plot N24, Zones 3 – 6 Stratford City Development, Stratford Rail Lands, London E15

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BETWEEN:

- (1) LONDON LEGACY DEVELOPMENT CORPORATION LIMITED of Level 10, 1 Stratford Place, Montfichet Road, London E20 1EJ (the LPA); and
- (2) LONDON & CONTINENTAL RAILWAYS LIMITED (Company Number. 2966054) of 4th Floor, One Kemble Street, London WC2B 4AN (the **Owner**)
- (3) MANHATTAN LOFT GARDENS LIMITED (incorporated in Guernsey) of Po Box 119, Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB (the **Developer**).

RECITALS

- (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 registered at the Land Registry under title number EGL570827.
- (C) The Developer is the owner of a two-hundred and fifty year leasehold interest in the Site registered at the Land Registry under title number TGL345593.
- (D) On 18 July 2011 the First Planning Permission was granted to develop the Site with the First Development principally comprising a 42 storey building with a hotel at ground to 6th floor, a restaurant at 7th floor level, 248 residential units at 8th to 41st floor and flexible Class A1-A4 floorpsace at ground floor level.
- (E) The First Development (permitted under planning permission reference 10/90285/FUMODA) and the Site are subject to a section 106 agreement made between (1) the Olympic Delivery Authority, (2) the London Borough of Newham, (3) London and Continental Railways Limited and (4) Stratford Heights Investments Ltd and dated 15 July 2011. The agreement provides for payment of a contribution towards off-site affordable housing in lieu of on-site affordable housing if certain triggers are met.
- (F) The Developer has submitted the Section 73 Application (Reference 13/00579/VAR) to amend certain design elements of the First Development as permitted by the First Planning Permission.
- (G) On 10 December 2009 the Second Planning Permission (Reference 09/90270/REMODA) was granted to develop an 850 space seven storey car park together with ancillary infrastructure on the Neighbouring Site. Condition 2 of the Second Planning Permission restricts use of the car parking at the Neighbouring Site to customers and staff of Stratford International Station only. Such car parking is under used.
- (H) Car parking for the First Development is limited to 20 spaces reserved for blue badge holders only situated in the Second Development. The First Development does not otherwise benefit from any car parking provision.
- (I) The Developer wishes to secure the use of a further forty (40) car parking spaces in the Second Development for occupiers of the residential element of the First Development. To this end the Car Parking Application has been submitted.

- (J) The Developer and the LPA consider that notwithstanding the fact that the triggers for the off-site affordable housing contribution under the Original Agreement have not been met, the improvement in value of the First Development attributable (amongst other reasons) to the car parking proposed under the Car Parking Application justify the payment of the Off-Site Affordable Housing Contribution secured under this agreement.
- (K) The Developer and the LPA are satisfied that the planning obligations contained in this Deed meet the three tests set out in Regulation 122 of the Community Infrastructure Levy Regulations 2010 (as amended).
- (L) The planning obligations contained in this Deed are intended to be enforceable by the LPA against all parties to this Deed and against such of their successors in title against whom the Original Agreement is enforceable.
- (M) The LPA has resolved to grant the Section 73 Planning Permission and the Car Parking Permission subject to the covenants undertakings and restrictions herein contained.

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;

Affordable Housing means housing which is available to persons whose incomes are insufficient to enable them to meet their housing need in the open market either to rent or purchase;

Agreement means this agreement made pursuant to section 106 of the 1990 Act and all other enabling powers;

Car Parking Application means any application to permit the use of up to forty (40) car parking spaces comprised within the Second Development by occupiers of residential units within the First Development;

Commence means the carrying out of a material operation as defined in section 56(4) of the 1990 Act and "Commenced" and "Commencement" shall be construed accordingly.

Commercial Unit means any individual commercial unit (excluding any floorspace used as part of the permitted hotel) comprised within the First Development;

Community Infrastructure Levy means the Community Infrastructure Levy introduced by sections 205 to 225 of the Planning Act 2008

First Development means the development of the Site with a 42 storey building comprising a hotel at ground to 6th floor (12,689 sqm), a restaurant at 7th floor level (564 sqm), 248 residential units at 8th to 41st floor (25,847 sqm) and 222 sqm of flexible Class A1-A4 floorspace at ground floor, together with associated amenity space, landscaping, plant and ancillary works and all other operations and/or works as authorised by the First Planning Permission or as permitted by any planning permission granted after the date of the First Planning Permission for substantially the same development.

First Off-Site Affordable Housing Contribution means a contribution of four hundred thousand pounds (£400,000) towards the provision by the LPA or its nominee of Affordable Housing within the area of the London Borough of Newham and which is payable in accordance with Clause 5.1.1 of this Agreement;

First Planning Permission means planning permission reference10/90285/FUMODA permitting the First Development

Index means the Building Costs Index as published by the Department for Business Innovations and Skills and includes any indices published by the Department for Business Innovations and Skills (or any successors to its function) which replaces such index.

Neighbouring Site means the site edged red on the plan marked Plan 2 attached at Appendix 2;

Occupation means occupation for the purposes permitted by the First 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;

Off-Site Affordable Housing Contributions means the First Off-site Affordable Housing Contribution and the Second Off-site Affordable Housing Contribution

Original Affordable Housing Obligations Discharge Notice means a notice substantially in the form of the draft attached to this Deed at Appendix 3 confirming the discharge of the obligations to pay the First Affordable Housing Contribution and the Second Affordable Housing Contribution (both as defined in the Original Agreement) contained in paragraphs 6.1 and 6.2 of Part 3 to Schedule 1 of the Original Agreement.

Original Agreement means the agreement dated 15 July 2011 made under section 106 of the 1990 Act between (1) the Olympic Delivery Authority (2) the Mayor and Burgesses of the London Borough of Newham (3) London & Continental Railways Limited and (4) Stratford Heights Investments Ltd and relating to the First Development.

Parties means the parties to this Agreement and the word "**Party**" shall mean any one of them:

Residential Unit means any individual residential unit (excluding any floorspace used as part of the permitted hotel) comprised within the First Development;

Satisfactory Car Parking Permission means a planning permission that may be granted by the LPA pursuant to the Car Parking Application that is not subject to the Community Infrastructure Levy or an Unsatisfactory Condition.

Second Development means the 850 space seven storey car park on the Neighbouring Site;

Second Off-site Affordable Housing Contribution means a contribution of six hundred thousand pounds (£600,000) towards the provision by the LPA or its nominee of Affordable Housing within the area of the London Borough of Newham and which is payable in accordance with Clause 5.1.1 of this Agreement

Second Planning Permission means the planning permission reference 09/90270/REMODA dated 10 December 2009 permitting the Second Development;

Section 106 Agreement means any agreement or unilateral undertaking under section 106 of the 1990 Act

Section 73 Application means an application to vary condition 2 of the First Planning Permission and given reference 13/00579/VAR.

Section 73 Planning Permission means the planning permission granted pursuant to the Section 73 Application.

Site means the whole of the freehold and leasehold land registered at the Land Registry under title numbers EGL570827 and TGL345593 as the same is shown edged red on the plan marked Plan 1 contained in Appendix 1.

Unsatisfactory Condition means a condition or obligation contained in a planning permission or Section 106 Agreement entered into in connection with the Car Parking Application that has the effect of

- (i) limiting the number of car parking spaces comprised within the Second Development which may be used by occupiers of residential units within the First Development to less than forty (40)
- (ii) preventing or restricting the reasonable use of any of the forty (40) car parking spaces by occupiers of residential units within the First Development;
- (iii) requiring a capital contribution to be paid to the LPA or the London Borough of Newham other than any contribution to be paid under this Deed

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) recital is to a recital to this Agreement; and
 - (f) 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
 - 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 Developer 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;
- 2.2 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 and Developer's respective interests in the Site as provided by that Section.
- 3.2 The covenant, restrictions and requirements imposed on the Developer and 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 Developer.
- The obligations in Clauses 6.3, 6.4, 6.5 and 7 of this Agreement are entered into by the LPA under section 201 of the Localism Act 2011 and all other powers so enabling.

4. Conditionality

- 4.1 The obligations in Clause 5 (the Developer's Covenants with the LPA) are conditional upon and shall not take effect until the following have been either granted or issued (as appropriate):
 - 4.1.1 the Section 73 Planning Permission;
 - 4.1.2 the Satisfactory Car Parking Permission; and
 - 4.1.3 the Original Affordable Housing Obligations Discharge Notice

5. The Developer's covenants with the LPA

- 5.1 The Developer covenants with the LPA:
 - 5.1.1 Not to Occupy or permit Occupation of any Residential Unit comprised within the First Development before the First Off-Site Affordable Housing

Contribution has been paid to the LPA and to pay the First Off-Site Affordable Housing Contribution no later than the date of such Occupation;

- 5.1.2 Not to Occupy or permit Occupation of more than 125 (one hundred and twenty five) Residential Units comprised within the First Development before the Second Off-Site Affordable Housing Contribution has been paid to the LPA and to pay the Second Off-Site Affordable Housing Contribution no later than the date of such Occupation;
- 5.1.3 To notify the LPA within 5 (five) working days of the occurrence of Occupation of the first Residential Unit within the First Development;
- 5.1.4 To notify the LPA within 5 (five) working days of the occurrence of Occupation of the 125th (one hundred and twenty fifth) Residential Unit within the First Development.

6. Financial Contributions and Indexation

- 6.1 The Off-Site Affordable Housing Contributions will be increased by reference to the amount of the quarterly change in the Index from the date of this Agreement until the date such sums are paid.
- 6.2 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.
- In respect of the First Off-Site Affordable Housing Contribution and the Second Off-Site Affordable Housing Contribution the LPA covenants:
 - 6.3.1 that following receipt such contributions shall be applied only for the provision of off-Site Affordable Housing within the London Borough of Newham **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 Developer; and
 - 6.3.2 at the written request of the Developer to provide a report to the Developer setting out any expenditure from either the First Off-Site Affordable Housing Contribution or the Second Off-Site Affordable Housing Contribution in the previous 12 (twelve) month period PROVIDED THAT such request by the Developer may not be made more than once in each calendar year.
- 6.4 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 Developer of the Second Off-Site Affordable Housing Contribution.
- 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 6.4 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.

LPA covenants

7.1 The LPA covenants with the Developer to grant the Section 73 Planning Permission and to issue the Original Affordable Housing Obligations Discharge Notice within 5 days of receipt of a notice from the Developer stating that the permission that has been issued pursuant to the Car Parking Application is a Satisfactory Car Parking Permission and for the avoidance of doubt the LPA shall not be required to grant the Section 73 Planning Permission or issue the Original Affordable Housing Obligations Discharge Notice unless the Developer has given such notice to the LPA

Notices

- 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:
 - 8.1.1 if delivered by hand, the next Working Day after the day of delivery; and
 - 8.1.2 if sent by first class post or recorded delivery post, the day two Working Days after the date of posting.
- 8.2 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:

Chief Executive (For the Attention of: David Joy) London & Continental Railways Limited 4th Floor One Kemble Street London WC2B 4AN

Developer:

The Secretary
Manhattan Loft Gardens Limited

PO Box 119 Martello Court Admiral Park St Peter Port Guernsey GY1 3HB

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.

9. Satisfaction of any of the provisions of this Agreement

- 9.1 Where in the opinion of the Developer any obligation, covenant, undertaking or other provision on the part of the Developer contained in this Agreement has been satisfied wholly or in part, the Developer 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.
- 9.2 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 Developer for a notification to that effect, and where the relevant obligation, covenant, undertaking or other provision has been satisfied (wholly or in part) the Developer shall as soon as reasonably practicable issue a notification to such effect.
- 9.3 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 Newham (or its statutory successor in functions) remove the entry in its Local Land Charges Register relating to this Agreement.

10. Verification and Enforcement

The Developer 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 First 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.

11. No Waiver

No waiver (whether expressed or implied) by the LPA of any breach or default by the Developer 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 Developer.

12. 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.

13. 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.

14. Change in Ownership

The Developer agrees with the LPA to give the LPA written notice as soon as reasonably practicable of any change in its ownership of any of their 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 do not need to be notified.

15. THE LPA'S LEGAL COSTS

15.1 The Developer 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.

16. **VAT**

16.1 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.

17. Miscellaneous

- 17.1 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.
- 17.2 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.
- 17.3 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.
- 17.4 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.
- 17.5 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 on any part of parts of the Site or any receiver appointed by such chargee or mortgagee or any person deriving title through such chargee, mortgagee, receiver unless and until such chargee, mortgagee, receiver or person has entered into possession of the Site or part thereof to which such obligation relates.
- 17.6 The LPA shall request registration of this Agreement as a local land charge by the London Borough of Newham or its respective statutory successor in function.

- 17.7 This Agreement and the obligations, covenants and undertakings which it contains shall lapse and be extinguished automatically if (and from the date that) planning permission for the First Development lapses without having first been Commenced or if such planning permission is otherwise revoked, withdrawn or (without the consent of the Developer) modified PROVIDED THAT nothing in this clause shall invalidate any steps taken under this Agreement before the date it is extinguished or lapses.
- 17.8 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 for development other than the First Development.
- 17.9 Where this Agreement imposes an obligation, that obligation shall be enforceable against any party to this agreement that takes any steps or allows any steps to be taken which triggers such obligation in respect of their land.

18. Jurisdiction and Legal Effect

- 18.1 This Agreement shall be governed by and interpreted in accordance with the law of England.
- The provisions of this Agreement (other than this Clause 18.2 which shall be effective in any event) shall be of no effect until this Agreement has been dated.

19. Execution

The Parties have executed this Agreement as a deed and it is delivered on the date set out at the front of this Agreement.

EXECUTED as a deed by affixing the Common Seal of LONDON **LEGACY DEVELOPMENT CORPORATION** in the presence of: -**Authorised Signatory** EXECUTED as a deed by LONDON & CONTINENTAL RAILWAYS LIMITED acting Director Director/Secretary Authorised Signatory For SPREAD SERVICE Authorised Signatory
For COSIGN SERVICES LIMITED
Director **EXECUTED** as a deed by **MANHATTAN** LOFT GARDENS LIMITED acting by:-Director

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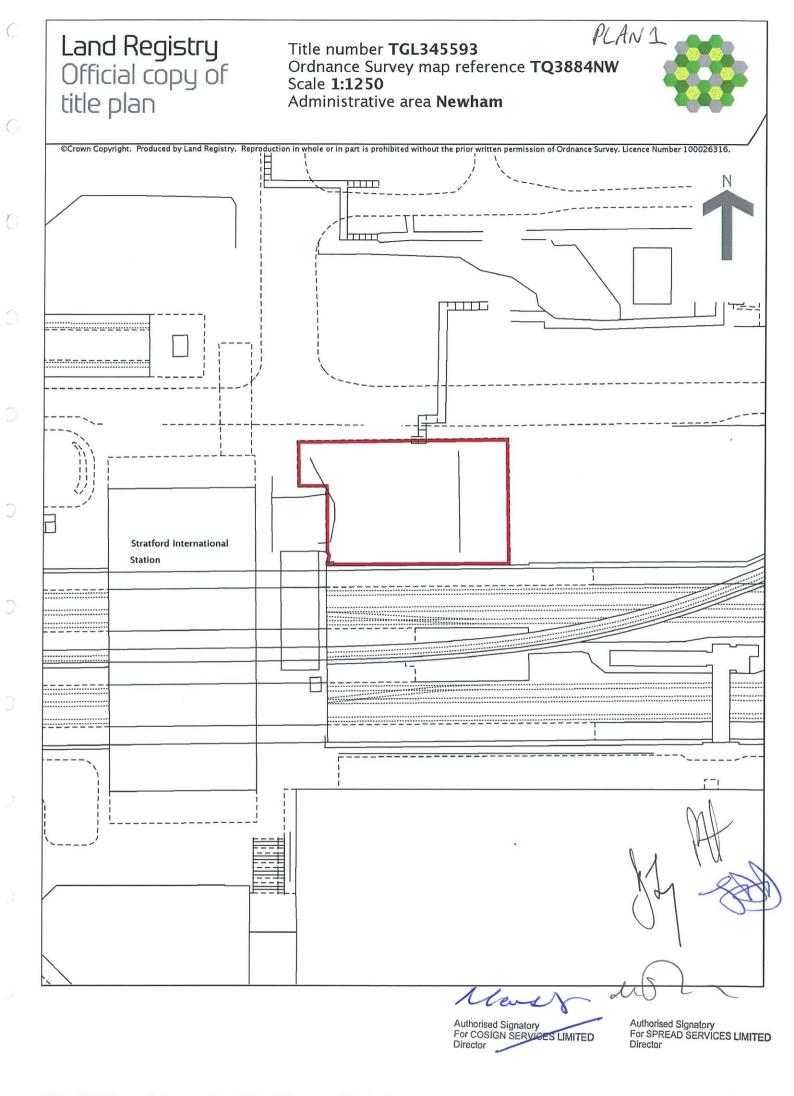
Director/Secretary

APPENDIX 1

SITE PLAN

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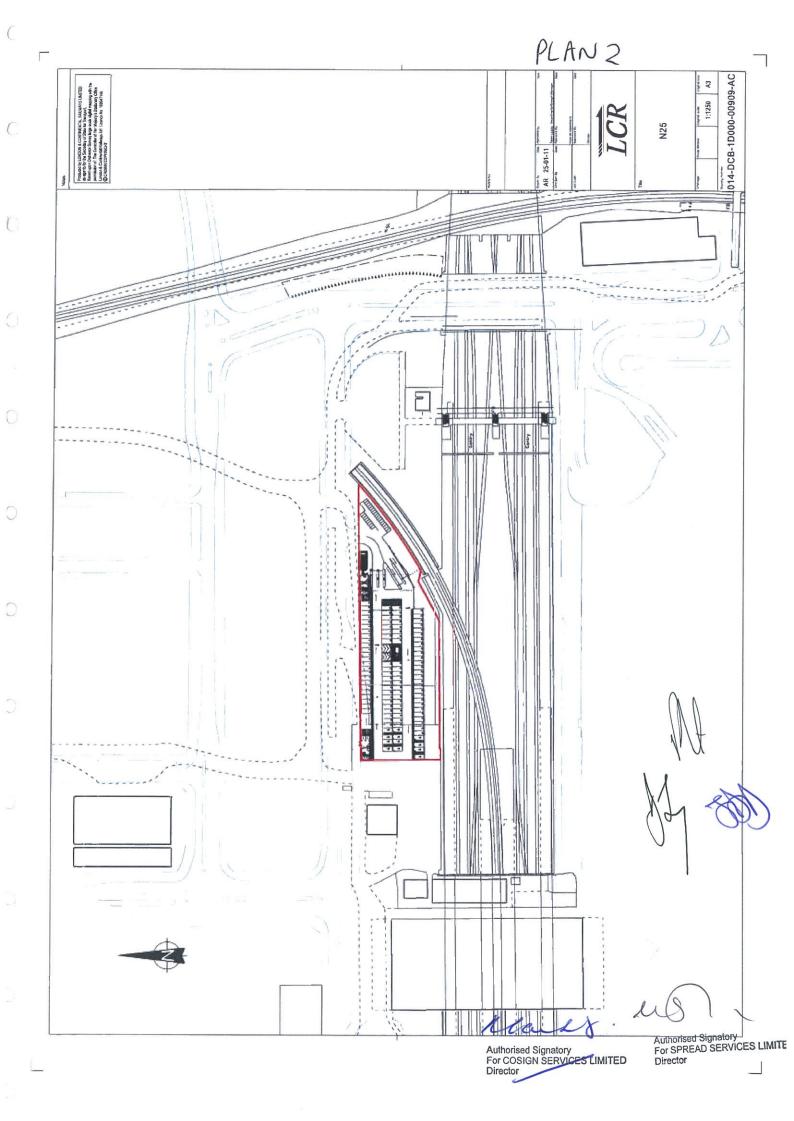
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APPENDIX 2

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NEIGHBOURING LAND



APPENDIX 3

ORIGINAL AFFORDABLE HOUSING OBLIGATIONS DISCHARGE



Director of Planning Policy and Decisions London Legacy Development Corporation Level 10, 1 Stratford Place Montfichet Road London E20 1EJ

[DATE]

Mr Mark Simmonds
Development Manager
Creative Property (UK) LLP
223-231 Old Marylebone Road
London
NW1 5TH

Dear Mark,

Application No:	10/90285/FUMODA
Location:	Plot N24 (Manhattan Lofts) Zone 3, Stratford City, London
	Section 106 legal agreement dated 15 th July 2011, Part 6 'Affordable Housing', Paragraph 2.6; and Part 3 'Contributions', Paragraph 6.

I refer to the above application and obligations contained within the section 106 agreement dated 15th July 2011 (the Agreement).

I can confirm that we have now received the final report from the VA Consultant and the obligations under paragraphs 6.1 and 6.2 of Part 3 of Schedule 1 are hereby discharged.

Please note that the above discharge is without prejudice to the developer's obligations to make contributions towards affordable housing under Clause [5] of the section 106 agreement dated XX/XX/XX.

Yours sincerely,

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Anthony Hollingsworth
Director of Planning Policy & Decisions
London Legacy Development Corporation

Direct Line:	0203 2881466
Email:	rachelgleave@londonlegacy.co.uk
Case Officer:	Rachel Gleave

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