

DATED

27th September

2012

(1) LONDON THAMES GATEWAY DEVELOPMENT CORPORATION

- and -

(2) SOUTHERN HOUSING GROUP LIMITED

- and -

(3) EAST HOMES LIMITED

DEED

made pursuant to section 106 of the
Town and Country Planning Act 1990
(as amended) relating to land at
Hancock Road, Three Mills Lane
and Imperial Street, Bromley-by-
Bow, London E3

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THIS DEED is made on

27th September

2012

BETWEEN

- (1) **LONDON THAMES GATEWAY DEVELOPMENT CORPORATION** of 9th Floor, South Quay Plaza 3, 189 Marsh Wall, London E14 9SH (the **Corporation**);
- (2) **EAST HOMES LIMITED** (Industrial and Provident Society No. IP22557R) whose registered office is situated at 29-35 West Ham Lane, Stratford, London, E15 4PH and **SOUTHERN HOUSING GROUP LIMITED** (Industrial and Provident Society No. IP31055R) whose registered office is situated at Fleet House, 59-61 Clerkenwell Road, London EC1M 5LA (the **Owners**)

WHEREAS

- A By virtue of the London Thames Gateway Development Corporation (Planning Functions) Order 2005, which came into force on 31 October 2005, the Corporation is the Local Planning Authority for the area within which the Property is situated and for development of the nature of the Development.
- B The Corporation is currently the appropriate statutory body to enforce this Deed for the purposes of section 106 of the 1990 Act. On 1 October 2012, the Corporation's planning functions for the area within which the Property is situated will be transferred to the LLDC, after which the LLDC will become the Local Planning Authority and the appropriate body to enforce this Deed for the purposes of section 106 of the 1990 Act. References to the Corporation shall be construed accordingly.
- C The Owners are registered at HM Land Registry as the freehold owners of Phase One of the Property.
- D The Owners submitted the Application to the Corporation.
- E Having taken account of the Planning Obligations and Community Benefit Strategy the Corporation considers that the planning obligations, including the payment of the Discounted Standard Charge and the potential payment of the Deferred Part of the Standard Charge in this Deed are reasons for the grant of the Permission.
- F The Owners have agreed to enter into this Deed, accepting that the obligations that it contains can properly be taken into account as reasons for the grant of the Permission.
- G The Standard Charge applicable to this Development has been set by the Corporation's Planning Obligations Community Benefit Strategy at twenty two thousand six hundred pounds (£22,600) per Residential Unit for the area within which the Development is located subject to the provisions of this Deed.
- H The Discounted Standard Charge applicable to this Development has been set by the Corporation's Planning Obligations Community Benefit Strategy at ten thousand pounds (£10,000) per Residential Unit for the area within which the Development is located subject to the provisions of this Deed.
- I The Corporation has resolved to grant the Planning Permission pursuant to the Application subject to the conditions set out in the Planning Permission and subject to the covenants, undertakings and restrictions contained in this Deed.

NOW THIS DEED WITNESSETH as follows:

1 Definitions and interpretation

In this Deed the following expressions shall have the following meanings:

1.1 Definitions

1990 Act means the Town and Country Planning Act 1990 (as amended) or any re-enactment or modification for the time being in force

A12 Subway Works means works to improve the appearance of the subway beneath the A12 by way of cleaning and repainting as may be approved by TfL in consultation with the Council the total cost of which shall not exceed £100,000 (ONE HUNDRED THOUSAND POUNDS)

Affordable Housing means residential accommodation for which the combined Service Charge and asking price or rent is significantly lower than prevailing market prices for similar units and which is subject to arrangements which seek to ensure its availability on similar terms in perpetuity and which may comprise either:

- (a) Affordable Rent Units;
- (b) Social Rent Units;
- (c) Intermediate Units

but subject to the terms of this Deed and references to Affordable Housing Unit shall be construed accordingly

Affordable Housing Provider means either :

- (a) a Registered Social Landlord; or
- (b) a provider and manager of Affordable Housing approved by the Corporation or the Council

Affordable Housing Scheme means in relation to any Phase save Phase One a plan or plans showing the indicative layout of the location of the Affordable Housing Units to be included as part of that phase together with details of:-

- (a) the number of Affordable Housing Units
- (b) the tenure of each of the Affordable Housing Units
- (c) the type size and indicative layout of the location of each of the Affordable Housing Units

Affordable Rented Units means rented Affordable Housing let by an Affordable Housing Provider to households who are eligible for social rented housing. Affordable Rented housing is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of local market rent (and the phrase "Affordable Rent" shall be construed accordingly)

Agreed Discounted Standard Charge Phase One means the sum of £7,500 per Residential Unit in relation to Phase One payable as set out in paragraph 2 of Schedule 1 to this Deed

All Items Retail Prices Index means the index of retail prices published by the Office of National Statistics or any successor

All Movements Junction Scheme Approval means approval by TfL for a new all movements junction to be installed on the A12 which would result in the closure and removal of the A12 subway

Application means the hybrid planning application for the Development comprising a full application for Phase One of the Property and outline for the Outline Phases given reference number PA/11/02423/LBTH for:-

Outline Application

- Demolition of all buildings;
- Development of 522 residential units (Use Class C3) (3-9 storeys - Blocks D1, S2, S3, S4, S5, S6, S7, S8, R5, R6, R7 and R9);
- 2,490m² (GIA) Flexible Business Space (Use Class B1) (Ground and mezzanine levels in Blocks R5, S3 and S4);
- 6,299m² (GIA) Car Dealership (Sui Generis) (4-8 storeys);
- 471m² (GIA) Flexible Restaurant (Use Class A3) or Public House (Use Class A4) (2 storeys within Block S7);
- Associated highways infrastructure including creation of new access/egress arrangements along Hancock Road, access to Free Wharf;
- 114 residential car parking spaces (including 10 disabled car parking spaces); 16 commercial car parking spaces (including 3 disabled car parking spaces); together with 14 motorcycle spaces, 23 mobility scooter spaces and 511 bicycle parking spaces;
- Public open space; and
- Landscaping and associated upgrade works to the River Lea Navigation towpath.

Full application for Phase One

- Development of 219 residential units (Use Class C3) (3-9 storeys - Blocks R1, R2, R3 and R4);
- 1,021m² (GIA) Flexible Business Space (Use Class B1) (Ground and mezzanine levels in Block R4);
- Associated highway infrastructure including creation of new access/egress arrangement along Hancock Road, and temporary road for delivery and servicing to Block R4;
- 57 residential car parking spaces (including 4 disabled car parking spaces); 3 commercial car parking spaces (including 2 disabled); together with 3 motorcycle, 3 mobility scooter and 291 bicycle parking spaces;
- Communal amenity space and temporary public open space; and
- Landscaping and associated works upgrade works to the River Lea Navigation towpath

Blocks Plan means Plan B showing the location of the blocks within the Development for illustrative purposes only annexed at Appendix 1 and references to "blocks" shall be construed accordingly

Bridge Locations and Safeguarded Areas Plan means Plan G showing the indicative locations of Bridge 1 and Bridge 2 and the location of the Phase One Safeguarded Area and the Bridge 2 Safeguarded Area for illustrative purposes only annexed hereto at Appendix 1

Bridge 1 means a proposed two way single lane bus cycle and pedestrian bridge over the River Lea linking Phase One of the Development to Plot R8 of the Sugar House Lane Development;

Bridge 1 Adoption Notice means written notice from the Corporation to the Owners confirming:-

- (a) that the Corporation wishes to adopt some or all of the Phase One Safeguarded Area as highway maintainable at the public expense;
- (b) attaching the form of the adoption agreement to give effect to such adoption pursuant to Section 38 of the Highways Act 1980 or other relevant power which shall be at no expense to the Corporation; and

- (c) specifying the period within which the adoption agreement shall be completed which shall be not less than 28 Working Days from the date of receipt by the Owners of the Bridge 1 Adoption Notice unless there is a dispute to be resolved pursuant to Clause 12 of this Deed

Bridge 1 Rights Notice means written notice from the Corporation to the Owners confirming:-

- (a) the intended date of commencement of works to construct Bridge 1;
- (b) the identity of the organisation constructing Bridge 1 and its appointed contractor;
- (c) details and specification to construct Bridge 1 and programme of works;
- (d) the extent and duration of access rights required to the Phase One Safeguarded Area reasonably necessary to construct Bridge 1

and requesting the Owners to enter into such agreement licence or easement as appropriate required to secure the rights identified in relation to (d) above

Bridge 1 Specification means the loading specification for the Phase One Bridge Works to be provided by the developer of Sugar House Lane Development not later than 31 March 2013;

Bridge 2 means a proposed pedestrian and cycle bridge over the River Lea linking Northern Phase B of the Development to the Sugar House Lane Development;

Bridge 2 Adoption Notice means written notice from the Corporation to the Owners confirming:

- (a) that the Corporation wishes to adopt some or all of the Bridge 2 Safeguarded Area as highway maintainable at the public expense;
- (b) attaching the form of the adoption agreement to give effect such adoption pursuant to Section 38 of the Highways Act or other relevant power which shall be at no expense to the Corporation; and
- (c) specifying the period within which the adoption agreement shall be completed which shall be not less than 28 Working Days from the date of receipt by the Owners of the Bridge 2 Adoption Notice unless there is a dispute to be resolved pursuant to Clause 12 of this Deed

Bridge 2 Rights Notice means written notice from the Corporation to the Owners confirming:-

- (a) the intended date of commencement of works to construct Bridge 2;
- (b) the identity of the organisation constructing Bridge 2 and its appointed contractor;
- (c) details and specification to construct Bridge 2 and programme of works;
- (d) the extent and duration of access rights to the Bridge 2 Safeguarded Area reasonably necessary to construct Bridge 2

and requesting the Owners to enter into such agreement licence or easement as appropriate required to secure the rights identified in relation to (d) above

Bridge 2 Safeguarded Area means the area of land within Northern Phase B shown on the Bridge 2 Area Plan that is safeguarded to facilitate the delivery of Bridge 2 some or all of which may be required to be adopted by the Corporation as public highway in accordance with the Bridge 2 Adoption Notice BUT WHICH FOR THE AVOIDANCE OF DOUBT shall not interfere

with access to the free wharf;

Bromley by Bow South Development means comprehensive mixed use development of the land south of Otis Street and Three Mills Lane, east of the A12 and north of the Railway Line immediately to the south of the Property

Commercial Unit means a unit within Phase One of the Development comprising Use Class B1 space

Commercial Units Marketing Strategy means a strategy for the marketing of the commercial units in Phase One of the Development to be approved by the Corporation pursuant to paragraph 9 of Schedule 1 setting out details of the steps that will be taken to maximise take up of commercial units including the minimum time for which units will be marketed in accordance with the strategy

Completion shall be deemed to take place on the proper issue of a certificate of practical completion by an independent architect, engineer or other certifying professional as the case may be of any works carried out pursuant to this Deed or any part, section or phase and the terms "Complete", "Completed" and cognate expressions shall be interpreted in accordance with this definition and Occupation of any Residential Unit shall be determinative of Completion even in the absence of a certificate

Contribution means the contribution (if any) up to the Discounted Standard Charge towards infrastructure necessitated by the Development in respect of all Phases other than Phase One calculated in accordance with paragraph 3 of Schedule 1 hereto

Corporation's Planning Functions area means the area of the Lower Lea Valley set out in the maps referred to in the London Thames Gateway Development Corporation (Planning Functions) Order 2005

Council means the London Borough of Tower Hamlets

Deferred Part of the Standard Charge Outline Phases means that part of the Standard Charge for the Outline Phases if any excluding the Discounted Standard Charge for each Residential Unit within the relevant Phase the payment of which is conditional on the level of Realised Average Sales Value reaching a certain threshold in accordance with Schedule 2 to this Deed

Deferred Part of the Standard Charge Phase One means that part of the Standard Charge excluding the Agreed Discounted Standard Charge Phase One for each Residential Unit within Phase One the payment of which is conditional on the level of the Realised Average Sales Value reaching the threshold specified in Schedule 2 to this Deed

Design and Quality Standards means (save as otherwise agreed in writing between the parties) the standards set out in the Design and Sustainability Standards for London published by the Homes and Communities Agency dated February 2011 which incorporate the London Housing Design Guide Standards (interim edition dated August 2010) together with at least Code for Sustainable Homes Level 4 and the Lifetime Homes Standard and in relation to the Outline Phases shall include any standards, codes or policies amending or replacing those set out above

Development means the development of the Property in accordance with the Planning Permission

Development Realised Average Sales Value means the average sale price per square metre realised for sales to an independent third party of Open Market Units within Phase One of the Development throughout the whole of the period of development of Phase One calculated in accordance with Schedule 2

Discounted Standard Charge means in relation to the Outline Phases the sum of £10,000

(ten thousand pounds) per Residential Unit or such reduced figure notified to the Owners by the Corporation from time to time

District Heat Network means the Stratford and Olympic Park District Energy Scheme, also known as Cofely East London Energy (CELE) operated by Cofely, part of GDF SUEZ Energy Services or such other heating system that uses steam or hot water produced at a central plant providing domestic hot water and space heating for the Development and possibly the wider district as is reasonably acceptable to the Corporation;

Energy Strategy means a strategy that demonstrates how the scheme design and energy efficiency and renewable energy technologies contribute to a reduction in carbon dioxide emissions at the Development and safeguard the opportunity to connect to the District Heat Network or site wide Heat Network in accordance with the London Plan and Target Emission Rate adopted in the 2010 Building Regulations in accordance with Paragraph 8 of Schedule 1

Expert means such expert as may from time to time be appointed for the purposes of resolving a relevant dispute as follows:

- (a) if the dispute relates to transport or highway works, engineering, demolition, or construction works, a chartered civil engineer being a member of the Institution of Civil Engineers (having not less than 10 years' relevant experience in the public or private sector) agreed by the parties to the dispute but in default of agreement appointed at the request of any of the parties by or on behalf of the President from time to time of the Institution of Civil Engineers;
- (b) if the dispute relates to any building within the Development or any similar matter, a chartered surveyor (having not less than 10 years' relevant experience) agreed by the parties to the dispute but in default of agreement appointed at the request of either party by or on behalf of the President from time to time of the Royal Institution of Chartered Surveyors;
- (c) if the dispute relates to financial matters or matters of accounting usually and properly within the knowledge of a chartered accountant, a chartered accountant (having not less than 10 years' relevant experience) agreed by the parties to the dispute but in default of agreement appointed at the request of either party by or on behalf of the President from time to time of the Royal Institute of Chartered Accountants in England and Wales; and
- (d) if the parties to the dispute shall fail to agree upon the nature or difference in question then it should be referred to a solicitor or barrister of at least 15 years' standing agreed by the parties but in default of agreement appointed at the request of either party by or on behalf of the President for the time being of the Law Society

Highway Works means highway works to be carried out including improvements to footways and accesses in accordance with the Highway Works Scheme and shown on the Highway Works Plan

Highway Works Plan means Plan E1 and E2 showing the location and extent of the Highway Works within the Development annexed hereto at Appendix 1

Highway Works Scheme means the scheme containing the details and mechanisms for carrying out and maintaining the Highway Works

Homes and Communities Agency means the non-departmental government body that funds Registered Social Landlords or such other body as may replace it

Implementation means implementation on the Property of the Development authorised by the Planning Permission by the Owners (or someone expressly on their behalf) carrying out any material operation within the meaning of sections 56(2) and (4) of the 1990 Act Provided That the carrying out of demolition of existing buildings and structures, termination, laying or diversion of existing services or temporary diversion of highways, temporary construction, site clearance and preparation, investigation works, archaeological investigations, environmental

site investigations, decontamination or remediation works or works and operations to enable any of the foregoing to take place shall not constitute a material operation and consequently shall not individually or together constitute implementation for the purposes of this definition or this Deed and Implement and cognate expressions shall be interpreted in accordance with this definition

Implementation Notice means a written notice given by or on behalf of the Owners to the Corporation stating the date of Implementation of the Development and the application reference number and a notice will be deemed to have been given if Implementation has occurred

Index-Linked means the adjustment of the financial sums referred to in this Deed by Indexing from the date of this Deed to the date of payment or between such other dates as may be specified in this Deed

Indexing means the recalculation of any amount specified in this Deed by applying the following formula:

$A \times B/C = D$ where:

A = the sum specified in this Deed in pounds sterling

B = 101% of the figures shown in the All Items Retail Price Index (provisional index if that is the latest information available) for the period prior to the date to which the sum concerned is to be indexed under the provisions of this Deed

C = the figure shown in the All Items Retail price Index for latest period prior to date from which the sum concerned is to be indexed under the provisions of this Deed

D = the recalculated sum in pounds sterling applying under this Deed

Provided B/C shall never be less than 1

Provided also that if the All Items Retail Price Index becomes no longer maintained the said formula shall be applied mutatis mutandis (so far as concerns periods after it ceases to be so maintained) by reference to such other similar publication or index as may be specified from time to time by the Corporation

Interest means interest at 3% per cent above the base lending rate of the Bank of England from time to time

Intermediate Unit means housing at prices and rents above those of Social Rented Housing units but below market price or rents, and the term "Intermediate Housing" shall be construed accordingly. Intermediate Housing can include shared ownership and shared equity products (e.g. HomeBuy) other low cost homes for sale and intermediate rent but does not include Affordable Rented Housing

Lifetime Home Standards means the incorporation where physically and financially practicable of 16 design features which together create a flexible blue print for accessible and adaptable housing published by the Joseph Rowntree Foundation Lifetime Homes Group

LLDC means the London Legacy Development Corporation or any successor body

Local Planning Authority means the local planning authority for the time being having jurisdiction over the subject matter of this Deed

London Housing Design Guide means the guidance by that name (interim edition) published by the Mayor of London in August 2010

Maximum Number of Residential Units means 219 Residential Units within Phase One of

the Development and 522 Residential Units within the Outline Phases unless otherwise agreed with the Council or the Corporation

Nominations Agreement means an agreement to be entered into between the Council and the Affordable Housing Provider upon such reasonable terms as shall be agreed

Northern Phase A means that part of the Property shown on the Phasing Plan at Appendix 1

Northern Phase B means that part of the Property shown on the Phasing Plan at Appendix 1

Occupation means the use of the buildings and land at the Property for the purposes permitted by the Planning Permission save for temporary occupation for the purposes of construction or fitting out or marketing or security of the buildings and the word "Occupy" and "Occupied" and cognate expressions shall be construed accordingly

Open Market Units means Residential Units that are not Affordable Housing Units

Outline Affordable Housing Mix means the mix of affordable housing units to be provided in accordance with an Affordable Housing Scheme for the Outline Phases of the Development which comprises:-

26 x 1 bed Affordable Rented Units
35 x 2 bed Affordable Rented Units
39 x 3 bed Affordable Rented Units
13 x 4 bed Affordable Rented Units
3 x 5 bed Affordable Rented Units
31 x 1 bed Intermediate Units
32 x 2 bed Intermediate Units

or as otherwise agreed with the Corporation

Outline Phases means Northern Phase A Northern Phase B and the Southern Phase

Phase means a phase of the Development comprising Phase One Northern Phase A Northern Phase B or the Southern Phase as applicable

Phase One means the area labelled Phase One on the Phasing Plan for which detailed planning permission has been granted and in respect of which East Homes Limited and Southern Housing Group Limited are the registered freehold proprietor as tenants in common with Title Absolute of the following:-

- (a) Title Number EGL320488;
- (b) Title Number EGL320965;
- (c) Title Number EGL328140;
- (d) Title Number EGL328169;
- (e) Title Number NGL305490

and for which Southern Housing Group Limited is the registered freehold proprietor with Title Absolute of the following:-

- (f) Title Number LN61060;
- (g) Title Number NGL305491

Phase One Affordable Housing Unit means a Residential Unit which is used for Affordable Housing in accordance with the Phase One Affordable Housing Unit Mix

Phase One Affordable Housing Unit Mix means the affordable housing mix for Phase One which comprises:-

12 x 1 bed 2 person Affordable Rented Units
10 x 2 bed 3 person Affordable Rented Units
5 x 2 bed 4 person Affordable Rented Units
2 x 3 bed 4 person Affordable Rented Units
14 x 3 bed 5 person Affordable Rented Units
6 x 4 bed 6 person Affordable Rented Units
13 x 1 bed 2 person Intermediate Units
6 x 2 bed 4 person Intermediate Units
1 x 3 bed 4 person Intermediate Units
4 x 3 bed 5 person Intermediate Units
1 x 3 bed 6 person Intermediate Units

or as otherwise agreed with the Corporation

Phase One Bridge Works means those infrastructure works required within Phase One to facilitate the provision of Bridge 1 which comprise:-

- (a) laying of foundations;
- (b) laying of the bridge footings; and
- (c) construction of the landward bridge abutments finished with a fairface or paint

all in accordance with the Bridge 1 Specification

Phase One Bridge Works Commuted Sum means the sum of FORTY THOUSAND POUNDS (£40,000)

Phase One Safeguarded Area means the area of land within Phase One shown on the Phase One Safeguarded Area Plan to be safeguarded comprising the area required for the Phase One Bridge Works and the road connection to Hancock Road to facilitate the delivery of Bridge 1 some or all of which may be required to be adopted by the Council as public highway in accordance with the Bridge 1 Adoption Notice

Phase One Temporary Public Open Space means the area of land to be laid out as temporary public open space within Phase One shown coloured green on the Temporary Public Open Space Plan

Phase Viability Appraisal means an assessment of the financial viability of a Phase of the Development other than Phase One to be carried out in accordance with the Viability Appraisal Methodology as approved by the Corporation under paragraph 3 of Schedule 1

Phasing Plan means Plan C showing the location of the Phases within the Development for illustrative purposes only annexed hereto at Appendix 1

Phasing Scheme means a scheme containing details and mechanisms for the phasing of the Development other than Phase One and which shall set out the Maximum Number of Residential Units to be constructed within each Phase other than Phase One which scheme may be amended and resubmitted to the Corporation from time to time

Plan A means the plan marked Site Plan attached to this Deed at Appendix 1

Planning Obligations means the planning obligations set out in this Deed

Planning Obligations and Community Benefit Strategy means the planning obligations and community benefit strategy as adopted in July 2010 and as subsequently amended

Planning Permission means the planning permission to be granted pursuant to the Application for the Development a draft of which is annexed at Appendix 2 to this Deed

Property means land at Bromley-by-Bow North located at Hancock Road Three Mills Lane and Imperial Street Bromley-by- Bow London shown for the purposes of identification only edged red on Plan A

Public Open Space means the public open space located within Northern Phase A and the Southern Phase of the Development shown on the Public Open Space Plan to be made available in accordance with the provisions of Paragraph 12 of Schedule 1

Public Open Space Plan means Plan D showing the location of the Public Open Space coloured green within the Development for illustrative purposes only annexed hereto at Appendix 1

Public Open Space Works means the works required to lay out the Public Open Space at the Owners' expense pursuant to the relevant reserved matters approval or detailed approval as appropriate

Public Open Space Scheme means a scheme containing the details and mechanisms for managing and maintaining the Public Open Space

Public Sector Investment Plan means the plan for infrastructure to be provided in the Lower Lea Valley or London Riverside Areas (as appropriate) as may be revised from time to time

Quarter means the period of three calendar months ending on 31 March, 30 June, 30 September and 31 December in each year

Realised Average Sales Value means the average sale price per square metre realised for sales to independent third parties of Open Market Units calculated in accordance with Schedule 2

Realised Sales Value means the total consideration payable for the Open Market Units calculated in accordance with Schedule 2

Registered Social Landlord means a registered social landlord as defined in Part 1 of the Housing Act 1996 or Part 2 of the Housing and Regeneration Act 2008 registered with the Homes and Communities Agency

Request for Security Confirmation means a written notice from the Corporation requesting a Security Confirmation in relation to specified Residential Units within the Development

Residential Courtyard means those courtyards shown on the Residential Courtyard Plan

Residential Courtyard Plan means Plan H showing the location of the residential courtyards within each of Phase One Northern Phase A and the Southern Phase for illustrative purposes only annexed hereto at Appendix 1

Residential Unit means any separate unit of residential accommodation constructed within the Development pursuant to the Planning Permission

Safeguarded means to safeguard on the relevant Phase of the Development free from permanent built development or other structures the Phase One Safeguarded Area and the Bridge 2 Safeguarded Area (as appropriate) until such time as the said area is adopted as

highway maintainable at the public expense

Safeguarded Area Notice means written notice from the Council to the Owners confirming:-

- (a) it wishes to adopt the Phase One Safeguarded Area as highway maintainable at the public expense
- (b) attaching the form of adoption agreement to give effect to such adoption which shall be at no expense to the Council
- (c) specifying the period within which the adoption agreement shall be completed which shall be not less than 28 Working Days from the date of receipt by the Owners of the Safeguarded Area Notice unless there is a dispute to be resolved pursuant to clause 12 of this Deed

Security means in relation to any Residential Units specified in a Request for Security Confirmation legal provision by way of bank bond cash deposit mortgage parent company guarantee or other mechanism agreed between the Corporation and the Owners guaranteeing the availability of funds to pay all Agreed Discounted Standard Charges and Deferred Part of the Standard Charges in relation to the Residential Units when they fall due in accordance with this Deed;

Security Confirmation means the document that provides detailed information about the resources available to the Owners (including the value of the Property);

Security Notice means a notice from the Corporation specifying why the Corporation is not reasonably satisfied that the Security Confirmation is sufficient to provide the Corporation with sufficient confidence that the remaining Agreed Discounted Standard Charges and Deferred Part of the Standard Charges in relation to the Residential Units will be paid when they fall due in accordance with this Deed;

Service Charge means the charges for building management and maintenance services provided in respect of the Affordable Housing Units as may be approved;

Social Rent Units means Affordable Housing available for rent where:-

- (a) the total cost of rent does not exceed target rents for social rented housing set by the Homes and Communities Agency or successor body from time to time
- (b) are managed by an Affordable Housing Provider

and "Social Rent" shall be construed accordingly

Southern Phase means that part of the Property shown on the Phasing Plan

Southern Phase Temporary Public Open Space means the area of land to be laid out as temporary public open space within the Southern Phase shown coloured yellow on the Temporary Public Open Space Plan

Standard Charge means the average cost per Residential Unit of providing infrastructure and services assessed at the date of this Deed as £22,400 (twenty-two thousand four hundred pounds) by the Corporation in relation to Phase One less Works in Kind or such reduced figure notified to the Owners pursuant to Paragraph 3 of Schedule 3 and which figure is believed to be less than the full cost of providing all infrastructure and services properly required to support the Development and in respect of the Outline Phases shall be £22,600 (twenty-two thousand six hundred pounds) or such reduced figure notified pursuant to Paragraph 3 of Schedule 3

Sugar House Lane Development means the development of land on the opposite side of the River Lea to the Development an application for planning permission for which has been submitted under reference number LTGDC-11-070-FUL

Temporary Public Open Space Plan means Plan I showing the location of the Phase One Temporary Public Open Space and the Southern Phase Temporary Public Open Space within the Development for illustrative purposes only annexed hereto at Appendix 1

TfL means Transport for London or successor body

Towpath Improvement Works means those works to the towpath adjacent to the River Lea along the eastern boundary of the Property shown on the Towpath Plan approved by the Corporation pursuant to planning conditions attached to the Planning Permission ~~the total cost of which shall not exceed £216,000 (TWO HUNDRED AND SIXTEEN THOUSAND)~~

Towpath Plan means Plan F showing the location of the Towpath Improvement Works coloured mustard for illustrative purposes only annexed hereto at Appendix 1

Viability Appraisal Methodology means a methodology for assessing the viability of the Development as a whole except Phase One and the projected costs and revenues of each Phase except Phase One and shall set out for the Development and for each Phase of the Development except Phase One:

- projected sales or capitalised rental values for Open Market Units and any commercial units and such values to be evidenced by appropriate market research;
- the proposed number tenure and mix of the Affordable Housing Units and any projected revenue from the sale of the Affordable Housing Units, specifying any grant this is anticipated;
- any other projected receipts or revenues;
- [if not already agreed at a fixed amount][the assumed land value for the Property and for each phase supported by appropriate evidence and the proposals for the apportionment of this value across each Phase of the Development];
- the amount of the Contribution for the Development and for each Phase of the Development;
- the total construction costs together with a contingency amount assessed at no more than 5% of the total construction costs supported by a costs assessment prepared by a reputable cost consultant or as evidenced by independent tender prices;
- reasonable design and planning costs and other professional fees;
- reasonable sales and marketing costs for the Open Market Units and for any commercial units;
- finance costs at the prevailing market rate on all outstanding cost balances;
- the apportionment of all costs between Phases of the Development with the presumption being that all infrastructure serving the Development as a whole shall be apportioned proportionately between phases
- reasonable developer's profit of not less than 20% of gross development value for the Open Market Units and commercial units and 6% of development costs for the Affordable Housing Units; and
- the format of the Phase Viability Appraisal

Working Days means Monday to Friday inclusive but excluding days which are public holidays

Works in Kind means those works which the Owners wish to carry out themselves the details and amount of which are approved by the Corporation in Schedule 6 to this Deed

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2 Interpretation

- 2.1 The headings appearing in this Deed are for ease of reference only and will not affect the construction of this Deed.
- 2.2 Unless the context requires otherwise references in this Deed to clauses, sub-clauses, paragraphs, recitals, sub-paragraphs, annexures, appendices and schedules are references to those contained in this Deed and references to plans and drawings are references to plans and drawings annexed to this Deed.
- 2.3 The word "including" shall mean "including without limitation or prejudice to the generality of any description defining term or phrase preceding that word" and the word "include" and its derivatives shall be construed accordingly.
- 2.4 References in this Deed to statutes, bye-laws, regulations, orders and delegated legislation shall include any statute, bye-law, regulation, order or delegated legislation amending, re-enacting or made pursuant to the same.
- 2.5 In this Deed words importing the singular shall include the plural and vice versa and words importing one gender shall include all other genders.
- 2.6 In this Deed the expressions "Owner", "Council" and "Corporation" shall include their respective statutory successors in respect of the functions to which this Deed relates and/or successors in title to the Property as the case may be.
- 2.7 Any obligations of the parties to this Deed contained in this Deed which are or may be deemed to be obligations of one or more persons shall be joint and several obligations on the part of those persons unless the context otherwise requires provided that nothing herein shall impose any liability upon either of the parties for the actions of the other.
- 2.8 Any covenant by the Owners not to do an act or thing shall be deemed to include an obligation not to permit or suffer such act or thing to be done by another person where knowledge of the actions of the other person is reasonably to be inferred and any covenant by the Owners to do an act or thing may be deemed to include an obligation to procure that the act or thing is done.
- 2.9 If any provision in this deed shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be deemed thereby to be affected, impaired or called into question.
- 2.10 In the event of any conflict between the provisions of this Deed and any annexed document the terms, conditions and provisions of this Deed will prevail.
- 2.11 Where any approval, consent, agreement or the like is required to be given pursuant to the terms of this Deed it shall be in writing and no party shall unreasonably withhold or delay any such approval, consent, agreement or the like.
- 2.12 No waiver (whether expressed or implied) by the Corporation of any breach or default in performing or observing any of the covenants terms or conditions of this Deed shall constitute a continuing waiver and no such waiver shall prevent the Corporation from enforcing any of the relevant terms or conditions or for acting upon any subsequent breach or default
- 2.13 Nothing in this Deed shall prohibit or limit the Owners' right to develop any part of the Site in accordance with a planning permission other than the Planning Permission granted after the date of this Deed.
- 2.14 This deed, any document entered into under it and any matter arising from it are to be governed by and interpreted in accordance with English Law. The parties agree to submit to the exclusive jurisdiction of the English Courts in relation to this deed and any such related document or matter.

3 Legal Basis

- 3.1 This Deed is made under section 106 of the 1990 Act and the obligations in it are planning obligations for the purposes of the 1990 Act enforceable by the Corporation as the local planning authority.
- 3.2 It is agreed that the Owners enter this Deed so that the planning obligations bind Phase One of the Property and subject to clause 17 the remainder of the Property.

4 Conditionality

- 4.1 The planning obligations in Schedule 1 of this Deed are conditional upon:
- (a) the grant of the Planning Permission; and
 - (b) the Implementation Notice being given or deemed to have been given.

5 Provisions for Release

- 5.1 It is agreed that this Deed will determine if the Planning Permission is quashed, cancelled, revoked or expires prior to Implementation.
- 5.2 Upon the reasonable request from the Owners and subject to payment of their reasonable and proper professional costs and charges the Corporation will certify within 20 Working Days compliance or partial compliance (as and if appropriate) with the provisions of this Deed.

6 Covenants by the Owners

- 6.1 The Owners covenant with the Corporation to carry out and comply with the obligations on their part contained in Schedules 1 and 2 to this Deed.

7 Provisions Relating to the Corporation

- 7.1 The Corporation covenants with the Owners to carry out and comply with its obligations contained in Schedule 3.

8 Successors in Title

- 8.1 Otherwise than as expressly provided in this Deed the parties hereto agree that this Deed shall be binding upon Phase One of the Property and shall be enforceable against the Owners and their successors in title and those deriving title under them in respect of Phase One of the Property and as provided in section 106(3) of the 1990 Act but in accordance with section 106(4) of the 1990 Act neither the Owners nor their successors in title nor those deriving title under them shall have any further liability under this deed (but without prejudice to any rights of the Corporation in respect of any antecedent breach) in respect of:
- (a) any period during which the Owners or any of their successors in title or those deriving title under them do not have an interest in Phase One of the Property or the relevant part thereof; or
 - (b) any breach of this Deed in relation to a part of Phase One of the Property in which they do not have an interest.

- 8.2 The obligations in this Deed shall not be binding on or enforceable against:

- (a) any mortgagee or chargee of the Property (which for the avoidance of doubt shall include Residential Units) (from time to time) which shall have the benefit of a mortgage or charge on the whole of or any part or parts of the Property unless and until such mortgagee or chargee has entered into possession of the Property or part of the Property to which such obligation relates;
- (b) any person with an interest in a Commercial Unit; or
- (c) any owners or occupiers of Residential Units;
- (d) any statutory undertaker who acquires any part of the Property for the purposes of their statutory undertakings

9 Registration

- 9.1 It is agreed that this Deed will be registered as a Local Land Charge for the purposes of the Local Land Charges Act 1975 by the Council.

10 Third Party Rights

- 10.1 A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed.

11 Dispute Resolution

- 11.1 If there is any dispute or difference between the Owners and the Corporation or any of them arising out of this Deed (other than a dispute or difference relating to a question of law or in relation to the interpretation of this Deed) the Owners and the Corporation agree that the matter in dispute will on the application of any of the parties be referred to the Expert and it is further agreed that:

- (a) the determination of the Expert will be final and binding on the parties save in the case of manifest error;
- (b) the parties will be entitled to make representations and counter-representations in accordance with such timetable as the Expert directs;
- (c) the Expert's costs will be borne in such proportions as he/she may direct failing which the parties will each bear their own costs of the reference and determination and the Expert's costs calculated by dividing the Expert's costs by the number of sides to the reference; and
- (d) the Expert may be replaced by a fresh appointee in the event of his/her becoming at any time unable or unwilling for any reason to proceed to discharge his/her function and such fresh appointee will be appointed in the same manner as the Expert.

12 Variations

- 12.1 No variation to this Deed will be effective unless made by Deed or pursuant to the determination of an application made under section 106A of the 1990 Act.

13 Service of Notices

- 13.1 All notices, requests, demands or other written communications to or upon the respective

parties pursuant to this Deed will be deemed to have been properly given or made if despatched by first class letter to the party to which such notice, request, demand or other written communication is to be given or made under this Deed and addressed as follows:

- (a) up to 30 September 2012 if to the Corporation to the address set out above for the attention of the Director of Planning;
- (b) on or after 1 October 2012 if to the LLDC to the Head of Planning at **Level 10, 1 Stratford Place, Montfichet Road, London, E20 1EJ**
- (c) if to the Owners to the address set out above for the attention of the Development Director

14 The Corporation's Legal Costs

- 14.1 The Owners agree that upon completion of this Deed it will pay the Corporation's reasonable legal costs including any VAT thereon and disbursements properly incurred in the negotiation and completion of this Deed up to a maximum of sum of £12,000 plus VAT and disbursements.

15 VAT

- 15.1 If VAT becomes payable on payments made under this Deed that VAT will be additional to the sums required, provided that the Owners will be entitled to valid VAT receipts in respect of any vatiable supplies properly incurred under this Deed.

16 Interest

- 16.1 If any payment due under this Deed is paid late, Interest will be payable from the date payment was due to the date of payment.

17 Further agreements under Section 106 of the 1990 Act

- 17.1 The Owners shall procure that if they acquire an estate or interest in any part of the Property not already bound by the relevant Planning Obligations in this Deed they shall enter into a Supplemental Agreement in the form of the agreement contained in Schedule 5 to this Deed so as to make such Property subject to the Planning Obligations contained in this Deed
- 17.2 Unless otherwise agreed by the Corporation the Owners shall not Implement any Phase of the Development other than Phase One until every person with a legal estate in such of the Property as is comprised in that Phase (being a person who has a freehold interest or leasehold interest for a term in excess of 3 years and who is not otherwise bound by this Deed and is not either the Owners or the Corporation) has unconditionally delivered to the Corporation a Supplemental Agreement duly executed by it which binds it to the obligations imposed on the Owners under this Deed so far as those obligations relate to the land in respect of which it holds that estate
- 17.3 For the avoidance of doubt a Supplemental Agreement delivered under clause 17.1 and 17.2 shall confer an obligation on the Corporation to comply with its covenants under this Deed so far as those obligations relate to the land in respect of which the party delivering it holds its estate and the enforceability of the Supplemental Agreement delivered under clause 17.1 and 17.2 against that party shall be conditional on the Corporation also executing the Supplemental Agreement for the purpose of so binding it to those covenants in respect of that party

IN WITNESS whereof this Deed has been executed by the parties and is intended to be and is delivered on the date first above written

Schedule 1 - Site Specific Covenants

1 Implementation

- 1.1 The Owners will serve an Implementation Notice on the Corporation fifteen (15) Working Days prior to the anticipated Implementation of Phase One of the Development and 15 Working Days prior to Implementation of each further Phase of the Development
- 1.2 The Owners agree that prior to Implementation of the remaining Phases of the Development other than Phase One they will agree a Phasing Scheme with the Corporation and will comply with that Phasing Scheme unless otherwise agreed with the Corporation

2 Standard Charge for Phase One of the Development

General Obligations

- 2.1 The Owners will pay to the Corporation an amount up to the full amount of the Index Linked Standard Charge for each Residential Unit within Phase One of the Development in accordance with the provisions that follow in this paragraph

Payment of Agreed Discounted Standard Charge Phase One

- 2.2 The Owners will be liable to pay to the Corporation the Agreed Discounted Standard Charge Phase One as follows
- (a) twenty five per cent (25%) of the Agreed Discounted Standard Charge Phase One for the Maximum Number of Residential Units in respect of Phase One will be payable and will be paid on Implementation of Phase One of the Planning Permission; and
 - (b) unless previously paid pursuant to paragraph 2.5 the remaining seventy five per cent (75%) of the Agreed Discounted Standard Charge Phase One will be payable in respect of each Residential Unit on Completion of each Residential Unit
- 2.3 The payment of any Agreed Discounted Standard Charge Phase One due under paragraph 2.2(b) will be made within 20 Working Days of the end of each Quarter in relation to all Residential Units Completed within that Quarter in Phase One

Payment of Deferred Part of the Standard Charge Phase One

- 2.4 The Owners shall pay the Deferred Part of the Standard Charge Phase One only in relation to those Residential Units in Phase One that are Completed more than three (3) years after the date of the Planning Permission payment to be made within 20 Working Days of the end of each calendar year in relation to all Residential Units Completed within that calendar year.

Long Stop Date

- 2.5 On the tenth (10th) anniversary of Implementation:
- (a) the Owners will pay the Index Linked Agreed Discounted Standard Charge Phase One for the Maximum Number of Residential Units within Phase One less any sums paid under paragraph 2.2 of this Schedule; and
 - (b) if 50% (fifty percent) or more of the Residential Units in Phase One have been Completed then the Owners will pay a Deferred Part of the Standard Charge Phase One for each Residential Unit within the Maximum Number of Residential Units within Phase One not then Complete and the amount of the Deferred Part of the Standard Charge Phase One payable under this paragraph 2.5(b) shall be calculated by applying the most recently available figures for Phase One of the Development's Realised Average Sales Value at the date of payment

General

- 2.6 The payment obligations set out at paragraph 2.5 above are without prejudice to the payment obligations in paragraphs 2.2, 2.3 and 2.4 of this Schedule which shall continue notwithstanding the 10th anniversary for Residential Units in relation to which payments have not been made under paragraph 2.5
- 2.7 The payments set out at paragraph 2.5 above shall be paid irrespective of whether the Residential Unit to which they relate has been Completed
- 2.8 The Owners shall act in good faith in relation to the sale and rental of Residential Units and the disclosure of financial information with the objective of ensuring that additional payments will be made if higher values are achieved for the Residential Units (whether as capital receipts or rents for Residential Units) than had been anticipated
- 2.9 The Owners shall use reasonable endeavours to ensure that certificates of Completion are issued as soon as practicable following the completion of any Residential Unit or other relevant work

Maximum Charge

- 2.10 The sum of the Agreed Discounted Standard Charge Phase One and the Deferred Part of the Standard Charge Phase One paid in relation to any Residential Unit shall never exceed the Index Linked Standard Charge in relation to that Residential Unit for Phase One

3 Standard Charge for Outline Phases

Viability Appraisal methodology

- 3.1 Before submitting any reserved matters application for the Phases of the Development other than Phase One the Owners will submit the Viability Appraisal Methodology to the Corporation for its written approval and will not submit any reserved matters application before written approval has been obtained.
- 3.2 Before submitting any reserved matters application for any Phase of the Development other than Phase One the Owners will submit a Phase Viability Appraisal relating to that Phase to the Corporation for its written approval which approval shall include agreement as to the appropriate Realised Average Sales Value threshold level above which payment of the Deferred Part of the Standard Charge Outline Phases would be payable for that Phase.
- 3.3 The Owners will not submit any reserved matters application for any Phase of the Development to which a Phase Viability Appraisal is required under Paragraph 3 of this Schedule until the Phase Viability Appraisal has been approved in writing by the Corporation.
- 3.4 The proportion of Affordable Housing for the Development and for each Phase of the Development other than Phase One will be specified in the Phase Viability Appraisal first submitted and will not be reduced in any subsequent Phase Viability Appraisal without the consent of the Corporation.

Payment of Contribution and Other Costs

- 3.5 Where the Phase Viability Appraisal shows a Contribution can be paid then
- (a) 25% (twenty five percent) of such Contribution shall be paid to the Corporation before the relevant Phase is Implemented and the Phase to which the Phase Viability Appraisal relates will not be Implemented before the payment is made; and
 - (b) the remaining 75% (seventy five percent) of the Contribution will be payable in respect of each Residential Unit on Completion of each Residential Unit within that Phase
- 3.6 The payment of any Contribution due under paragraph 3.5(b) will be made within twenty (20) Working Days of the end of each Quarter in relation to all Residential Units Completed within

that Quarter within the relevant Phase

- 3.7 The Owners will pay the Corporation the reasonable costs of approving the Viability Appraisal Methodology PROVIDED always that the costs are agreed by the Owners prior to commencement of any such appraisal.
- 3.8 The relevant Outline Phase will not be Implemented unless the reasonable costs of approving the Viability Appraisal Methodology have been paid.

Payment of Deferred Part of the Standard Charge Outline Phases

- 3.9 Where the Phase Viability Appraisal shows a Contribution and the Deferred Part of the Standard Charge Outline Phases can be paid then the Owners shall pay the Deferred Part of the Standard Charge Outline Phases only in relation to those Residential Units in the relevant Outline Phase that are Completed more than three (3) years after the date of Implementation of the relevant Outline Phase payment to be made within 20 Working Days of the end of each calendar year in relation to all Residential Units completed within that calendar year.

4 Security

- 4.1 At any time after the Completion of 80% of the Residential Units the Corporation may issue a Request for Security Confirmation from the Owners.
- 4.2 A Security Confirmation must be provided within twenty eight (28) days of a Request for Security Confirmation unless otherwise agreed with the Corporation.
- 4.3 If following receipt of a Security Confirmation the Corporation is not reasonably satisfied that the Owners will be able to pay the Agreed Discounted Standard Charge required when they fall due in accordance with this Deed it shall be entitled to serve a Security Notice on the Owners.
- 4.4 Unless there is a dispute which shall be resolved using Dispute Resolution the Owners shall provide Security to the Corporation within twenty eight (28) days of the date of the Security Notice or as otherwise agreed with the Corporation.
- 4.5 Subject to paragraph 4.4 above if the Owners fail to provide Security within twenty eight (28) days of the date of the Security Notice or as otherwise agreed the Corporation may commence enforcement proceedings as it sees fit to obtain the provision of Security and/or recover the Agreed Discounted Standard Charge at the rate last charged in relation to the Maximum Number of Residential Units and shall be entitled to prevent any further development on the land specified until such time as the Security has been provided.

5 Affordable Housing

Phase One

- 5.1 Prior to Implementation of Phase One of the Development the Owners shall agree the location of the Phase One Affordable Housing Units with the Corporation which shall be split between two or more blocks and shall notify to the Corporation the Affordable Housing Provider for the Phase One Affordable Housing Units
- 5.2 The Owners shall construct the Phase One Affordable Housing Units in accordance with the Phase One Affordable Housing Unit Mix and in accordance with the Design and Quality Standards
- 5.3 The Owners shall not permit more than 80% of Open Market Housing Units within Phase One to be Occupied until
 - (a) the Phase One Affordable Housing Units have been constructed to Practical Completion; and

(b) a contract has been entered into for the transfer or lease of the Phase One Affordable Housing Units for the Affordable Rented Units and Intermediate Units to the Affordable Housing Provider (unless the Owner is an Affordable Housing Provider)

5.4 The Owners shall not use or Occupy the Phase One Affordable Housing Units for any purpose other than as Affordable Housing or as otherwise agreed between the Affordable Housing Provider and the Corporation

5.5 The Owners shall procure that the Affordable Housing Provider enters into a Nominations Agreement with the Council in a form reasonably approved by the Council in respect of the Phase One Affordable Housing Units prior to first Occupation of the Phase One Affordable Housing Units

Outline Phases

5.6 The Owners shall prepare an Affordable Housing Scheme in accordance with the Outline Affordable Housing Mix and the Phase Viability Appraisal and submit the Affordable Housing Scheme with the reserved matters application in relation to each Phase of the Development except Phase One and shall not Implement Development of that Phase until the Corporation has approved the Affordable Housing Scheme for that Phase such approval not to be unreasonably withheld or delayed

5.7 The Owners shall construct the Affordable Housing Units in accordance with Affordable Housing Scheme for that Phase and in accordance with the Design and Quality Standards

5.8 The Owners shall not Commence Development of any Phase unless it has notified to the Corporation the proposed Affordable Housing Provider for that Phase (unless the Owner is an Affordable Housing Provider)

5.9 The Owners shall not (unless otherwise agreed in writing by the Corporation) Occupy more than 80% of the Open Market Housing Units in any Phase until:-

(a) the Affordable Housing Scheme for that Phase has been constructed to Practical Completion; and

(b) a contract for the transfer or lease for the Affordable Housing Scheme for that Phase has been entered into with the Affordable Housing Provider (unless the Owner is an Affordable Housing Provider)

5.10 The Owners shall not use or Occupy the Affordable Housing Units for any purpose other than as Affordable Housing or as otherwise agreed between the Affordable Housing Provider and the Corporation

5.11 The Owners shall procure that the Affordable Housing Provider enters into a Nominations Agreement with the Council in a form reasonably approved by the Council in respect of the Affordable Housing Units prior to Occupation of the Affordable Housing Units within each Phase of the Development except Phase One

5.12 Paragraphs 5.4 and 5.10 of this Schedule 1 to this Deed shall not be binding on any mortgagee or chargee which shall have the benefit of a legal mortgage or charge registered at the Land Registry and secured against any part of the Development occupied by the Affordable Housing Units and Phase One Affordable Housing Units PROVIDED THAT any such mortgagee or chargee or any receiver appointed by such mortgagee or chargee shall have:-

(a) first notified the Corporation in writing that it wishes to exercise its statutory powers of sale; and

(b) for at least three months following such written notification used reasonable endeavours to enter into a contract for the sale of the whole or part or parts of such land proposed to be sold to an Affordable Housing Provider upon terms that the mortgagee or chargee or receiver will be paid at market value of such land on the

basis of the restriction that the land may only be used or Occupied in accordance with Paragraph 5.4 and 5.10 of this Schedule 1 to this Deed; and

(c) failed to enter into a contract in accordance with Paragraph 5.12(b) above

5.13 Paragraphs 5.4 and 5.10 of this Schedule 1 to this Deed shall cease to apply in respect of any Phase One Affordable Housing Unit or Outline Phase Affordable Housing Unit in circumstances where a tenant:-

(a) acquires a freehold or leasehold interest in such unit pursuant to a statutory right to acquire or right to buy; or

(b) staircases out by acquiring a 100% equity share in such unit

6 Employment Initiatives

6.1 The Owners covenant with the Corporation that they shall:

(a) Participate in the Council's Access to Employment initiatives by using reasonable endeavours to ensure that the:

(i) recruitment of residents of the London Borough of Tower Hamlets directly or indirectly through contractors and sub-contractors for the construction phase of the Development achieves a target of 20% local employment on site;

(ii) total value of contracts procured from local companies defined as companies and organisations based in the London Borough of Tower Hamlets throughout the construction of the Development shall be no less than 20% of the total value of the goods and services procured; and

(iii) upon the receipt of a written request from the Council, provide to the Council such information as the Council reasonably requires regarding compliance with clauses (i) and (ii) above within one calendar month of such request.

(b) At least one calendar month prior to Implementation meet (along with the Owners' main contractor) with representatives from the Council's Access to Employment Team or such successor body and agree the basis and methodology to participate in the Council's Access to Employment initiatives and set up a working group to consider and implement any employment training and enterprise initiatives and how to monitor progress and thereafter make reasonable endeavours to proceed pursuant to the agreed basis and implement the methodology.

(c) Issue a written statement (in a form to be agreed with the Council both acting reasonably) to all prospective contractors and sub-contractors at the tendering of work stage and to the prospective tenants/owners of the commercial/business element of the Development when first identified which sets out the Owners' commitment to the following:

(i) ensure that local people and local businesses in London Borough of Tower Hamlets are able to benefit directly from the employment opportunities arising from the construction of the Development by liaising in the first instance with the Council's team working on Access to Employment initiatives; and

(ii) the Owners, their contractors and sub-contractors and the prospective tenants/owners of the commercial/business element of the Development when first identified will notify the Council of all job opportunities arising from both the construction and end user commercial phases of the Development.

(d) Nothing in this Schedule shall prevent the Owners from carrying out their own employment initiatives in addition to the obligations set out in this Schedule.

6.2 The Owners shall not be required to observe or perform any obligation in this Schedule if and to the extent that such observance or performance contravenes any statutory or regulatory requirement.

7 Not used

8 Renewable Energy

8.1 The Development will be designed so that it is capable of connecting to a Heat Network

8.2 Prior to Commencement of Phase One of the Development the Owners shall submit an Energy Strategy to the Corporation for approval in writing (such approval not to be unreasonably withheld or delayed)

8.3 The Energy Strategy shall:-

- (a) provide for the details of how the Development/each Phase of the Development will connect to the Heat Network or future Heat Network and whether it will be a site wide Heat Network or District Heat Network
- (b) provide details of how the development energy demands will be met prior to any connection to a Heat Network
- (c) demonstrate how the Development design and energy efficiency and renewable energy technologies contribute to a reduction in carbon dioxide emissions in accordance with the London Plan and Target Emission Rate adopted in the Building Regulations 2010

8.4 The Owners shall carry out each Phase of the Development in accordance with the approved Energy Strategy or such revised Energy Strategy as may be agreed between the Owners and the Corporation from time to time

9 Commercial Units

9.1 The Owners shall construct the Commercial Units in Phase One of the Development to at least shell and core finish

9.2 The Owners shall submit to the Corporation for approval a Commercial Units Marketing Strategy and will thereafter market the Commercial Units within Phase One for the minimum period set out in the approved Commercial Units Marketing Strategy in accordance with the approved Commercial Units Marketing Strategy

10 Highway Works

The Owners hereby covenant with the Corporation:-

10.1 The Owners shall at their own expense carry out the Highways Works to an adoptable standard and to the reasonable satisfaction of the Council upon which the Council will adopt any Highway Works not already forming part of the public highway

10.2 Not to Occupy a Phase of the Development unless or until it has completed the Highway Works applicable to that Phase (unless otherwise agreed in writing with the Corporation)

10.3 Not to Commence the Highway Works for a relevant Phase unless or until it has entered into an agreement with the Council pursuant to Section 278 (and Section 38 if applicable) of the Highways Act 1980 relating to the Highway Works for that Phase

10.4 To give the Council not less than 15 Working Days notice before commencing the Highway Works within each Phase

11 Towpath Improvement Works

The Owners hereby covenant with the Corporation:

11.1 The Owners shall at their own expense carry out the Towpath Improvement Works PROVIDED ALWAYS that the owner of the towpath shall provide access to its land to the Owners in order to carry out the Towpath Improvement Works

11.2 Not to Occupy the relevant Phase of the Development unless and until the Towpath Improvement Works required for that Phase have been completed PROVIDED ALWAYS that if the Owners (acting reasonably) have been unable to carry out the Towpath Improvement Works due to circumstances and/or delays outside their control as evidenced to the Corporation to its reasonable satisfaction then the Owners shall upon written notice from the Corporation pay ~~the Towpath Improvements Works sum (such sum to be agreed with the Corporation but which shall not exceed £216,000)~~ to the Corporation for the purposes of the Towpath Improvement Works and the obligations in this paragraph 11 shall no longer apply

such reasonable sum as may be agreed between the Owners and the Corporation

12 Public Open Space

The Owners hereby covenant with the Corporation:-

12.1 To undertake and complete the Public Open Space Works in respect of each Phase to the satisfaction of the Corporation and in accordance with the relevant reserved matters approval or detailed approval as appropriate

12.2 Prior to implementation of each Phase to submit a Public Open Space Scheme to the Corporation for approval (such approval not to be unreasonably withheld or delayed) and at its own expense undertake the required maintenance of the Public Open Space in respect of each Phase pursuant to the Public Open Space Scheme

12.3 The Public Open Space shall be open to the public for the enjoyment of the public from dawn to dusk for access on foot and where appropriate by bicycle every day throughout the year

12.4 In respect of the Southern Phase of the Development the Public Open Space shall be laid out and completed prior to first Occupation of Block S5-S8 shown on the Blocks Plan

12.5 In respect of the Northern Phase B of the Development the Public Open Space shall be laid out and completed prior to first Occupation of any Residential Unit within that Phase

12.6 It is agreed between the Owners and the Corporation that there is no intention to create any public rights of way over the Public Open Space and notwithstanding anything contained in this Deed the Owners may from time to time prevent or restrict access to the Public Open Space or part or parts thereof but only for so long as is reasonably necessary for the following purposes:-

- (a) the maintenance of the Public Open Space
- (b) the laying, construction, inspection, maintenance, repair or renewal of any building or buildings or any services or service media serving such building or buildings now or hereafter on the land adjoining the Public Open Space or any part thereof (including the erection of scaffolding);
- (c) the rebuilding or redevelopment of any part or parts of the land adjoining the Public Open Space;
- (d) in cases of emergency or some danger to the public or in the interests of security;
- (e) for any other sufficient cause approved by the Corporation;

- (f) servicing of the Development at the time and for the periods approved by the Corporation;
 - (g) closure to allow the Owners and/or their contractors or occupiers of the Development to carry out maintenance, cleaning, remedial and other necessary works to the relevant areas and/or the parts of the Development abutting such areas (including works of shop fitting or other structural or non-structural works and/or alterations);
 - (h) the withdrawal of areas external to premises within the Development used in association with such premises for tables, chairs, planters, screens and other structures subject to securing written approval from the Corporation; or
 - (i) closure for the holding of private events, exhibitions or similar functions (to which the public at large are not admitted or are admitted on payment of a fee);
 - (j) closure for not more than one day per year to prevent prescriptive rights coming into effect by operation of law
- 12.7 The Owners may make and enforce (without prejudice to the generality of the foregoing) such reasonable rules and regulations governing access as it may from time to time consider necessary and appropriate to control the use of the Public Open Space and shall send to the Corporation by way of consultation before they are brought into force a copy of any rules and regulations so made and shall inform the Corporation in writing of any changes that may from time to time be made to the said rules and regulations before they are brought into force
- 12.8 It is agreed between the Owners and the Corporation that if the carrying out of development on the Property pursuant to any planning permission granted either before or after the date of this Deed requires the closure of any part or parts or the whole of the Public Open Space then upon implementation of such development the obligations set out in this paragraph 12 in respect of such part or parts or the whole of the Public Open Space shall automatically and without any further act on the part of the Owners cease to have effect in respect of any such part or parts or whole of the Public Open Space; and
- 12.9 the Owners may erect such appropriate signage as they consider necessary to prevent the public from acquiring legal rights in relation to the Public Open Space

13 Temporary Public Open Space

- 13.1 The Owners shall lay out and complete the Phase One Temporary Public Open Space prior to Occupation of 80% of Blocks R1, 2, 3 and 4 within Phase One in accordance with the approved plans and make it available for public use until such time as Bridge 1 is constructed PROVIDED ALWAYS THAT if before the date on which the Phase One Temporary Public Open Space is laid out the Corporation has served the Bridge 1 Rights Notice then there shall be no obligation on the Owners to lay out and complete the Phase One Temporary Public Open Space
- 13.2 The Owner shall lay out and complete the Southern Phase Temporary Public Open Space within the Southern Phase prior to First Occupation of Block S7 within the Southern Phase and make it available for public use until an Implementation Notice has been served in relation to the Bromley by Bow South Development PROVIDED ALWAYS THAT if before the date on which the Southern Phase Temporary Public Open Space is laid out an Implementation Notice has been served in relation to the Bromley by Bow South Development then there shall be no obligation on the Owners to lay out and complete the Southern Phase Temporary Public Open Space
- 13.3 When all of the Public Open Space within the Southern Phase has been completed to the reasonable satisfaction of the Corporation and is available for public use the obligations in Paragraph 13.2 shall no longer apply

14 Residential Courtyards

- 14.1 The Owners covenant to carry out the works required to complete the Residential Courtyard within Phase One prior to Occupation of 80% of Residential Units within Phase One
- 14.2 The Owners covenant to carry out the works required to complete the Residential Courtyard within Northern Phase A prior to Occupation of 80% of Residential Units within Northern Phase A
- 14.3 The Owners covenant to carry out the works required to complete the Residential Courtyards within the Southern Phase prior to Occupation of 80% of Residential Units within the Southern Phase

15 Sugar House Lane Bridges

Phase One (Bridge 1)

- 15.1 The Owners covenant:
- (a) Subject to receiving the Bridge 1 Specification not later than 31 March 2013 to produce a detailed design for the Phase One Bridge Works and provide same to the Corporation and the developer of the Sugar House Lane Development by 30 June 2013; and
 - (b) Carry out the Phase One Bridge Works in accordance with the Bridge 1 Specification prior to first Occupation of the Development unless otherwise agreed with the Corporation
- 15.2 Not less than 3 months prior to commencement of works to construct Bridge 1 the Corporation shall serve the Bridge 1 Rights Notice and the Owners shall enter into such agreement licence or easement as appropriate on reasonable terms to be agreed (but at no financial costs to the Corporation or the Developer of the Sugar House Lane Development as the case may be for such rights of access) to grant the necessary access rights to enable the construction and completion of Bridge 1 on the Phase One Safeguarded Area and for the avoidance of doubt the Owner shall not be responsible for any costs (other than its own legal and surveyors costs (if any)) incurred or associated with the granting of the access rights referred to in this paragraph 15.2
- 15.3 The Owners agree to Safeguard for the purpose of delivering Bridge 1 the Phase One Safeguarded Area until such time as the Phase One Safeguarded Area is adopted as highway maintainable at the public expense or as otherwise agreed with the Corporation
- 15.4 The Corporation shall give the Owners not less than 28 Working Days notice (the Bridge 1 Adoption Notice) of its intention to adopt the Phase One Safeguarded Area and the Owners shall enter into such adoption agreement
- 15.5 In the event that:
- (a) Bridge 1 Specification is not delivered to the Owners by 31 March 2013 or
 - (b) the Owners notify and the Corporation agree within 14 days of such notification (such agreement not to be unreasonably withheld and if no response from the Corporation 14 days following notification then there will deemed approval) that there is insufficient information contained in the Bridge 1 Specification to enable the Owner to provide a detailed design for all or any part of the Phase One Bridge Works by 30 June 2013 or
 - (c) following notification as set out in (a) above the Corporation does not agree with the Owners that there is insufficient information contained in the Bridge 1 Specification to enable the Owners to provide a detailed design for all or any

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part of the Phase One Bridge/Works by 30 June 2013 then the matter is referred to an independent expert pursuant to clause 11 of this Deed provided always that the Parties agree that the a referral under clause 11 will be made within 14 days of the Corporation's notification that it does not agree the Owners notification in (b) above and that the Parties will seek to appoint an expert and agree directions to enable the Experts decision to be provided within 2 months from the referral under this paragraph

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Then the Owners may

- (i) pay to the Corporation the Phase One Bridge Works Commuted Sum; and
- (ii) enter into such agreement licence or easement as appropriate on reasonable terms to be agreed (but at no financial costs to the Corporation or the Developer of the Sugar House Lane Development as the case may be for such rights of access) to grant the necessary access rights to enable the construction and completion of Bridge 1 on the Phase One Safeguarded Area and for the avoidance of doubt the Owner shall not be responsible for any costs (other than its own legal and surveyors costs (if any)) incurred or associated with the granting of the access rights referred to in this paragraph 15.5

AND upon the Owners satisfying the requirements of paragraph 15.5(i) and (ii) (above) the Owners may Occupy the Development notwithstanding the requirements of paragraph 15.1(b) (above)

Northern Phase B (Bridge 2)

- 15.6 The Owners agree to Safeguard for the purpose of delivering Bridge 2 the Bridge 2 Safeguarded Area until such time as Bridge 2 is constructed and available for public use or some or all (as appropriate) of the Bridge 2 Safeguarded Area is adopted as highway maintainable at the public expense (whichever is earlier) or as otherwise agreed with the Corporation but without prejudice to the Owners' rights to lay out the Bridge 2 Safeguarded Area for open space purposes in the interim
- 15.7 Not less than 3 months prior to commencement of works to construct Bridge 2 the Corporation shall serve the Bridge 2 Rights Notice and the Owners shall enter into such agreement, licence or easement as appropriate on reasonable terms to be agreed (but the Owners agree they will not charge for the granting of access rights) to grant the necessary access rights to enable the construction of Bridge 2 on the Bridge 2 Safeguarded Area
- 15.8 The Corporation shall give the Owners not less than 28 Working Days notice (the Bridge 2 Adoption Notice) of its intention to adopt the Bridge 2 Safeguarded Area and the Owners shall enter into such adoption agreement

16 A12 Subway Works

The Owners covenant with the Corporation as follows:

- 16.1 Subject to paragraph 16.2 to carry out and complete the A12 Subway Works to the reasonable satisfaction of the Corporation and TfL PROVIDED ALWAYS that TfL shall provide access to its land to the Owners in order to carry out the A12 Subway Works
- 16.2 Not to Occupy Phase One unless or until it has completed the A12 Subway Works PROVIDED ALWAYS that this restriction shall no longer apply in the event:-
 - (a) the Owners (acting reasonably) have been unable to carry out the A12 Subway Works due to circumstances and/or delays outside their control as evidenced to the Corporation to its reasonable satisfaction in which event the Owners shall upon written notice from the Corporation pay the A12 Subway Works sum (such sum to be agreed with TfL but which shall not exceed £100,000) to the Corporation for the

purposes of the A12 Subway Works or public realm purposes at Bow Interchange as appropriate; or

- (b) All Movements Junction Scheme Approval is obtained whereupon the obligations in this paragraph 16 shall no longer apply and the Owners shall upon written notice from the Corporation pay the A12 Subway Works sum (such sum to be agreed with TfL but which shall not exceed £100,000) to the Corporation to be applied for public realm purposes at Bow Interchange

Schedule 2 – Deferred Part of the Standard Charge

Realised Average Sales Value

The Realised Average Sales Value will be determined using the following process:

1. The Owners will disclose to the Corporation within 20 Working Days of the end of each calendar year until the cessation of each Phase of the Development all relevant financial information including records from the Valuation Office and Land Registry relating to the Realised Sales Values achieved for sales of all Open Market Units within each Phase in the preceding calendar year.
2. The Corporation will apply the following calculation to assess the Realised Average Sales Value:
 - (a) divide the Realised Sales Value of each Open Market Unit sold within the preceding calendar year by the total floorspace of that Open Market Unit to obtain the average sales value per square metre for that unit;
 - (b) add the average sales values per square metre for each of the Open Market Units sold within the preceding calendar year;
 - (c) divide this figure by the total number of Open Market Units sold in the preceding calendar year.
4. In relation to Phase One a Deferred Part of the Standard Charge will be required as follows:

Realised Average Sales Value	Additional payment of Standard Charge for Phase One Lower Lea Valley
£4,185 per sq. metre	£13.00 will be payable as an additional payment of the Standard Charge for every £1.00 increase in the Realised Average Sales Value

5. In relation to the Outline Phases £13.00 will be payable as an additional payment of the Standard Charge for every £1.00 increase in the Realised Average Sales Value threshold level. The appropriate threshold level shall be agreed between the Owners and the Corporation both acting reasonably in relation to each Outline Phase as part of the Phase Viability Appraisal in accordance with paragraph 3.2 of the First Schedule

Development Realised Average Sales Value

The Development Realised Average Sales Value will be determined using the following process:

6. The Corporation will apply the following calculation to assess the Development Realised Average Sales Value:
 - (a) add together the Realised Sales Values for each year in which Open Market Units forming part of Phase One of the Development have been sold to obtain the total Realised Average Sales Values obtained during such years;
 - (b) divide this figure by the floorspace of all Open Market Units forming part of Phase One of the Development which have been sold to get the Development Realised Average Sales Value

Schedule 3 - Corporation's Obligations

1 Site Specific Obligations

- 1.1 The Corporation shall give not less than 28 Working Days notice to the Owners of its intention to adopt some or all of the Phase One Safeguarded Area and the Bridge 2 Safeguarded Area
- 1.2 Not less than 3 months prior to commencement of works to construct Bridge 1 and Bridge 2 as appropriate the Corporation shall serve the Bridge 1 Rights Notice and /or the Bridge 2 Rights Notice as appropriate
- 1.3 The Corporation covenants to issue the Planning Permission forthwith upon completion of this Deed and strictly in the form of the draft notice annexed hereto
- 1.4 Upon receipt of written request it shall provide accounts to the Owners detailing how the Standard Charge has been spent always provided these requests shall not be made any more than once per financial year
- 1.5 The Corporation covenants to make available or expend the following amounts of the Agreed Discounted Standard Charge Phase One and the Deferred Part of the Standard Charge Phase One for the following purposes:
 - (a) £700,000 to be utilised by TfL towards public transport improvements to Bromley by Bow tube station
 - (b) £529,891 to be utilised by the Council towards the provision of education in the London Borough of Tower Hamlets with priority to new primary schools in the Bromley by Bow area
 - (c) £212,609 to be utilised by the Council towards the Bromley by Bow Idea Store but if the monies are not committed within 4 years of receipt the Council shall expend on alternative community purposes within the Borough
 - (d) £100,000 to be utilised by the Council towards public realm purposes at Bow Interchange PROVIDED THAT a scheme for Bow Interchange is not approved within 12 months of Completion of Phase One the Council shall expend on alternative public realm purposes within the Borough

2 Management of Standard Charges by the Corporation

- 2.1 The Corporation covenants with the Owners to use all reasonable endeavours to secure the provision of the infrastructure in relation to which the Standard Charges are being paid in accordance with the Public Sector Investment Plan.
- 2.2 The Corporation covenants with the Owners to procure that the Standard Charge will only be applied towards the provision of Infrastructure in accordance with the Public Sector Investment Plan and will use reasonable endeavours to make sure that by the end of the Public Sector Investment Plan an amount equivalent to all payments of the Standard Charge made by the Owners are spent on Infrastructure that falls within the tests set out in Regulation 122 of the Community Infrastructure Levy Regulations 2010.
- 2.3 The Corporation covenants with the Owners to use reasonable endeavours to ensure that all details (including applications for Reserved Matters approvals and details specifications and delivery programmes of Works in Kind) submitted by the Owners pursuant to the Planning Permission and this Deed respectively are considered expeditiously and with all due diligence.

3 Level of Standard Charge

- 3.1 The Corporation covenants with the Owners that within 20 days of the end of each financial year and if the circumstances set out in Paragraph 3.2 below exist, it will reduce the

of the Standard Charge specified in this Deed by an appropriate amount to take into account the secured level of public funding or any contribution it expects to receive from commercial units and notify the Parties of any such reduction.

3.2 The circumstances referred to in paragraph 3.1 are that the Corporation either:

- (a) considers that either public funding or full funding from other sources (excluding any funding secured in accordance with the Corporation's Planning Obligations and Community Benefit Strategy) has been secured for a specific element of infrastructure specified in the Public Sector Investment Plan; or
- (b) extends the Standard Charge to commercial development.

4 Repayment

4.1 If a surplus of Standard Charge receipts remain uncommitted within 5 years of the earlier of the final payment of Standard Charge and the Long Stop Date the Corporation covenants with the Owners to return an appropriate and equitable proportion of such surplus to the Owners.

Schedule Four - (not used)

Schedule 5 – Supplemental Agreement

DATED

Parties

- (1) **The London Thames Gateway Development Corporation** of 9th Floor South Quarry Plaza 3 189 Marsh Wall London E14 9SH ("**Corporation**") of the first part
- (2) [***] of [***] (" ") of the second part

Recitals

- (a) The Corporation is the local planning authority for the purposes of this Agreement within the meaning of Part III of the 1990 Act and highway authority for the area which includes the Land in relation to which the planning obligations contained herein and in the Principal Agreement are enforceable ("the Land")
- (b) [Recite estate or interest held by [***] to which this Agreement relates] ("the Land")
- (c) Clause 19 of the Principal S106 Agreement required the parties (other than the Corporation) to procure that any of the parties (other than the Corporation) acquiring an estate or interest in the Land or part thereof which is not otherwise bound by the terms of the Principal S106 Agreement shall enter into a Supplemental Agreement in substantially the form of this Agreement for the purpose of ensuring that the relevant obligations in the S106 Agreement shall be binding on any such land or any party acquiring an interest in the Land
- (d) [***] hereby agrees that with effect from the date hereof the Land will be subject to and bound by the terms of the Principal S106 Agreement as mentioned below

Operative Provisions

1. **Operation of this Supplemental Agreement**
 - 1.1 This Agreement is supplemental to the Principal S106 Agreement
 - 1.2 All words and phrases in this Supplemental Agreement shall bear the same meaning as defined in the Principal S106 Agreement
 - 1.3 [***] undertakes that its estate or interest in the part of the Land shall be bound by the terms of the Principal S106 Agreement as if [***] were a party to the Principal S106 Agreement so far as concerns any obligations in the Principal S106 Agreement which are expressed to bind any specified land or land of which the Land forms part
 - 1.4 Where [***] does not have vested in it all estates and interests in the Land concerned it shall only be liable under clause 1.3 above for a breach of an obligation in the Principal S106 Agreement so far as the estate or interest which it does have enables it to comply with the obligation
 - 1.5 [***] warrants that all of their interests in the Land are as set out in recital B and they have not entered into any dealing with regard to their respective interests which would prevent such interests being fully bound by the terms of this Agreement otherwise than as set out in this Agreement
 - 1.6 The Corporation agrees with [***] that so far as relevant to the Land it will comply with Schedule [] of the Principal S106 Agreement and its other obligations in the Principal S106 Agreement

IN WITNESS whereof [***] has executed this Deed the day and year first above written

Schedule 6 – Works in Kind

The Owners and the Corporation agree that the following works shall be undertaken as Works In Kind and Owners will be entitled to off-set against the Standard Charge for Phase One the following agreed amount:-

1. Phase One Bridge Works and A12 Subway Works – £100,000

EXECUTED AS A DEED by)
[**] acting by)
two Directors or a Director and)
the Secretary)

Director

Director/Secretary

THE COMMON SEAL of London)
Thames Gateway Development)
Corporation was hereunto affixed in)
the presence of:)