DATED

20184

## (1) THE LONDON LEGACY DEVELOPMENT CORPORATION

- (2) THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF NEWHAM
  - (3) STRATFORD CITY BUSINESS DISTRICT LIMITED

## MODIFICATION AGREEMENT

pursuant to section 106A(1)(a) of the Town and Country Planning Act 1990 and other powers relating to the regeneration of Stratford City, London Zone 2

### **BETWEEN:**

- (1) THE LONDON LEGACY DEVELOPMENT CORPORATION of Level 10, 1 Stratford Place, Montfichet Road, London, E20 1EJ (the "LLDC");
- (2) THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF NEWHAM of Newham Dockside, 1000 Dockside Road, London, E16 2QU (the "Council"); and
- (3) STRATFORD CITY BUSINESS DISTRICT LIMITED (Company Number 7328908) whose registered office is at 20 Triton Street, Regent's Place, London, NW1 3BF ("SCBD")

#### WHEREAS:

- (A) This Deed is supplemental to an agreement dated 30 March 2012 made pursuant to section 106 of the 1990 Act and other relevant powers relating to Zones 2-7, Stratford City: LCR Land and HS1 Land between (1) the ODA (2) the Council (3) the Secretary of State (4) LCR (5) TfL (6) HS1 and (7) SCBD (the "LCR Agreement").
- (B) Since 1 October 2012, the LLDC has taken on the planning functions of the ODA as local planning authority. The LLDC was created on 1 April 2012 by virtue of the London Legacy Development Corporation (Establishment) Order 2012. References in the LCR Agreement to the ODA should now be taken to mean the LLDC pursuant to clause 1.2.3 of the LCR Agreement.
- (C) SCBD is the freehold owner of the Zone 2 Land which constitutes the majority of Zone 2 and which forms part of the Development Site. None of the Secretary of State, LCR, HS1 Limited or the ODA Landowner have freehold or leasehold interests in Zone 2 and accordingly are not parties to this Deed.
- (D) TfL's approval or consent for any modification or variation of the LCR Agreement is only required in respect of any modification or variation of a TfL Covenant. Accordingly TFL is not a party to this Deed as the provisions of this Deed do not affect any TFL Covenants.
- (E) Having regard to the current viability of the Development and also the demand for family sized Affordable Housing in the Council's Area the parties to this Deed have agreed that the LCR Agreement should be modified in the manner set out herein and that the Council should be granted an option to acquire the Option Units.
- (F) The parties to this Deed have accordingly agreed to enter into this Deed to give effect to their agreement to modify the Original Part 4 of the LCR Agreement, for the grant of the Call Option to the Council and to comply with the requirements of section 106A(2) of the 1990 Act.

### NOW IT IS HEREBY AGREED and WITNESSED as follows:

### 1. LEGAL EFFECT

- 1.1 This Deed is made pursuant to section 106A(1)(a) and section 106A(2) of the 1990 Act, Section 16 of the Greater London Council (General Powers) Act 1974, Section 1 of the Localism Act 2011, Section 111 and Section 120 of the Local Government Act 1972 and all other powers enabling so as to bind the Zone 2 Land.
- 1.2 The planning obligations contained in the LCR Agreement as modified by this Deed shall be enforceable by the LLDC as local planning authority.
- 1.3 So far as the obligations, covenants and undertakings in this Deed are given by or to the Council, then the same are entered into pursuant to the relevant powers referred to in clause 1.1 and such obligations, covenants and undertakings shall be enforceable by or against the Council.



- 1.4 The obligations, covenants and undertakings on the part of SCBD are entered into with the intent that they shall be enforceable by the LLDC and/or the Council (as appropriate) not only against SCBD but also against any successors in title to or assigns of SCBD and/or any person claiming through or under it an interest or estate in the Zone 2 Land (other than a Utility Undertaker insofar as and to the extent that the relevant Utility Undertaker is occupying the relevant part of the Zone 2 Land in its capacity as Utility Undertaker), as if that person had been an original covenanting party in respect of the Zone 2 Land.
- 1.5 Save where expressly stated otherwise, words and expressions used in this Deed (including in the Recitals) will have the same meaning as defined in the LCR Agreement. For the avoidance of doubt, the LLDC is the statutory successor to the ODA and SCBD is the successor in title to LCR.
- 1.6 For the purposes of this Deed the following words and expressions have the meanings assigned:
  - "Call Option" means the option granted by SCBD to the Council in respect of the Option Units in accordance with the Option Agreement;
  - "Commencement Event" means completion of the construction of the Option Building to ground floor slab level;
  - "First Deposit Instalment" has the meaning given in Part 4A;
  - "New Part 4" means the new Part 4 of Schedule 1 to the LCR Agreement, as attached at Appendix 1 to this Deed;
  - "Option Agreement" means the agreement contained within Part 4A;
  - "Option Building" has the meaning given in the New Part 4;
  - "Original Part 4" means the original Part 4 of Schedule 1 to the LCR Agreement;
  - "Option Units" has the meaning given in the New Part 4;
  - "Part 4A" means Part 4A as attached at Appendix 2 to this Deed and to be inserted into the LCR Agreement as Part 4A of Schedule 1 to the LCR Agreement;
  - "Prescribed Rate" has the meaning assigned in Part 4A;
  - "Zone 2 Land" means that part of the freehold land registered with title number TGL377871 and as shown edged blue on the plan attached to this Agreement at Schedule 1.
- 1.7 Save as expressly modified by this Deed, the LCR Agreement will remain in full force and effect.
  - This Deed relates to the Zone 2 Land only.

## . MODIFICATION OF THE LCR AGREEMENT

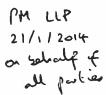
- 2.1 Subject to clauses 2.2 and 2.3 of this Deed, with effect from the date of this Deed:
  - 2.1.1 the Original Part 4 shall be replaced by the New Part 4;
  - 2.1.2 none of the obligations, covenants or undertakings within the Original Part 4 shall be enforceable by or against the LLDC, the Council or SCBD;
  - 2.1.3 Part 4A shall be inserted between Part 4 and Part 5 of Schedule 1 to the LCR Agreement and shall have effect as between the Council and SCBD and made under Section 1 of the Localism Act 2011, Sections 111 and 120 of the Local Government Act 1972 and all other powers enabling; and
  - 2.1.4 the amendments set out in clauses 2.4 to 2.7 of this Deed shall apply to the LCR Agreement.

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- 2.2 If the Commencement Event occurs on or prior to 1 October 2015:
  - 2.2.1 the Original Part 4 shall cease to have any further effect in relation to Zone 2 and the LLDC, the Council and SCBD shall be released from all obligations, covenants and undertakings contained within the Original Part 4;
  - 2.2.2 the New Part 4 shall thereafter continue to be enforceable by and against the LLDC, the Council and SCBD; and
  - 2.2.3 provided that the Council has exercised the Call Option in accordance with the Option Agreement, Part 4A shall thereafter be enforceable by and against the Council and SCBD.
- 2.3 If the Commencement Event does not occur on or prior to 1 October 2015:
  - 2.3.1 the New Part 4 and Part 4A shall cease to have any further effect;
  - 2.3.2 the Original Part 4 shall take effect once more and the obligations, covenants and undertakings within the Original Part 4 shall thereafter be enforceable by and against the LLDC, the Council and SCBD;
  - 2.3.3 the amendments to the LCR Agreement provided in clauses 2.4 to 2.7 shall be deleted;
  - 2.3.4 not later than 31 October 2015, the Council shall repay to SCBD all or any part of the Agreed Commuted Payment paid to the Council under paragraph 4.3.1 of the New Part 4 with interest at the Prescribed Rate calculated from the date the Agreed Commuted Payment is paid until the date of repayment; and
  - 2.3.5 the Option Agreement shall determine and SCBD shall repay to the Council the First Deposit Instalment with interest at the Prescribed Rate calculated from the date the First Deposit Instalment is paid until the date of repayment, such repayment (including interest) to be made by no later than 31 October 2015.
- 2.4 In the Table of Contents at the beginning of the LCR Agreement:
  - 2.4.1 the words "Part 4A Option Agreement" shall be inserted after the reference to "Part 4 Affordable Housing" and before reference to "Part 5 Social and Community Facilities".
- 2.5 A new clause 2.11 shall be inserted after clause 2.10 of the LCR Agreement as follows:
  - "2.11 Without prejudice to clauses 2.9, 2.10 and paragraph 5.1 of Part 4 of Schedule 1 and save in respect of the obligations contained within Part 4 of Schedule 1 (but not including paragraph 4.3 thereof which shall remain subject to the exemption in this clause 2.11), no obligations in this Agreement shall be binding on or enforceable against:
    - 2.11.1 the Council in respect of any interest acquired in the Option Units; and
    - 2.11.2 any successor in title to the Council in respect of the Option Units which is an Approved Housing Provider (as defined in Part 4)

and for the avoidance of doubt this clause 2.11 shall not apply to any other person who acquires an interest in the Option Units."

- 2.6 Clause 9.15.2 of the LCR Agreement shall be amended as follows:
  - 2.6.1 in sub-clause 9.15.2(B) "and" at the end of the sub-clause shall be deleted;
  - 2.6.2 in sub-clause 9.15.2(C) the full-stop at the end of the sub-clause shall be deleted and a semi-colon inserted;
  - 2.6.3 new sub-clauses 9.15.2(D) and 9.15.2(E) shall be inserted as follows:



- "(D) the Agreed Commuted Payment payable pursuant to paragraph 4.1.1 of Part 4 of Schedule 1; and
- (E). any Commuted Payment payable under the Option Agreement in Part 4A of Schedule 1 to the New Part 4."
- 2.7 A new clause 10.9 shall be inserted after 10.8 of the LCR Agreement as follows:
  - "10.9 This clause 10 shall not apply to any dispute arising under Part 4A of Schedule 1 and any such dispute shall be governed by paragraph 4.7 of Part 4A of Schedule 1."
- 2.8 Clause 9.22 of the LCR Agreement shall be amended so that the words "Reasonable Endeavours or" are inserted before the words "all Reasonable Endeavours" in both places where those words appear in sub-clauses 9.22.1 and 9.22.2.
- 2.9 Paragraph 5.7.2 in Part 5 of Schedule 1 shall be deleted and replaced with the following:
  - "5.7.2 Unless otherwise agreed by the LLDC, SCBD shall not Complete more than 25% of the total commercial floorspace which is permitted to be constructed in Zone 2 unless the Daycare Facilities in Zone 2 have been completed in accordance with paragraph 5.7.1 and marketed to commercial operators in accordance with paragraph 5.7.3 and 5.7.4."

#### 3. THIRD PARTY RIGHTS

Any 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.

### 4. JURISDICTION

This Deed is governed by and shall be interpreted in accordance with the law of England.

**IN WITNESS** whereof this Deed has been executed and delivered by the parties to this Deed on the date which appears at the head of this document.



( THE COMMON SEAL of THE LONDON ( LEGACY DEVELOPMENT ( CORPORATION was hereunto affixed in ( the presence of

Authorised signatory



(THE COMMON SEAL of THE MAYOR (AND BURGESSES OF THE LONDON (BOROUGH OF NEWHAM was hereunto (affixed in the presence of:

Authorised signatory

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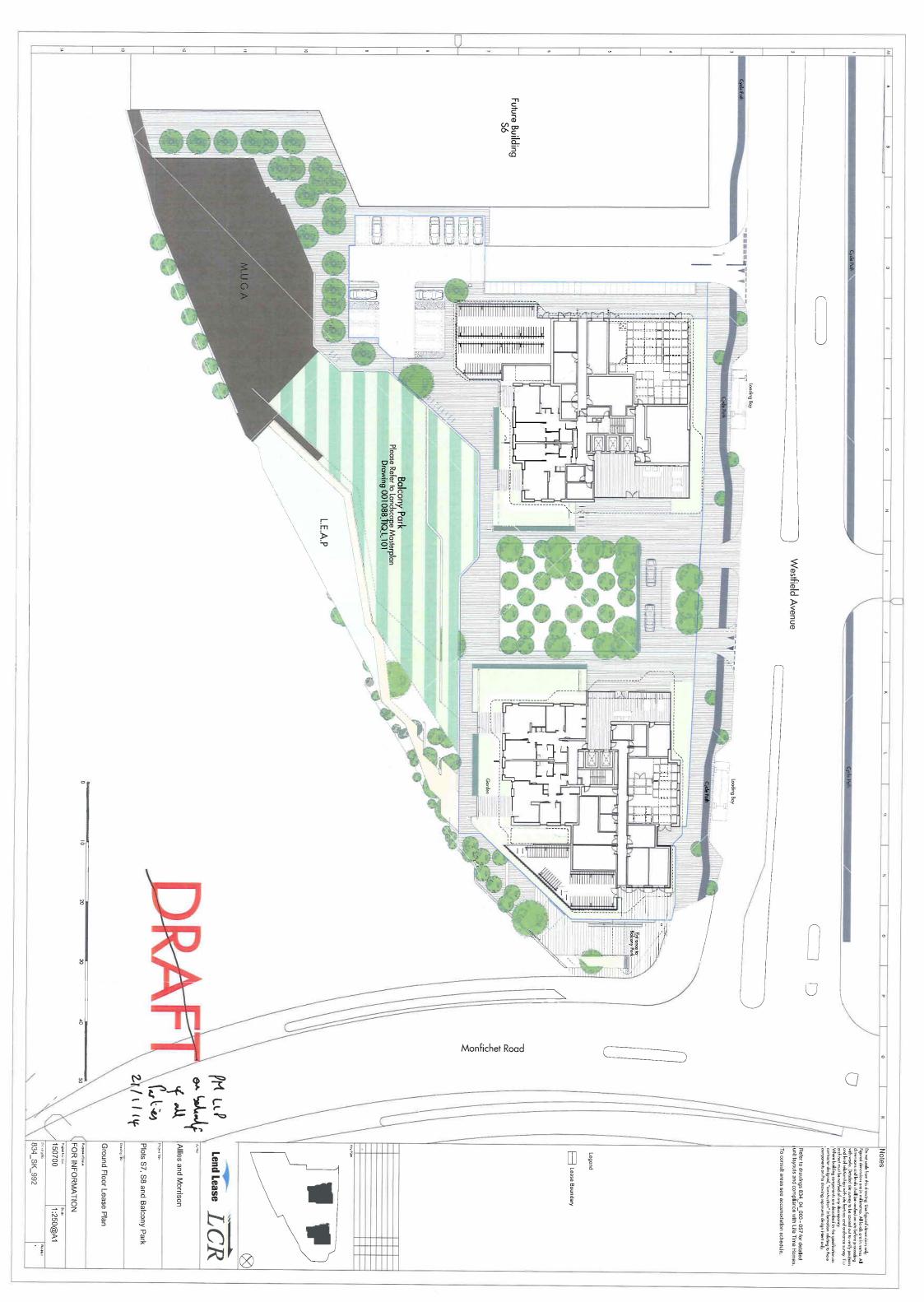
( EXECUTED as a DEED by STRATFORD ( CITY BUSINESSS DISTRICT LIMITED ( acting by:

Director

Director/Secretary

# Schedule 1

# Zone 2 Land



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# Appendix 1

New Part 4

#### PART 4

#### AFFORDABLE HOUSING

#### RECITALS

- (A) The Fifth Planning Permission authorises an extensive residential component of up to 619,412 square metres gross residential floorspace (as referred to in Condition D2) for a range of market, affordable intermediate and affordable social rented housing tenures intended to be built in phases as the Stratford City Development proceeds.
- (B) National planning policy in the National Planning Policy Framework, regional planning policy in the London Plan, and local planning policy in Newham's Core Strategy and supplementary planning guidance have been taken into account by LCR (SCBD's predecessor in title to Zone 2) in preparing its proposals for the provision of Affordable Housing within the Development and by the LLDC and the Council in their consideration of LCR's proposals for the provision of Affordable Housing within the Development.
- (C) The LLDC, the Council and SCBD share the objective of providing an inclusive and sustainable residential community combining market housing and Affordable Housing at the Development as part of the overall strategy to create a sustainable mixed use development.
- (D) Having regard to the current viability of the Development and the demand for family-sized Affordable Housing units in the Council's Area, it has been agreed that the provisions of Part 4 within the LCR Agreement should be modified so that in place of the current requirements relating to Zone 2 SCBD shall:
  - (1) provide a minimum of 20 three bed family-sized Residential Units in Zone 2 and grant an Option to the Council to purchase 20 of such units; and
  - (2) pay an Agreed Commuted Payment to the Council, to be used by the Council to provide Affordable Housing in the Council's Area.
- (E) SCBD, the LLDC and the Council have accordingly agreed to the detailed provisions set out in this Part 4 and SCBD and the Council have agreed to enter into the Option Agreement.

#### RELEVANT DEFINITIONS

- "Affordable Housing" means housing that is available to people whose incomes are insufficient to enable them to afford adequate housing locally on the open market and where the rent or price for such housing is reduced, directly or indirectly, by means of subsidy from the public, private or voluntary sectors and which is provided for or managed by a housing association, local authority or other organisation.
- "Agreed Commuted Payment" means the sum of £2.85 million to be paid by SCBD in three equal instalments pursuant to paragraph 4.3 of this Part 4.
- "Approved Housing Provider" means a company or organisation involved in the provision of Affordable Housing being one of the list of companies or organisations set out in Schedule 2.
- "Commencement Event" means completion of the construction of the Option Building to ground floor slab level.
- "Commuted Payment" means the sum which may be payable by SCBD to the Council in accordance with paragraph 4.24.4 of Part 4A.
- **"Designated Area"** means the area within Zone 2 of Stratford City as shown edged blue on Plan Number 834-SK-992 attached at Schedule 6 to this Part 4.
- "Intermediate Unit" has the meaning provided in Part 4A.

- "Leases" means as defined in Part 4A.
- "Market Housing Units" means housing units to be constructed in the Designated Area which are not Option Units.
- "NHBC Certificate" means a Buildmark certificate issued by the National House Building Council.
- "Option Agreement" means the option agreement between SCBD and the Council contained in Part 4A.
- "Option Building" means the building to be constructed on that part of the Designated Area as shown labelled S8 on Plan 834-07-001 attached at Schedule 7 to this Part 4 and within which the Option Units are to be provided.
- "Option Units" means 20 three bedroom units to be provided within the Option Building and which satisfy the requirements of the Option Unit Criteria.
- "Option Unit Criteria" means a unit located at ground, first, second, third, fourth or fifth floor level which is a 3 bedroom unit with a minimum Gross Internal Area of 95 square metres having exclusive access to private amenity space consisting of either a courtyard, a balcony or terrace and which complies with the London Housing Design Guide and the requirements of the Habinteg Housing Association Wheelchair Accessible Units Standards or such parts of the London Design Guide and/or the Habinteg Housing Association Wheelchair Accessible Units Standards as is provided by a Planning Approval.
- "PC Event" means the issue of the NHBC Certificate in respect of the Option Units.
- "Planning Approval" means as defined in Part 4A.
- "Residential Units" means the Option Units and the Market Housing Units.
- "Staircasing" means the purchase by the owner of additional equity in an Intermediate Unit.
- "Works" means the works to be carried out to construct the Option Building.

### 4. OPERATIVE PROVISIONS

### 4.1 Restrictions

- 4.1.1 SCBD will not Occupy more than 55% of the Market Housing Units unless the PC Event has been satisfied.
- 4.1.2 The restriction in paragraph 4.1.1 shall cease to have effect on the earlier of (i) completion of the Leases to the Council or an Approved Housing Provider for the Option Units or (ii) if applicable, the date of receipt by the Council of the Commuted Payment in cleared funds (in accordance with paragraph 4.24 of Part 4A).

#### 4.2 Notification to LLDC

SCBD shall notify the LLDC within 14 Working Days of the occurrence of each of the events referred to in paragraphs 4.1.1 and 4.1.2.

### 4.3 Agreed Commuted Payment

- 4.3.1 SCBD shall pay the Agreed Commuted Payment of £2.85 million to the Council in the following instalments:
  - (A) £950,000 on or before the Commencement Event;
  - (B) £950,000 on or prior to the issue of the NHBC Certificate for 50% of the Market Housing Units; and

- (C) £950,000 on or prior to the issue of the NHBC Certificate for 80% of the Market Housing Units.
- 4.3.2 Without prejudice to the obligation of SCBD to pay the sums referred to in paragraphs 4.3.1 (B) and (C) of this Part 4 by the date specified in those paragraphs, SCBD shall not:
  - (A) Occupy more than 50% of the Market Housing Units which are permitted to be constructed in Zone 2 unless it has paid to the Council £1.9 million of the Agreed Commuted Payment; and
  - (B) Occupy more than 80% of the Market Housing Units which are permitted to be constructed in Zone 2 unless it has paid to the Council the Agreed Commuted Payment.
- 4.3.3 The Council will apply the Agreed Commuted Payment and (if applicable) the Commuted Payment only for the purpose of the provision of Affordable Housing.

### 4.4 Restriction on Occupation of Option Units

Subject to paragraph 4.24 of Part 4A and unless otherwise agreed by the LLDC, no Option Unit shall be Occupied other than as an Intermediate Unit and all occupational leases and tenancies of such units shall include a provision preventing sub-letting and underletting (prior to final Staircasing) save that this shall not prevent an occupational tenant having the right to take in a lodger or share occupation with another person provided that the occupational lease or tenancy contains a provisions to the effect that the tenant must obtain the prior written consent of the landlord and is not permitted to grant any assured tenancy of any part of the Option Unit.

#### 5. MISCELLANEOUS PROVISIONS

- 5.1 The provision of this Part 4 will not bind:
  - 5.1.1 any mortgagee of the Council or Approved Housing Provider nor any mortgagee of the owner for the time being of any leasehold interest in any of the Option Units nor any receiver or manager (including an administrative receiver) appointed pursuant to the Law of Property Act 1925 or otherwise by a party who has provided loan facilities to the Council or Approved Housing Provider or owner and who exercises any power of sale;
  - 5.1.2 any person who has acquired 100% of the equity in an Intermediate Unit through Staircasing;
  - 5.1.3 any person who exercises any right to buy or acquire an Option Unit pursuant to a right under the Housing Act 1985 or the Housing Act 1996 or any other statutory power; or
  - 5.1.4 the successors in title to the persons described in sub-paragraphs 5.1.1 to 5.1.3 above.

# Appendix 2 Part 4A

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#### PART 4A

### **OPTION AGREEMENT**

#### RELEVANT DEFINITIONS

- "Appeal" means all or any of the following:
  - (a) an appeal to the Secretary of State under sections 78 and 79 of the 1990 Act following a Planning Refusal; or
  - (b) a Call-In.
- "Approved Scheme" means the development within the Designated Area in accordance with the Planning Approval to construct the Option Building.
- "Building Contractor" means such building contractor as SCBD appoints as the building contractor for the purposes of the Works.
- "Call-In" means a direction of the Secretary of State that a Planning Application be referred to him for determination under section 77 of the 1990 Act.
- "Call Option" means the option granted by SCBD to the Council in respect of the Option Units pursuant to paragraph 4.1.
- "CDM Regulations" means the Construction (Design and Management) Regulations 2007.
- "Commuted Payment" means the sum payable by SCBD to the Council in accordance with paragraph 4.24.
- "Completion Date" means 10 Working Days after the later of the (i) date that the PC Event has occurred and (ii) date of delivery of the engrossment Leases for the Option Units to the Council for execution.

#### "Conditions" means:

- (a) the Planning Condition; and
- (b) the PC Event.
- "Council's Representative" means such person, firm or company nominated from the Council from time to time for the purposes of this Part 4A.
- "Council's Solicitors" means Bond Dickinson LLP of 1 Whitehall Riverside, Leeds, LS1 4BN (Ref JD3X/VLW1/LON/55/32) or such other solicitor or firm as may be notified by the Council to SCBD.
- **"EIR"** the Environmental Information Regulations 2004 and any subordinate legislation made thereunder from time to time together with any guidance and/or codes of practice issued by the Information Commissioner in relation to such legislation.
- "EIR Exception" means an applicable exemption to EIR.
- **"Exempted Information"** means any information that is designated as falling or potentially falling within the FOIA Exemptions or the EIR Exceptions.
- "First Deposit Instalment" means the sum of £520,000 (five hundred and twenty thousand pounds).
- "FOIA" means the Freedom of Information Act 2000 and any subordinate legislation made thereunder from time to time together with any guidance and/or codes of practice issued by the Information Commissioner in relation to such legislation.
- "FOIA Exemption" means any applicable exemption to FOIA.

"Force Majeure" means any of the following circumstances affecting the Works:

- (i) flood, or drought, earthquake or other natural disaster or other exceptionally adverse weather conditions;
- (ii) malicious damage;
- (iii) terrorist action, war, invasion, act of foreign enemy, hostilities (whether war declared or not), civil war, riot, unrest, rebellion, revolution, insurrection, military or usurped power;
- (iv) strike, lock-out or local combination of workmen affecting any of the trades employed upon the Works;
- (v) any law or any action taken by a government which directly affects the execution of the Works;
- (vi) confiscation, commandeering, nationalisation, requisition;
- (vii) loss, destruction or damage to the Option Building;
- (viii) imminent threats to the safety of the users, tenants or occupiers of the Option Units or the requirements of the insurance covering the Option Building or the Designated Area, or other circumstances in which the performance of the provisions of this Agreement would cause SCBD to be in breach of law;
- (ix) the carrying out by any statutory undertaking of work pursuant to its statutory obligations in relation to the Works or the delay in receipt of any necessary permission or approval of any statutory body (excluding the Planning Approval) which SCBD has taken all practicable steps to avoid or reduce,

PROVIDED THAT the same could not reasonably have been avoided or provided against by SCBD, their contractors or agents, is not due to negligence or default of SCBD and provided further that SCBD uses Reasonable Endeavours to mitigate the effect of the relevant event to reduce delay in so far as is reasonably practicable.

"Immune from Challenge" means the grant of Planning Approval where the Planning Challenge Period has expired without Planning Proceedings being commenced or Planning Proceedings have commenced but the Planning Proceedings have been finally determined and the outcome leaves the Planning Approval in place.

"Information" means information recorded in any form:

- in relation to FOIA has the meaning given under Section 84 of the FOIA; and
- (b) in relation to ER has the meaning given under the definition of "environmental information" in section 2 of EIR.

"Information Commissioner" means the officer known as the Information Commissioner established by Section 6 of the Data Protection Act 1998.

"Intermediate Units" means Affordable Housing to be provided as:

- (a) Shared Equity Units; and/or
- (b) Shared Ownership Units; or

such other form of intermediate housing as may be agreed by the Council and SCBD.

"Lease" means a lease of an Option Unit for use as an Intermediate Unit granted to the Council or an Approved Housing Provider in accordance with the heads of terms attached to this Agreement at Schedule 5 and including such amendments as are agreed between the parties pursuant to paragraph 4.19.

"Longstop Date" means 30 June 2017 or such later date as provided for in paragraph 4.4.1.

"NHBC Certificate" means a Buildmark certificate issued by the National House Building Council.

- "NHBC Insurance Cover" means insurance cover provided by the NHBC against the insolvency of the party who is contracting with the Council in respect of the Option Units.
- "Option Building" means the building forming part of an Approved Scheme in which the Option Units shall be located.
- "Open Market Value" means the market value of the relevant Unit determined by valuers in accordance with the then current Royal Institution of Chartered Surveyors "Red Book" (from time to time).
- "Option Fee" means £1 (one pound) exclusive of VAT.
- "Option Notice" means a notice exercising the Call Option and served in accordance with paragraph 4.23.
- "Option Period" means the period from and including the date of this Agreement expiring on and including 31 December 2013. 23 February 2014
- **"Option Units"** means the 20 residential units identified as the Option Units on the plans attached at Schedule 1 or such other Residential Units which satisfy the Option Unit Criteria as defined in Part 4 and as are agreed between the Council and SCBD.
- "Original Part 4" means Part 4 of Schedule 1 to the LCR Agreement.
- "PC Event" means the issue of the NHBC Certificate in respect of the Option Units.
- "PCR" means the Public Contracts Regulations 2006 (as amended).
- "PCR Challenge Period" means the period of three months from and including the date of exercise of the Call Option by the Council.
- "Permission Date" means the date written, printed or stamped on any planning permission or approval of Reserved Matters issued by the local planning authority or on a letter or other document issued by the Secretary of State or an Inspector following an Appeal or a Call-In.
- "Permitted Assignee" means any of the parties listed in Schedule 2.
- "Permitted Extensions of Time" means events which would be expected to allow a building contractor extensions of time under a building contract and which are not Force Majeure and are not within the control of SCBD or due to SCBD's negligence or default including for example design changes to the Option Building required by the local planning authority and agreed by SCBD.
- "Planning Agreement" means any agreement or unilateral undertaking required by the local planning authority or the Secretary of State or an Inspector to be entered into or given as a condition to the grant or implementation of any Planning Approval and including any variation, amendment or modification thereof.
- "Planning Application" means an application for Planning Approval.
- "Planning Approval" means detailed planning approval (whether by way of full planning permission or approval of Reserved Matters) for the construction of residential development within the Designated Area including the 20 Option Units.
- "Planning Challenge Period" means the period of six weeks from the date of grant of the Planning Approval.
- **"Planning Condition"** means the grant of Planning Approval and such Planning Approval being Immune from Challenge.
- **"Planning Decision"** means the outcome of any Planning Proceedings, a Planning Refusal or the grant of Planning Approval whether by the local planning authority, the Secretary of State or an Inspector in relation to the Designated Area, the Approved Scheme or the Option Building.
- "Planning Proceedings" means all of any of the following:
  - (a) an application made for judicial review by a third party following the grant of a Planning Approval by the local planning authority;



- (b) an application made under section 288 of the 1990 Act by a third party following the grant of Planning Approval by the Secretary of State or an Inspector;
- (c) an application made under section 288 of the 1990 Act by SCBD following a Planning Refusal by the Secretary of State or an Inspector; and
- (d) includes any appeal to a higher court made against a judgement given in a lower Court.

### "Planning Refusal" means any of the following:

- (a) a refusal by the local planning authority to grant a Planning Approval;
- (b) a refusal by or on behalf of the Secretary of State to grant the Planning Approval following an appeal against the local planning authority refusal;
- (c) a failure by the local planning authority to determine the Planning Application within the period required under section 78(2) of the 1990 Act.
- "Premium" means the sum of £5.2million (five million two hundred thousand pounds).
- "Prescribed Rate" means 1% above the base rate of HSBC Bank Plc from time to time.
- "Request for Information" shall have the meaning set out in FOIA or any request for information under EIR which may relate to the Development, this Agreement, or any activities or business of the Private Sector Partners.
- "Sale Conditions" means the terms of the disposition of the Option Units as set out in paragraph 4.14 of this Part 4A.
- "SCBD's Solicitors" means Herbert Smith Freehills LLP of Exchange House, Primrose Street, London EC2A 2EG or such other solicitor or firm as may be notified by SCBD to the Council.
- "Second Deposit Instalment" means the sum of £520,000 (five hundred and twenty thousand pounds).
- "Shared Equity Units" means Affordable Housing where a proportion of the equity is sold on a long lease to the purchaser and the remainder of the equity is retained by the Affordable Housing Provider without rent being charged in respect of the retained equity.
- "Shared Ownership Units" means Affordable Housing where a proportion of the equity is sold on a long lease to the purchaser and the remainder of the equity is retained by the Affordable Housing Provider subject to rent being charged on the retained equity.
- "Standard Conditions" means the Standard Commercial Property Conditions (Second Edition).
- "Target Date" means the date that SCBD notifies to the Council as being the date that SCBD reasonably expects the NHBC Certificate for the Option Units to be issued.
- "Valid Challenge" means a challenge under the PCR by a third party made against the Council in respect of the validity of the Call Option granted to the Council pursuant to this Part 4A.
- "VAT" means value added tax or any tax of a similar nature.
- "Working Day" means any day from Monday to Friday (inclusive) which is not Christmas Day, Good Friday or a statutory Bank Holiday and is not any other day on which the Council's offices are closed to the public.
- "Works" means the works to be carried out to construct the Option Units.

#### 4. **OPERATIVE PROVISIONS**

- 4.1 Call Option
  - 4.1.1 In consideration of the Option Fee now paid by the Council to SCBD (of which SCBD acknowledges receipt) SCBD grants the Call Option to the Council.

4.1.2 In the event that the Council does not exercise the Option during the Option Period, save in respect of paragraphs 4.3.2 to 4.3.5 and paragraph 4.24, which shall operate mutatis mutandis as if references to terminating the Call Option and the date of the termination notice are instead references to not exercising the Call Option and the date of expiry of the Option Period, this Part 4A shall cease to take effect.

### 4.2 Exercise of the call option

- 4.2.1 The Call Option may only be exercised by the Council serving an Option Notice in writing on SCBD during the Option Period.
- 4.2.2 The Council shall pay the First Deposit Instalment to SCBD on exercise of the Call Option.
- 4.2.3 The Council shall pay the Second Deposit Instalment on the occurrence of the Commencement Event.
- 4.2.4 SCBD shall hold the First Deposit Instalment and the Second Deposit Instalment as stakeholder until SCBD has provided the Council with a copy of the NHBC Insurance Cover for a sum equivalent to the amount of the particular deposit instalment being paid, following which SCBD shall hold the First Deposit Instalment and the Second Deposit Instalment (as appropriate) as agent.
- 4.2.5 On the exercise of the Call Option SCBD will, subject to satisfaction of the Conditions, become bound to grant (or procure the grant of) a Lease to the Council of each Option Unit and the Council will, subject to the terms of this Agreement, become bound to accept the grant of each such Lease and to pay the Premium less the amount of the First Deposit Instalment and Second Deposit Instalment on the Completion Date.
- 4.2.6 When engrossing each Lease and its counterpart SCBD shall once the form of Lease has been agreed in accordance with paragraph 4.19, complete all the blanks in accordance with the provisions of this Part 4A and the heads of terms attached to this Agreement at Schedule 5.
- 4.2.7 SCBD will procure that SCBD's Solicitors prepare engrossments of the original and counterpart of each Lease and submit the counterparts to the Council via the Council's Solicitors not less than 10 Working Days prior to the Completion Date.
- 4.2.8 Each party will bear its own legal costs incurred in connection with the exercise of the Call Option and completion of the Leases.

#### 4.3 Termination

4.3.1 If there is a Valid Challenge within the PCR Challenge Period the Council shall within 5 Working Days of receipt of a Valid Challenge notify SCBD and SCBD and the Council shall, in their absolute discretion, be entitled to (but not obliged to) terminate the Call Option by serving written notice on each other within 20 Working Days of receipt of notice by the Council of the Valid Challenge having been made and on such notice being served, the Call Option shall determine, subject to paragraphs 4.3.2 and 4.24 and SCBD shall, within 20 Working Days of a termination notice served pursuant to this paragraph repay the First Instalment Deposit and (if paid) the Second Instalment Deposit to the Council with interest calculated at the Prescribed Rate from the date that the relevant Deposit is paid to SCBD by the Council to and including the date of repayment to the Council.

- 4.3.2 If the Council or SCBD terminates the Call Option or the Council does not exercise the Call Option within the Option Period then SCBD shall for a period of 9 months following the date of service of the Council's or SCBD's termination notice pursuant to paragraph 4.3.1, 4.4.2, 4.17.9 and/or 4.19.5 or (if applicable) expiry of the Option Period without the Council exercising the Call Option, use Reasonable Endeavours to enter into a legally binding agreement for the grant of a Lease (but such Lease also including the provisions referred to in paragraph 4.3.3) to an Approved Housing Provider in respect of each of the Option Units and on payment of the Premium.
- 4.3.3 SCBD shall procure that any Lease granted to an Approved Housing Provider referred to in paragraph 4.3.2 shall restrict the use of the Option Units as Intermediate Units (until staircasing out to full ownership or if earlier the planning consent for the Option Units is amended to remove the restriction from use as Intermediate Units) and SCBD shall not be obligated to pay the Commuted Payment to the Council where SCBD complete an agreement for the grant of a Lease to an Approved Housing Provider.
- 4.3.4 SCBD shall keep the Council informed of progress of negotiations with any Approved Housing Provider pursuant to paragraph 4.3.2 and shall promptly notify the Council in writing if an agreement for the grant of a Lease is reached within the 9 month period referred to in paragraph 4.3.2 and in the event that SCBD does not complete an agreement for Lease with an Approved Housing Provider within the period of 9 months referred to in paragraph 4.3.2, then the provisions of paragraph 4.24 shall apply.
- 4.3.5 If this Agreement is terminated pursuant to paragraph 4.3.1, 4.4.2, 4.17.9 and/or 4.19.5, subject always to paragraphs 4.3.2 and 4.3.3, provided SCBD has paid any Commuted Payment due to the Council in accordance with paragraph 4.24 and has repaid the First Instalment Deposit and (if paid) the Second Instalment Deposit to the Council, the Council shall forthwith at its own expense cancel any registrations made by it in any registers to protect this Agreement.

#### 4.4 Longstop Date

- 4.4.1 If an event of Force Majeure or Permitted Extensions of Time occurs SCBD covenants with the Council that it shall:
  - (A) give prompt written notice to the Council of any material delay to the execution of the Works including the material circumstances of it arising (including the cause or causes of the delay) and specifying which event of Force Majeure or Permitted Extension of Time is relevant; and
  - (B) in respect of each Force Majeure and Permitted Extension of Time event identified, give the Council its best estimate of the expected delay and impact on the Longstop Date (if any),

and provided there is no dispute over the occurrence of a Force Majeure or Permitted Extension of Time event, the Longstop Date shall be extended by the relevant number of days to take account of the delay caused to the execution of the Works by the relevant Force Majeure event or Permitted Extension of Time and the parties shall confirm in writing the revised Longstop Date.

4.4.2 If the PC Event has not occurred by the Longstop Date, the Council may at any time thereafter (but not after the PC Event has occurred) serve written notice on SCBD terminating this Agreement and SCBD shall, within 20 Working Days of a termination notice served pursuant to this paragraph, repay the First Instalment

Deposit and the Second Instalment Deposit to the Council with interest calculated at the Prescribed Rate from the date that the Deposit is paid to SCBD by the Council to and including the date of repayment to the Council.

### 4.5 Entire agreement and non-merger

- 4.5.1 The Council admits that this Part 4A (including the schedules referred to herein) contains the entire agreement between the parties relating to the Option Units and incorporates all the terms between them for the purposes of the Law of Property (Miscellaneous Provisions) Act 1989 Section 2 and there are no other terms or provisions agreed prior to the date of this Part 4A which have not been incorporated into this Part 4A (or the schedules referred to herein).
- 4.5.2 This Part 4A may only be varied or modified by written terms signed by the parties or their respective solicitors.
- 4.5.3 The provisions of this Part 4A shall not merge on completion but shall remain in force and effect to the extent that they remain to be fulfilled.

#### 4.6 Value added tax

- 4.6.1 Each amount stated to be payable by the Council to SCBD under or pursuant to this Part 4A is exclusive of VAT (if any).
- 4.6.2 If VAT is chargeable on any supply made by SCBD under or pursuant to this Part 4A the Council will pay SCBD an amount equal to that VAT as additional consideration on the date that the supply is made subject to receipt of a valid VAT invoice addressed to the Council.

#### 4.7 Disputes

- 4.7.1 If any dispute arises between the parties relating to or arising out of the terms of this Part 4A then any of the parties may give written notice to the other requiring the dispute to be determined under this paragraph 4.7. The notice is to:
  - (A) propose an appropriate Specialist;
  - (B) state whether the Specialist is to act as an independent expert or an arbitrator, having regard to the terms of this paragraph 4.7; and
  - (C) specify the nature and substance of the dispute and the relief sought in relation to the dispute.
- 4.7.2 For the purposes of this paragraph 4.7 a "Specialist" is a person:
  - (A) qualified to act as an expert or an arbitrator in relation to the dispute;
  - (B) having not less than ten years' professional experience; and
  - (C) having practical experience in relation to developments in the nature of the Approved Scheme and properties in the nature of the Designated Area.
- 4.7.3 The recipient of a notice under paragraph 4.7.1 will be deemed to accept the identity of the Specialist and the capacity in which he is to act unless it gives notice in writing to the party serving the notice rejecting one or more of the proposals within 5 Working Days of receipt of the notice and on the service of a notice rejecting one or more of the proposals, paragraph 4.7.4 will apply.

- 4.7.4 Unless the parties agree or are deemed to agree the terms for resolving the dispute set out in the notice served under paragraph 4.7.1:
  - (A) any dispute over the type of Specialist appropriate to resolve the dispute or the capacity in which a Specialist is to act may be referred at the request of any of the parties to the President or next most senior available officer of the Royal Institution of Chartered Surveyors who will have the power, with the right to take such further advice as he may require, to determine and nominate the appropriate Specialist or to arrange his nomination and to determine the capacity in which the Specialist is to act; and
  - (B) any dispute over the identity of the Specialist is to be referred at the request of any of the parties to the President or other most senior available officer of the organisation generally recognised as being responsible for the relevant type of Specialist. If no such organisation exists, or the parties cannot agree the identity of the organisation, then the Specialist is to be nominated by the President or next most senior available officer of the Royal Institution of Chartered Surveyors.
- 4.7.5 The reference to a Specialist is to be made to him as an expert unless:
  - (A) the dispute is of such a nature that it is not capable of being determined by an Expert; or
  - (B) all of the parties agree, or are deemed to agree, that the Specialist should act as an arbitrator; or
  - (C) this Agreement specifies that the dispute is to be determined by an arbitrator; or
  - (D) paragraph 4.7.6 applies.
- 4.7.6 Where a Specialist is to act as an independent expert
  - (A) the parties may make written representations within 10 Working Days of his appointment and will copy the written representations to the other parties who are party to the dispute;
  - (B) the parties are to have a further 10 Working Days to make written comments on each other's representations and will copy the written comments to the other party;
  - (C) the Specialist is to be at liberty to call for such written evidence from the parties and to seek such legal or other expert assistance as he or she may reasonably require;
  - (D) the Specialist is not to take oral representations from the Council who are party to the dispute without giving all the parties the opportunity to be present and to give evidence and to cross-examine each other;
  - (E) the Specialist is to have regard to all representations and evidence before him when making his decision, which is to be in writing, and is to give reasons for his decision; and
  - (F) the Specialist is to use all reasonable endeavours to publish his decision within 30 Working Days of his appointment.
- 4.7.7 Where a Specialist is to act as an arbitrator:
  - (A) all submissions made or evidence supplied to him are to be in writing unless the parties agree within 10 Working Days of his appointment that this requirement does not apply;

- (B) the date of his award will be deemed to be the date on which he serves a copy of the award on the Council and SCBD;
- (C) he will not be entitled to order the rectification, setting aside or cancellation of this Agreement or any other deed or document;
- (D) he will not be entitled to direct that the recoverable costs of the arbitration, or any part of it, be limited to a specified amount; and
- (E) he will not be entitled to require that security be provided in respect of the costs of the arbitration.
- 4.7.8 Responsibility for the costs of referring a dispute to a Specialist under this paragraph 4.7, including costs connected with the appointment of the Specialist and the specialist's own costs, but not the legal and other professional costs of any party in relation to a dispute, will be decided by the Specialist.

#### 4.8 FOI

- 4.8.1 SCBD acknowledges that the Council is subject to legal duties which may require the release of information under FOIA and/or EIR and that the Council may be under an obligation to provide Information subject to a Request for Information.
- 4.8.2 The Council shall be responsible for determining in their absolute discretion whether:
  - (A) any Information is Exempted Information or remains Exempted Information; or
  - (B) any Information is to be disclosed in response to a Request for Information and in no event shall SCBD respond directly to a Request for Information to which the Council is required to respond to, except to confirm receipt of the Request for Information and that the Request for Information has been passed to the Council, unless otherwise expressly authorised to do so by the Council.
- 4.8.3 Subject to paragraph 4.8.4 below, SCBD acknowledges that the Council may be obliged under FOIA or EIR to disclose information following consultation with SCBD and having taken its views into account.
- 4.8.4 The Council agrees to notify SCBD as soon as reasonably practicable following a Request for Information.
- 4.8.5 Nothing in this Part 4A will prevent the Council from complying with any valid order, decision, enforcement or practice recommendation notice issued to it by the Information Commissioner under FOIA and/or EIR in relation to any Exempted Information.

### 4.9 Third party rights

Nothing in this Part 4A confers or shall be deemed to confer on any person who is not a party to it a right pursuant to the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms and the parties may vary this Part 4A in the manner mentioned above without the consent of any other person.

### 4.10 Dealings

Following the exercise of the Call Option in accordance with paragraph 4.2 and until the grant of the Leases to the Council:

- 4.10.1 the Council may notify SCBD to grant the Lease of the Option Units to a Permitted Assignee;
- 4.10.2 the Council may assign or dispose of its interest in this Part 4A:
  - (A) to a Permitted Assignee without the prior consent of SCBD; or
  - (B) to any other person with the prior consent of SCBD,
  - PROVIDED THAT the Council procures a deed of covenant in favour of SCBD from the assignee covenanting to comply with the terms of this Part 4A;
- 4.10.3 the Council shall be released from any obligations under this Part 4A on any such assignment made in accordance with paragraph 4.10.2 on receipt by SCBD of a completed deed of covenant in favour of SCBD referred to in paragraph 4.10.2;
- 4.10.4 SCBD may not assign or dispose of in any way their interest in this Part 4A or the Designated Area other than to a party who has first entered into a Deed of Novation (in the form attached at Schedule 4) in favour of the Council save for leases of open space, leases or interests granted to utility companies and in respect of any interest granted to management companies involved in the facility management of the Residential Units, or as otherwise agreed with the Council; and
- 4.10.5 SCBD shall not encumber the title to the Option Units so as to prevent the grant or registration of a Lease without the prior consent of the Council.

### 4.11 Occupancy restriction and obligations to notify sales

- 4.11.1 Subject to the Council exercising the Call Option during the Option Period and paragraphs 4.3.2 and 4.3.3, SCBD covenants with the Council not to complete the sale or letting of more than 55% of the Market Housing Units without first completing the grant of the Leases to the Council.
- 4.11.2 Subject to the Council exercising the Call Option during the Option Period and paragraphs 4.3.2 and 4.3.3, SCBD further covenants with the Council:
  - (A) on satisfaction of the Planning Condition to confirm in writing to the Council and the Council's Solicitors how many Market Housing Units are contained within each building to be constructed within the Designated Area; and
  - (B) to notify the Council and the Council's Solicitors in writing:
    - that a PC Event has occurred in respect of each Market Housing Units within 14 Working Days of such PC Event occurring; and
    - (ii) to procure that the solicitors acting for SCBD on the sale or letting of any of the Market Housing Units notifies the Council and the Council's Solicitors in writing on completion of the sale or letting of any Market Housing Units within 14 Working Days of each any completion.

#### 4.12 Statutory discretion

Nothing contained or implied in this Part 4A shall prejudice or affect the rights powers duties and obligations of the Council in the exercise of its statutory functions and the rights powers

duties and obligations of the Council under all statutes may be fully and effectively exercised in relation to the Option Units and the Designated Area as if this Part 4A had not been entered into, in particular and without limitation nothing in this Part 4A shall impose or imply any duty on behalf of the Council in its capacity as a body responsible for the award of public funding to take any steps in connection with such funding or consider any application for such funding in a certain way or to award or decline to award such funding and the Council shall retain absolute discretion in relation to the award or otherwise of the same.

#### 4.13 Severance

- 4.13.1 If any provision of this Agreement (or part of any provision) is found by any court or other authority of competent jurisdiction to be invalid illegal or unenforceable that provision or part-provision shall to the extent required be severed from the remainder of this Agreement which shall remain in full force and effect to the extent permitted by law.
- 4.13.2 If a provision of this Agreement (or part of any provision) is found illegal invalid or unenforceable the parties shall negotiate in good faith to amend such provision such that as amended it is legal valid and enforceable and to the greatest extent possible so as to achieve the parties' original commercial intention.

#### 4.14 Sale conditions

- 4.14.1 The Standard Conditions (as altered by the variations and additions set out below) shall apply to and are incorporated into this Part 4At in so far as they are applicable and are not varied by or inconsistent with the terms of this Part 4A.
- 4.14.2 The variations and additions to the Standard Conditions are as follows:
  - (A) Standard Conditions 1.3.3(b), 6.1, 6.4.2, 6.6.2, 6.6.5, 8.1.1 do not apply;
  - (B) in Standard Condition 1.1.1(o) a "working day" expires at 5.00pm;
  - (C) in Standard Condition 1.1.3(b) the following words are added after the words "free of all mortgages"
    - "or reasonable evidence is produced that the property would be released from all such mortgages provided that SCBD covenants with the Council that no such mortgages shall prevent the grant or registration of a Lease of any Option Unit nor shall any such mortgage bind the Council in any way or be imposed on the Council's title to the Leases"; and
  - (D) Standard Conditions 7.1.1 and 7.1.2 shall apply. Standard Condition 7.1.4 shall not apply.

#### 4.15 Insurance

SCBD shall procure that each Option Unit is insured until the date upon which the Lease in respect of such Option Unit is completed.

#### 4.16 Completion

4.16.1 Completion is to take place on the Completion Date at the offices of SCBD's Solicitors or at such other place in England as SCBD's Solicitors may reasonably require.

4.16.2 On the Completion Date the Council shall pay to SCBD the Premium less the First Deposit Instalment and the Second Deposit Instalment.

#### 4.17 Title

- 4.17.1 SCBD shall grant (or shall procure the grant of) and the Council shall accept each Lease on the Completion Date and SCBD shall at such time provide the Council with any third party consents, certificates or other approvals required to satisfy any subsisting restrictions on SCBD's title (or the title of the party granting the leases who derive title from SCBD) to permit the grant and subsequent registration of the Leases.
- 4.17.2 The parties acknowledge that at the date of this Agreement the title to the Option Units has not been deduced.
- 4.17.3 SCBD shall properly deduce its title to the Option Units to the Council's reasonable satisfaction by way of a title explanatory note addressed to the Council ("TEN") prepared by Nabarro LLP containing certain representations of fact which can be relied on by the Council and in a similar form to that disclosed by Nabarro LLP to the Council's Solicitors on 20 November 2013.
- 4.17.4 SCBD shall procure that a first draft of the TEN is provided to the Council's Solicitors no later than 4 December 2013.
- 4.17.5 The Council shall procure that the Council's Solicitors shall provide to Nabarro LLP no later than 11 December 2013 either confirmation that SCBD's title has been deduced to satisfy SCBD's obligation to deduce title pursuant to this paragraph 4.17 or in the alternative, to provide suggested amendments to the TEN (the Council and the Council's Solicitors acting reasonably with regard to any suggested amendments).
- 4.17.6 If amendments to the TEN have been suggested by the Council's Solicitors in accordance with paragraph 4.17.5 SCBD shall procure that Nabarro LLP and the Council shall procure that the Council's Solicitors use Reasonable Endeavours to agree the final form of the TEN.
- 4.17.7 Subject to agreement of the TEN pursuant to paragraph 4.17.6 SCBD shall procure that Nabarro LLP provide to the Council's Solicitors on or before 20 December 2013 the signed TEN and the provision of the agreed TEN will be deemed to have satisfied SCBD's obligation in paragraph 4.17 to deduce its title to the Option Units to the Council's reasonable satisfaction.
- 4.17.8 The parties shall co-operate in good faith to agree deduction of title to the Option Units, each party acting reasonably and without undue delay.
- 4.17.9 In the event the title to the Option Units has not been deduced to the Council's reasonable satisfaction in accordance with this paragraph 4.17 by 31 January 2014 (subject always to the provisions of clause 4.17.8) then either party may (provided that the person intending to exercise its right to determine is not entitled to do so where it is in material breach of its obligations in this paragraph 4.17) determine this Part 4A Option Agreement by giving the other party written notice to that effect and upon such notice being served, SCBD shall return (or procure the return of) to the Council the First Deposit Instalment and (if paid) the Second Deposit Instalment together with any accrued interest, at the Prescribed lake.

4.17.10 If at any time prior to termination of this agreement SCBD believe that the title has been deduced to the Council but the Council are not of the opinion that it has been deduced to its reasonable satisfaction SCBD may refer the matter to be determined in accordance with clause 4.7 PROVIDED THAT the termination provisions under

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- clause 4.17.9 shall be suspended until the dispute has been determined unless the Specialist determines that title has not been deduced where at any time after 5 Working Days from the date of the Specialist determination, either party may determine the Call Option by giving notice to the other.
- 4.17.11 SCBD shall (or shall procure) that the Council (acting reasonably) is notified in writing periodically of any additions to the registered title to the Designated Area where such additions materially affect either the Option Units and/or any land over which rights are to be granted to the Council pursuant to the Lease.
- 4.17.12 The Council shall use Reasonable Endeavours to procure that each Lease is registered at the Land Registry as soon as reasonably practicable after the Completion Date and SCBD shall provide such reasonable assistance with any Land Registry requisitions raised, responding promptly (within any relevant priority or cancellation period provided by the Land Registry) to any request for assistance from the Council.
- 4.17.13 The Council will as soon as reasonably practicable after registration of each Lease provide SCBD with official copies of the leasehold title created showing the Council as the registered proprietor.

#### 4.18 Vacant possession

Each Option Unit is to be leased to the Council with vacant possession and free from any legal or financial charge registered against the Option Units.

#### 4.19 Final Form of Lease

- 4.19.1 The parties acknowledge that:
  - (i) at the date of this Agreement the form of the Lease has not been finalised;
  - (ii) the form of Lease for the Option Units shall be substantially in the same form as the leases of the Market Housing Units; and
  - (iii) the Lease granted for the Option Units shall restrict the use of those units as Intermediate Units (until staircasing out to full ownership or if earlier the planning consent for the Option Units is amended to remove the restriction from use as Intermediate Units).
- 4.19.2 The heads of terms for the Lease are annexed at Schedule 5 to this Part 4A.
- 4.19.3 The parties shall co-operate in good faith to agree the final form of Lease for the Option Units during the Option Period, each party acting reasonably and without undue delay and in the absence of agreement, either party may refer a matter to third party determination under paragraph 4.7.
- 4.19.4 At the date of this Agreement, SCBD and the Council are unable to agree the level of Rent, Insurance Charge, Service Charges and other financial liabilities in the form of Lease but SCBD covenants with the Council to procure that these charges in the Leases shall be fair and reasonable and properly incurred at all times, taking into account the current market position for such charges in similar developments in the vicinity of the Option Units at the time the final form Lease is agreed.
- In the event that the final form of Lease has not been agreed in accordance with this 4.19.5 paragraph 4.19 by 31 January 2014 (subject always to the provisions of clause 4.19.3) then either party may (provided that the person intending to exercise its right to determine is not entitled to do so where it is in material breach of its obligations in this paragraph 4.19) determine this Part 4A Option Agreement by giving the other party written notice to that effect and upon such notice being served, SCBD shall

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return (or procure the return of) to the Council the First Deposit Instalment and (if paid) the Second Deposit Instalment together with any accrued interest, at the

4.19.6 SCBD shall procure that the Council is provided with the full tenant information pack ("Tenant Pack") which is provided to prospective buyers of the Market Housing Units at such time that the Tenant Pack is available.

### 4.20 Planning decisions

- 4.20.1 SCBD will notify the Council of each Planning Decision and provide a copy of the Planning Decision to the Council no later than 10 Working Days after notice of the Planning Decision has been given to SCBD.
- 4.20.2 If SCBD makes an Appeal or commences Planning Proceedings it shall keep the Council fully informed on the progress of the Appeal or (as the case may be) Planning Proceedings.
- 4.20.3 Following the grant of Planning Approval, the Planning Condition will not be satisfied until:
  - (A) the relevant Challenge Period has expired without Planning Proceedings being commenced (or such shorter period as the parties may agree in writing); or
  - (B) if Planning Proceedings are commenced during the Challenge Period, those proceedings are finally disposed of leaving in place a Planning Approval.
- 4.20.4 SCBD shall not, without the prior written consent of the Council:
  - (A) amend the Planning Application; or
  - (B) withdraw the Planning Application or submit a new planning application for the Option Units,

in each case where any such amendment, withdrawal or resubmission materially affects the Option Units.

#### 4.21 Works

- 4.21.1 It is acknowledged and agreed that SCBD is not obliged to construct the Approved Scheme but where SCBD carries out the Works:
  - (A) SCBD will only carry out any works or development or place any new buildings on the Designated Area in accordance with the Planning Approval for the Approved Scheme;
  - (B) SCBD shall commence the Option Building before commencing any other development within the Designated Area and shall procure that the Option Building reaches ground floor slab level at the same time or before completion of the ground floor slab on any other building within the Designated Area; and
  - (C) once SCBD has commenced the Option Building it shall diligently proceed with the works to complete the Option Building without undue delay.
- 4.21.2 SCBD shall keep the Council informed of the progress of the Works and shall give the Council not less than 4 months prior written notice of the Target Date and use Reasonable Endeavours to procure that the PC Event occurs on or before the Target Date.

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#### 4.22 Construction documents

- 4.22.1 SCBD shall give the Council's Representative not less than 10 Working Days' prior written notice of the date and time of the NHBC inspection prior to the issue of the NHBC Certificate.
- 4.22.2 The Council and the Council's Representative will be entitled to accompany SCBD (and/or any representative nominated by SCBD) on the inspection referred to in paragraph 4.22.1 and shall be entitled to make representations on any proposal to issue the NHBC Certificate.

### 4.23 Form of Option Notice

Any Option Notice served by the Council shall be in the form set out in Schedule 3 to this Part 4A.

### 4.24 Post termination obligations and Commuted Payment

- 4.24.1 In the event that the Council either:
  - (A) does not exercise the Call Option; or
  - (B) terminates the Call Option in accordance with paragraph 4.3.1, 4.4.2, 4.17.9 and/or 4.19.5; and
  - (C) within the period prescribed in paragraph 4.3.2 SCBD does not enter into a legally binding agreement for Lease for the disposal of the Option Units to an Approved Housing Provider as provided for in paragraph 4.3.2,

SCBD shall dispose of the Option Units on the open market on a long leasehold basis for a term of at least 150 years (and so capable of first registration at the Land Registry) at the best premium reasonably obtainable, and any such disposal shall be in accordance with the terms of this paragraph 4.24.

- 4.24.2 The Council and SCBD shall jointly appoint selling agents to market the Option Units and the appointment shall oblige the agents to seek prospective purchasers in the open market at arm's length at the best premium reasonably obtainable in the market at that time and the selling agents:
  - (A) shall be agreed between SCBD and the Council within 10 Working Days from the end of the period of 9 months prescribed in paragraph 4.3.2 or in default of agreement shall be nominated by the Specialist pursuant to paragraph 4.7; and
  - (B) shall be jointly appointed within 10 Working Days following the date of agreement between the Council and SCBD as to the selling agents or (as the case may be) nomination of the selling agents by the Specialist pursuant to paragraph 4.7.
- 4.24.3 The costs of the selling agents in respect of each Option Unit shall be paid by SCBD PROVIDED THAT such costs shall first be approved by the Council and when approved such costs shall be Approved Sale Costs for the relevant Option Unit for the purposes of paragraph 4.24.4.
- 4.24.4 SCBD shall within 10 Working Days of completion of the grant of a long leasehold interest in respect of an Option Unit as provided for in paragraph 4.24.1, pay to the Council the amount by which the premium paid in respect of such leasehold interest exceeds £260,000 (two hundred and sixty thousand pounds) less the Approved Sales Costs for the relevant Option Unit.
- 4.24.5 Pending disposal of the Option Units pursuant to this paragraph 4.24, the Option Units shall not be Occupied other than with the prior consent of the Council.

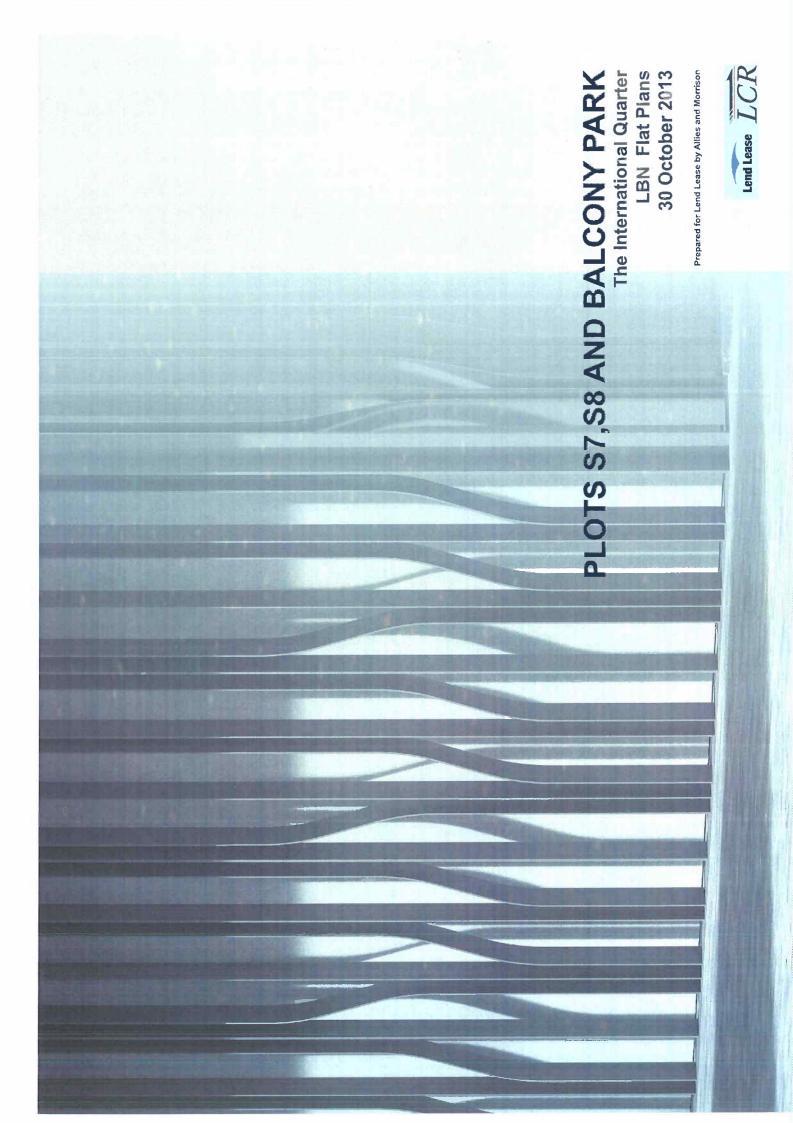
# 4.25 Continuation post termination

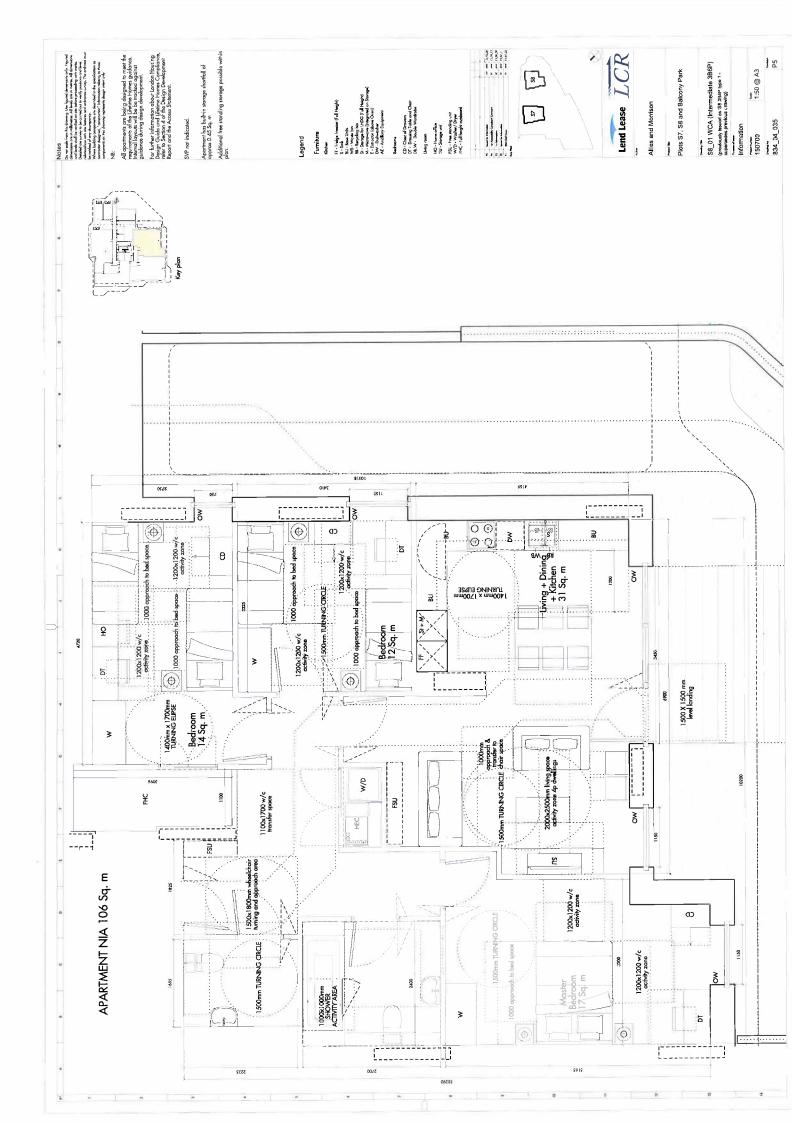
The obligations and provisions in paragraph 4.3.2 and paragraph 4.24 shall continue notwithstanding the determination of this Part 4A.

# **SCHEDULE 1**

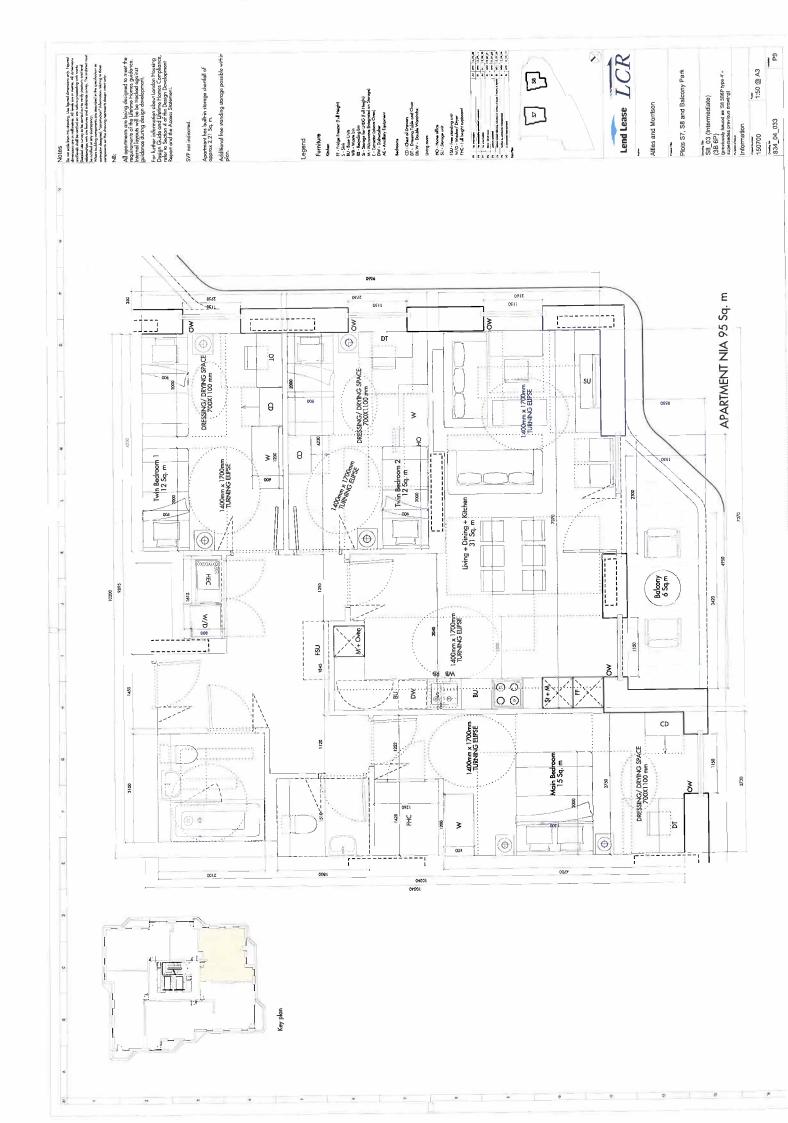
# **OPTION UNITS**

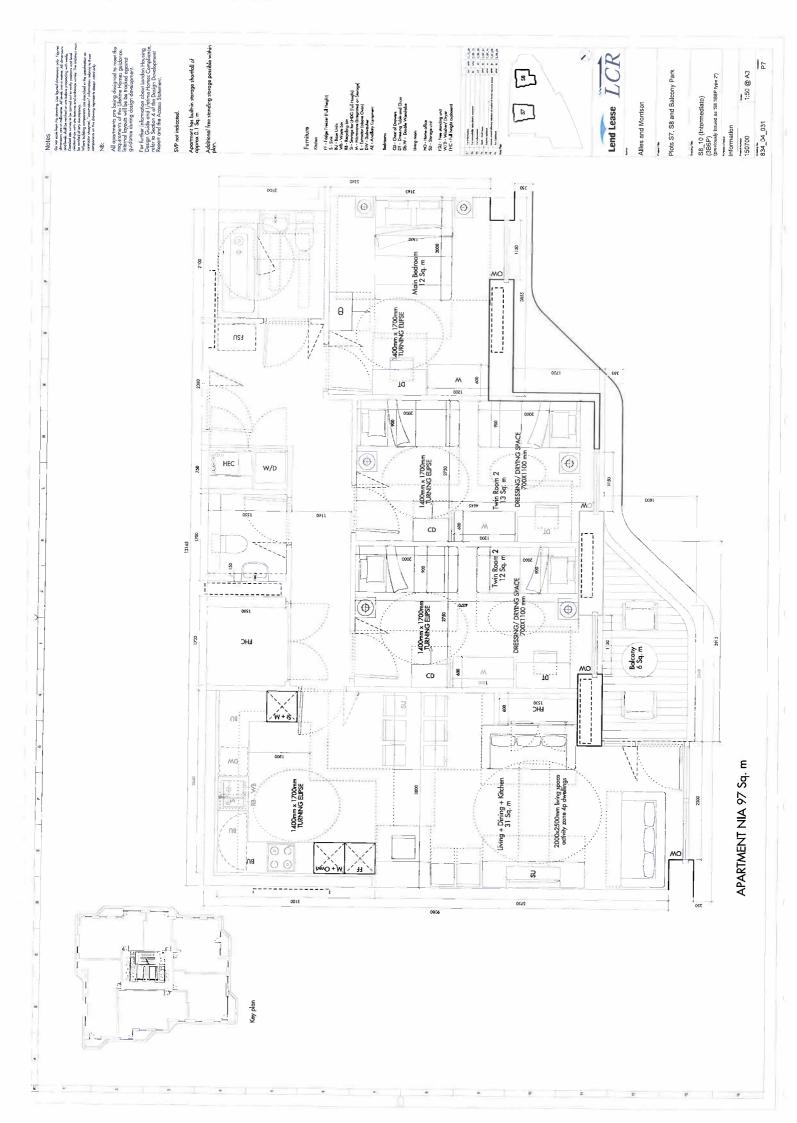
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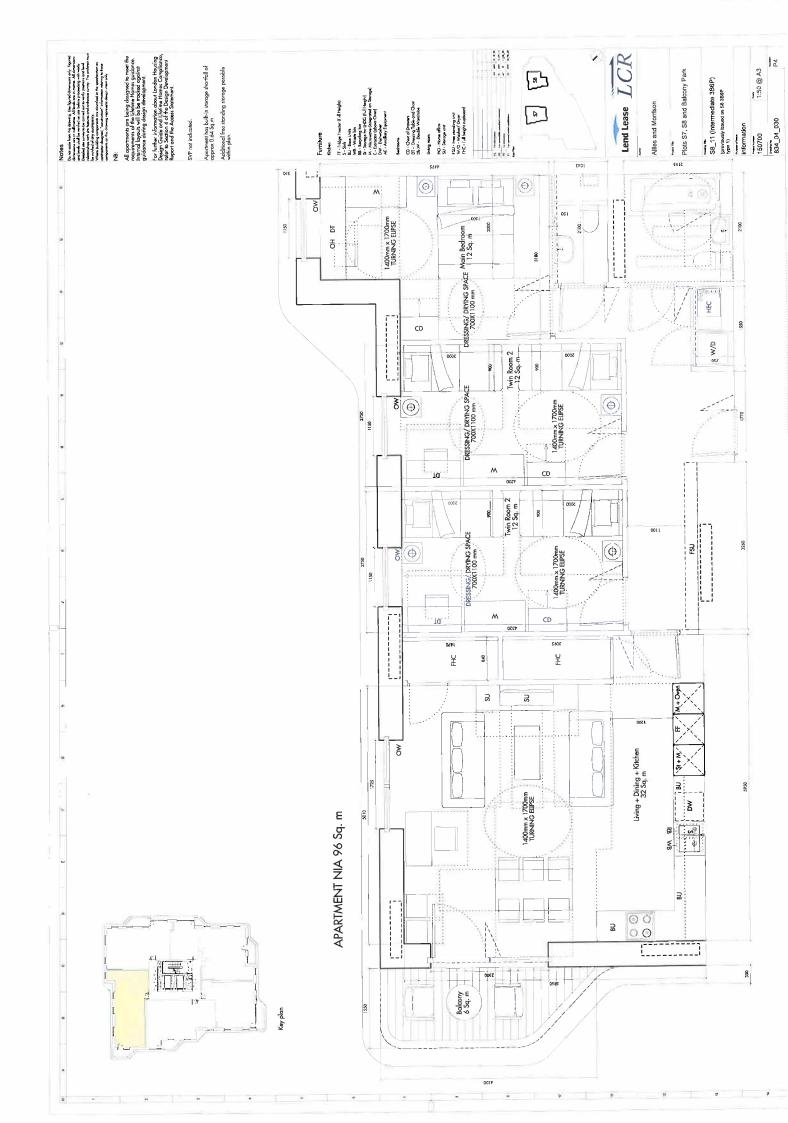


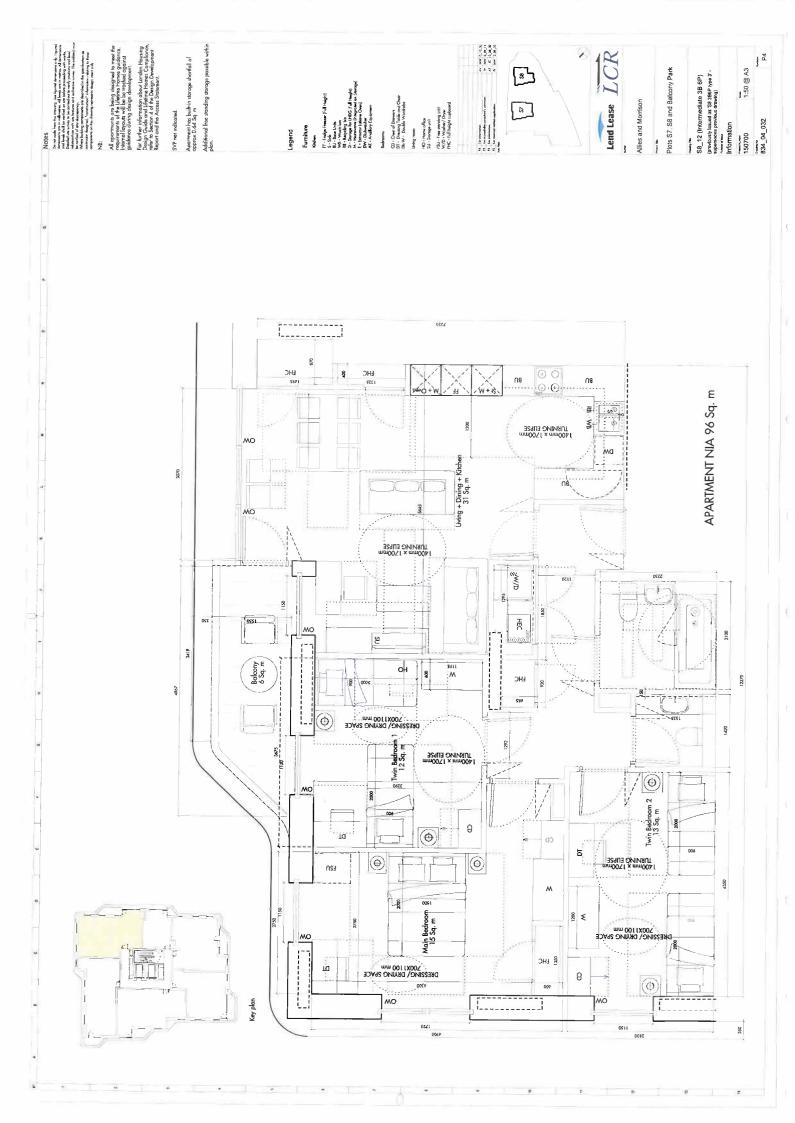












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Revision: 30.10.13

The Inte	The International Quarter - LONDON HOUSING DESIGN GUIDE COMPUANCE TRACKER			
Item	Section	Priority	Compliance	Comments
0.	Shapina Good Places			
Ξ	Defining places			
=======================================	Development proposals should demonstrate:  • how the design responds to its physical context, including the character and legibility of the area and the local pattern of building, public space, landscape and topography;  • how the scheme relates to the identified character of the place and to the local vision and strategy or how bolder change is justified in relation to a coherent set of ideas for the place expressed in the local vision and strategy or agreed locally.	_	Yes.	Scheme complies with Outline Planning Proposal for ZMP Zone 2, and has been developed in line with guidance from consultations with the London Legacy Development Committee (LIDC), Secured By Design Architectural Liaison Officers, and London Borough of Newham (LBN) representatives. Refer to the Design Report for further detail.
112	Development proposals should demonstrate:  • how the scheme complements the local network of public spaces, including how it integrates with existing streets and paths;  • how public spaces and pedestrian routes are designed to be overlooked and safe, and extensive blank elevations onto the public realm at ground floor have been avoided;  • for larger developments, how any new public spaces including streets and paths are designed on the basis of an understanding of the planned role and character of these spaces within the local movement network, and how new spaces relate to the local vision and strategy for the area.	-	, Kes	Scheme complies with Outline Planning Proposal for ZMP Zone 2 and the Section 106 requirements, and has been developed in line with guidance from consultations with the London Legacy Development Committee (LIDC), Secured By Design Architectural Liaison Officers, and London Borough of Newham (LBN) representatives. Refer to the Design Report for further detail,
1.2	Outdoor Spaces			
1,2,1	Development proposals should demonstrate that they comply with the borough's open space strategies, ensuring that a review of surrounding open space is undertaken and that opportunities to address a deficiency in provision by providing new public open spaces are taken forward in the design process.	-	Yes	Scheme complies with Outline Planning Proposal for ZMP Zone 2 and the Section 106 requirements which includes the provision of Balcony Park. Refer to the Design Report for further detail.
1.2.2	For developments with a potential occupancy of ten children or more, development proposals should make appropriate play provision in accordance with the London Plan SPG, Providing for Children and Young People's Play and Informal Recreation.	_	Yes	Scheme complies with Outline Planning Proposal for ZMP Zone 2, and Section 106 requirement for LEAP and MUGA. Refer to the Design Report for further detail.
1.2.3	Where communal open space is provided, development proposals should demonstrate that the space:  • is overlooked by surrounding development;  • is overlooked by surrounding development;  • is accessible to wheelchair users and other disabled people;  • is designed to take advantage of direct sunlight;  • has suitable management arrangements in place.	_	Yes	Communal external space has been provided in the form of a landscaped courtyard between the buildings and a communal terrace at first floor of S8. Both areas are overlooked by the residential development, accessible, south-tacing and will be maintainence guidance will be written into the Operations and Maintenance manual. Refer to the Design Report for further details.

Item	Section	Priorily	Compliance	Comments
2.0	Housing for a Diverse City			
2.1	Appropriate Density			
2.1.1	Development proposals should demonstrate how the density of resident al accommodation satisfies Landon Plan policy relating to public transport accessibility level (PTAL) and the accessibility of local amenities and services, and is appropriate to the location in Landon.		Yes	Proposals have been developed to be compliant with Condition U of the Outline Planning Permission and the Zonal Master Plan, and are therefore consistent with the London Plan density range.
2.2	Residential Mix			
2.2.1	Development proposals should demonstrate how the mix of dwelling sizes and the mix of tenures meet strategic and local borough targets and are appropriate to the location in London.	_	Kes	Proposals have been informed by the Sitewide Fousing Strategy for Strafford City in consultation with the LLDC and Lond Borough of Newham, and by Part 4 of the Strafford City Section 106 Agreement (as recently revised). The overall objective of the Strafford City SVVHS is to confirm how approved floorspace for Strafford City will be distributed across the zones in order to provide a reasonable balance of housing across the whole of the Strafford City Site
3.0	From Street to Front Door			
3.1	Entrance and Approach			
3.1.1	All main entrances to houses, ground floor apartments and communal entrance lobbies should be visible from the public realm and clearly identified.	_	Yes	Entrances to communal lobbies visible from Westfield Ave and Balcony Park, fully glazed and clearly identified. Refer to the design report and design drawings for further detail.
3.1.2	The distance from the accessible car parking space of requirement 3.3.4 to the home or to the relevant block entrance or lift core should be kept to a minimum and should be level or gently sloping [Lifetime Homes Criterion 2].	-	Yes	Due to various site constraints, the accessible carparking is located as close as possible to, but in excess of 50 metres from the S8 black entrance. The route from the parking areas to the communal entrance of S8 will be as close to level as possible, with level resting areas provided along the route from the parking to the building entrance if required. Refer to Access Report for further detail.
3.1.3	The approach to all entrances should preferably be level or gently sloping [Lifetime Homes Criterion 3].	-	Yes	Routes to the entrance from the site boundary will be gently sloping at a gradient to be confirmed but will be between 1:30 and 1:50. Level landings will be provided at appropriate distances along the route in line with Lifetime Homers guidances, and the landing in front of the entrances to appartments and located to the land Pofer to the December 10 and 10
3.1.4	All entrances should be illuminated and have level access over the threshold. Entrance doors should have 300mm of clear space to the pull side, and clear minimum opening widths of 800mm or 825mm depending on the direction and width of approach. Main entrances should have weather protection and a level external landing [Lifetime Homes Criterion 4].	·-	Yes	All entrances will be illuminated and provided with level access negaris for further default.  All entrances will be illuminated and provided with level access over the threshold. Doors will meet or exceed the minimum clear openings and have 300mm clear space on the pull side. Weather protection to the entrances will be provided by balcony overhangs over main entrance doors, and ground floor entrances to apartments from the gardens. Refer to the Design and Access Reports for further detail.
3.2	Shared Circulation within Buildings			
3.2.1	The number of dwellings accessed from a single core should not exceed eight per floor.	2	Yes	There are no more than 8No, dwellings served by a single core. Refer to drawings for futher detail.

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Tem Tem	Section	Priority	Compliance	Comments
3.2.2	An access core serving 4 or more dwellings should provide an access control system with entry phones in all dwellings linked to a main front door with electronic lock release. Unless a 24 hour concierge is provided, additional security measures including audio-visual verification to the access control system should be provided where any of the following apply:  • more than 25 dwellings are served by one core  • the potential occupancy of the dwellings served by one core exceeds 100 bed spaces  • more than 8 dwellings are provided per floor.	_	, , ,	An access control system will be provided with entry phones in all dwellings. Access Control detail to be developed at Stage D
3.2.3	Where dwellings are accessed via an internal corridor, the corridor should receive natural light and adequate ventilation.	-	Partia	Adequate mechanical ventilation will be provided, however due to site constraints and the desire to prioritise internal living space, it has not been possible to provide natural light to the cores. The distance from the lift landings into each flat is relatively short.  Corridor will have ventilation but no daylight
3,2.4	The minimum width for all paths, corridors and decks for communal circulation is 1200mm. The preferred minimum width is 1500mm, and is considered particularly important where corridors are double loaded (they serve dwellings on each side) and where wheelchair accessible dwellings are provided.	-	Yes	All communal circulation corridors are drawn as 1500mm wide, Refer to drawings for further detail.
3.2.5	For buildings with dwellings entered from communal circulation at the first, second or third floor where lifts are not provided, space should be identified within or adjacent to the circulation cores for the future installation of a wheelchair accessible lift,	2	V/A	Lifts serve all floors of both buildings
3.2.6	All dwellings entered at the fourth floor (fifth storey) and above should be served by at least one wheelchair accessible lift, and it is desirable that dwellings entered at the third floor (fourth storey) are served by at least one such lift. All dwellings entered at the seventh floor (eighth storey) and above should be served by at least two lifts.	_	,≺es	S7 has 29 residential floors and 3 17-person lifts, S8 has 17 residential floors and 2 17-person lifts.
3.2.7	Every designated wheelchair accessible dwelling above the ground floor should be served by at least one wheelchair accessible lift. It is desirable that every wheelchair accessible dwelling is served by at least two such lifts.	_	Yes	Both buildings have a minimum of two lifts serving all floors whose internal car dimensions are at least 1100mm x 1400mm.
3.2.8	Principal access stairs should provide easy access* regardless of whether a lift is provided. Where homes are reached by a lift, it should be fully wheelchair accessible [Lifetime Homes Criterion 5].	_	, es	Stairs in both buildings have been designed to have at least a maximum rise of 170mm, a minimum going of 250mm and a minimum width of 900mm. Current design details are well within these restrictions.
3.3	Car Parking			
13.3	All developments should conform to London Plan policy on car parking provision. In areas of good public transport accessibility and/or town centres the aim should be to provide less than one space per dwelling. Elsewhere parking provision should be as follows:  • 4+ bedroom dwellings: 1.5 - 2 spaces per dwelling;  • 3 bedroom dwellings: 1 - 1.5 spaces per dwelling;  • 1 - 2 bedroom dwellings: less than 1 per dwelling.		Yes	The site is located in close proximity excellent public transport interchanges serving Strafford and Strafford on Strafford International Strafford City's Consultative Access Group outlining the current design proposals. The site is very restricted and provision of parking is challenging. In line with the guidance, the scheme proposes less than one parking space per dwelling. Refer to Design and Access Reports, adn drawings for further detait.

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E E	Section	Priorily	Compliance	Comments
	1			
3.3.2	Each designated wheelchair accessible dwelling should have a car parking space 2400mm wide with a clear access way to one side of 1200mm. Refer to appendix 3 for design standards for wheelchair accessible housing.	_	Ž	Consultation has been held with the LIDC, LBN, and Stratford City's Consultative Access Group outlining the current design proposals. The scheme proposes 4No. wheelchair accessible parking spaces based on the LIDC requirement for 10% of the number of Wheelchair Adaptable apartments being provided. Refer to the Access Report for futher detail.
	Careful consideration should be given to the siting and organisation of car parking within an overall design for open space so that car parking does not negatively affect the use and appearance of open spaces.	_	Yes	Car parking areas are minimal and have been sited to have the least impact of the use and appearance of open spaces. Refer to drawings and Design Report for futher detail.
	Where car parking is within the dwelling plot, at least one car parking space should be capable of enlargement to a width of 3300mm. Where parking is provided in communal bays, at least one space with a width of 3300mm should be provided per block entrance or access core in addition to spaces designated for wheelchair user dwellings [Lifetime Homes Criterion 1].	-	Yes	Communal parking bays conforming to lifetime Homes Criterion 1 have been provided as close the communal entrances of \$7 and \$8 as possible. Refer to Design Report and drawings, and Access Report for further detail,
3.4	Cycle Storage			
3.4.1	All developments should provide dedicated storage space for cycles at the following levels:  • 1 per 1 or 2 bedroom dwelling; or  • 2 per 3 or more bedroom dwelling	-	Yes	Designated It, covered and secured Bicycle storage has been design to meet the Code for Sustainable Homes requirement for 1 Credit, which exceeds the Section 106 requirements and meets the requirements of the London Plan, Refer to Bicycle Schedu'e for further details, - 834_ Bike numbers 28-130820_LHDG
3.4.2	Individual or communal cycle storage outside the home should be secure, sheltered and adequately Iti, with convenient access to the street. Where cycle storage is provided within the home, it should be in addition to the minimum GIA and minimum storage and circulation space requirements. Cycle storage identified in habitable rooms or on balconies will not be considered acceptable.	2	Yes	Cycle storage is communal, secure, sheltered and lit with convenient access from the street. Refer to drawings for further details.
3.5	Refuse, Post and Deliveries			
3.5.1	Communal refuse and recycling containers, communal bin enclosures and refuse stores should be accessible to all residents including children and wheelchair users, and located on a hard, level surface. The location should satisfy local requirements for waste collection and should achieve full credits under the Code for Sustainable Homes Technical Guide. Refuse stores within buildings should be located to limit the nuisance caused by noise and smells and provided with means for cleaning.	14	, es	Waste Management Strategy developed in line with LBN's design guidance and following several consultations. The refuse provision meets BS 5906:2005 for refuse provision plus 25% for recyclables – this provision exceeds the minimum required by CfSH.
3.5.2	Storage facilities for waste and recycling containers should be provided in accordance with the Code for Sustainable Homes Technical Guide and local authority requirements.	1	Yes	Details TBC at appropriate stage
4.0	Dwelling Space Standards			
4.1	Internal Floor Area			

-	Section		Priority	Compliance	Comments
4.1.1	All developments should	All developments should meet the following minimum space standards.	<u>~</u>	Yes	Current internal layouts are in compliance with LHDG.
	Dwelling type (bodroom/ persons)	grypo Essentia GIA (9q.m)			
	Single storcy 283p dwelling 283p 324p 334p 365p 465p	50 7 7 7 4 7 4 8 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9			
	Two storey 2b4p dwelling 3b4p 3b5p 4b5p 4b6p	83 87 87 96 100			
	Three storey 3b5p dwelling 4b5p 4b6p	102 106 113			
	For dwellings designed for more than be added for each additional person.	For dwellings designed for more than 6 people, at least 10 sq m gross internal area should be added for each additional person.			
4.1.2	Dwelling plans should dand and activity space requiappendix 3 for design s	Dwelling plans should demonstrate that dwellings will accommodate the furniture, access and activity space requirements relating to the declared level of occupancy. Refer to appendix 3 for design standards for wheelchair accessible housing.	1.	Yes	All internal layouts are indicative and will be subject to design development which will be tracked against guidance. Refer to drawings and Access Report for further details
1	Flexibility and Adaptability	ability			
	Dwelling plans should demonstrate tha alternative seating arrangements in livin beds in at least one double bedroom.	Dwelfing plans should demonstrate that dwelling types provide fexibility by allowing for alternative seating arrangements in living rooms and by accommodating double or twin beds in at least one double bedroom.	н	Yes	All internal layouts are indicative and will be subject to design development which will be tracked against guidance. Refer to drawings further details
	Circulation in the Home	me			
4.3.1	The minimum width of hallways and oth 900mm. This may reduce to 750mm at widths meet the following specification:	The minimum width of hallways and other circulation spaces inside the home should be 900mm. This may reduce to 750mm at 'pinch points' e.g. next to radiators, where doorway widths meet the following specification:	11	Yes	All internal layouts are indicative and will be subject to design development which will be tracked against guidance. Refer to drawings and Access Report for further details
	Minimum clear opening width of doorway (mm)	Minimum approach width (when approach is not head on) (mm)			
	750	1200			
	27.5	1050			
	006	006			
	Where a hallway is at I	Where a hallway is at least 900mm wide and the approach to the door is head-on, a minimum clear opening door width of 750mm should be provided [Lifetime Homes Criterion			

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Item	Section	Priority	Compliance	Comments
4.3.2	The design of dwellings of more than one storey should incorporate potential for a stair ift to be installed and a suitable identified space for a through-the-floor lift from the entrance level† to a storey containing a main bedroom and an accessible bathroom [Lifetime Homes Criterion 12].	tt	Yes	All apartments are contained within a single level. Refer to drawings for further details.
4.4	Living, Dining, and Kitchen Areas			
4.4.1	The following combined foor areas for living / kitchen / dining space should be met:	2	Yes	Current internal layouts are in compliance with LHDG.
	Designed level of Minimum combined floor occupancy area of living, diring and kitchen spaces (sq. m)			
	2 person 23			
	3 person 25			
	4 person 27			
	5 person 29			
	6 person 31			
4.4.2	The minimum width of the main sitting area should be 2.8m in 2.3 person dwellings and 3.2m in dwellings aesigned for four or more people,	2	Yes	Al internal layouts are indicative and will be subject to design development which wilt be tracked against guidance. Refer to drawings for further details.
C V V	+			
4. 5.	Uwellings with three or more bedrooms should have two living spaces, for example a living room and a kitchen-dining room. Both rooms should have external windows, if a kitchen is adjacent to the living room, the internal partition between the rooms should not be loadbearing, to allow for reconfiguration as an open plan arrangement. Studies will not be considered as second living spaces.	2	0 Z	Apartments have been designed to be open plan to maximise the spatial arrangement and living space. Separation of the living areas from the kitchen reduces the availability of space and and adversely impacts on the flow of the apartment layouts. The inclusion of a sprinkler system allows for the units to maximise the open plan living arrangement and the apartments to afford additional area in the living space which would be lost of the spaces were subdivided. These proposals have been discussed and agreed in principle with LBN representatives for Housing.
				Al'internal layouts are indicative and will be subject to design development which will be tracked against guidance. Refer to drawings for further details.
4.4.4	There should be space for turning a wheelchair in dining areas and living rooms and basic circulation space for wheelchairs elsewhere [Lifetime Homes Criterion 7].	\ \ \es		Refer to drawings and Access Report for further details.
4.4.5	A living room, living space or kitchen-dining room should be at entrance level [Lifetime Homes Standard 8].	Yes		All apartments are single storey dwellings. Refer to drawings for further details.
4.4.6	Windows in the principal living space should start 800mm above finished floor level (+/. 50mm) to allow people to see out while seated. At least one opening window should be easy to approach and operate by people with restricted movement and reach. [Lifetime Homes Criterion 1.5].	L Pc	Partial	Windows extend to floor ensuring a view out for all whilst seated. There will be a transom at 1100mm and detailed design will be developed to meet lifetime Homes Criterion 15. Refer to drowings and Access Report for further details.
4.5	Bedrooms			
4.5.1	The minimum area of a single bedroom should be 8 sq m. The minimum area of a double or twin bedroom should be 12 sq m.	Z Yes		All internal layouts are indicative and will be subject to design development which will be tracked against guidance. Refer to drawings for further details,

ltem	Section	Priority	Compliance	Comments
4.5.2	The minimum width of double and twin bedrooms should be 2.75m in most of the length of the room.	2	Yes	All internal layouts are indicative and will be subject to design development which will be tracked against guidance, Refer to drawings for further details.
4.5.3	In homes of two or more storeys with no permanent bedroom at entrance level†, there should be space on the entrance level that could be used as a convenient temporary bed space [Lifetime Homes Criterion 9].	_	A/N	All apartments are single storey dwellings. Refer to drawings for further details,
4.5.4	Structure above a main bedroom and an accessible bathroom should be capable of supporting a ceiling hoist and the design should allow for a reasonable route between this bedroom and bathroom [Lifetime Homes Criterion 13].	_	Yes	Structural concrete soffits will be designed to take the load of hoists and the relationship of master bedroom to bathroom will be reviewed against guidance as the design develops.
4.6	Bathrooms and WCs			
4.6.1	Dwellings designed for an occupancy of five or more people should provide a minimum of one bathroom with WC and one additional WC.	2	Yes	Apariments designed for more than five people will have one bathroom with WC and one additional WC. All internal layouts are indicative and will be subject to design development which will be tracked against guidance. Refer to drawings for further details.
4.6.2	Where there is no accessible bathroom at entrance levelt, a wheelchair accessible WC with potential for a shower to be installed should be provided at entrance level" [Lifetime Homes Criterion 10].	_	N/A	All apartments are single storey dwellings. Refer to drawings for further details.
4.6.3	An accessible bathroom should be provided in every dwelling on the same storey as a main bedroom [Lifetime Homes Criterion 14].	_	Yes	Refer to drawings and Access Report for further details.
4.6.4	Walls in bathrooms and WCs should be capable of taking adaptations such as handrails † [Lifetime Homes Criterion 11].	_	Yes	Walls in bathrooms and WCs will be designed to take adaptations of handrals as per Lifetimes Homes Criterion 11. Details will be developed at the appropriate stage and tracked against guidance.
4.7	Storage and Utility			
4.7.1	Built-in general internal storage space free of hot water cylinders and other obstructions, with a minimum internal height of 2m and a minimum area of 1.5 sq m should be provided for 2 person dwellings, in addition to storage provided by furniture in habitable rooms. For each additional occupant an additional 0.5 sq m of storage space is required.	_	Partia	Please refer to note on each specific dweling layouts.
4.8	Study and Work			
4.8.1	Dwelling plans should demonstrate that all homes are provided with adequate space and services to be able to work from home. The Code for Sustainable Homes guidance on working from home is recommended as a reference.	-	TBC	All internal layouts are indicative and will be subject to design development which will be tracked against guidance. Refer to drawings for further details,
4.8.2	Service controls should be within a height band of 450mm to 1200mm from the floor and at least 300mm away from any internal room corner [Lifetime Homes Criterion 16].	_	Yes	Details to be confirmed at detailed design stage which will be tracked against guldance.
4.9	Wheelchair Dwellings			
49.1	Ten percent of new housing should be designed to be wheelchair accessible or easily adoptable for residents who are wheelchair users in accordance with the GLA Best Practice Guide, Wheelchair Accessible Housing. Refer to appendix 3 for design standards for wheelchair accessible housing.		Yes	The scheme proposes 100% Lifetime Homes and 35No. wheelchair adaptable apartments - slightly in excess of the 10% requirement. Refer to drawings and Access Report for further details.
4.10	Private Open Space			

ltem	Section	Priority	Compliance	Comments
4.10.1	A minimum of 5 sq m of private outdoor space should be provided for 1-2 person dwellings and an extra 1 sq m should be provided for each additional occupant.	_	Partial	All other apartments are provided with balconies of at least ôsam. In addition to these private balconies, there will be community access to a communal external terrace located on the first floor of building S8. Refer to drawings and Design Report for further detail. The courtyard between the two buildings is a designated as amenity space for the residents. All residents have access to Balcony Park which is a public open space. Refer to the design report.
4.10.2	Private outdoor spaces should have level access from the home ‡ [Lifetime Homes Criterion 4].		\ es	All internal layouts are indicative and will be subject to design development. Threshold details will be tracked against guidance as they develop.
4.10.3	The minimum depth and width of all balconies and other private external spaces is 1500mm.		Yes	Refer to drawings and Design Report for further detail,
5.0	Home as a Place of Retreat			
5.1	Privacy			
5.1.1	Design proposals should demonstrate how habitable rooms within each dwelling are provided with an adequate level of privacy in relation to neighbouring property and the street and other public spaces.	_	Yes	Refer to drawings and Design Report for further detail.
5.2	Dual Aspect			
5.2.1	Developments should avoid single aspect dwellings that are north facing, exposed to noise exposure categories C or D, or contain three or more bedrooms,	_	N/A	All apartments have a dual aspect. Refer to drawings and Design Report for further detail
5.2.2	Where single aspect dwellings are proposed, the designer should demonstrate how good levels of ventilation, daylight and privacy will be provided to each habitable room and the kitchen.	-	A/N	All apartments have a dual aspect. Refer to drawings and Design Report for further detail,
5.3	Noise			
5.3.1	The layout of adjacent dwellings and the location of lifts and circulation spaces should seek to limit the transmission of noise to sound sensitive rooms within dwellings.		Yes	Robust partition details incorporating advice from the appointed Acoustic specialist will be developed at detail design stage and tracked against guidance.
5.4	Floor to Ceiling Heights			
5.4.1	The minimum floor to ceiling height in habitable rooms is 2.5m between finished floor level and finished ceiling level. A minimum floor to ceiling height of 2.6m in habitable rooms is considered desirable and taller ceiling heights are encouraged in ground floor dwellings.	_	Yes	Refer to drawings and Design Report for further detail.
5.5	Daylight and Sunlight			
5.5.1	Glazing to all habitable rooms should be not less than 20% of the internal floor area of the room.	2	TBC	All internal Tayouts are indicative and will be subject to design development which will be tracked against guidance. Refer to drawings for further details.
5.5.2	All homes should provide for direct sunfight to enter at least one habitable room for part of the day, Living areas and kitchen dining spaces should preferably receive direct sunlight.	2	Yes	Refer to drawings and Design Report for further details.

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ltem	Section			Priorily	Compliance	Сомтепіз
6.0	Climate Chang	Climate Change Mitigation and A	Adaptation			
6.1	Environmental Performance	гтапсе				
6.1.1	Designers should seek in all new development	to achieve a minimum of Leve Is.	Designers should seek to achieve a minimum of Level 4 of the Code for Sustainable Homes in all new developments.	2	TBC	CFSH Level 4 is targeted and development is on track to achieve this at the current stage
6.1.2		y London Plan policy on susta ution to the mitigation of and 1	All homes should satisfy London Plan policy on sustainable design and construction and make the fullest contribution to the mitigation of and adaptation to climate change.	_	Yes	Development has been designed to achieve significant reductions in energy usage and carbon emissions. The preliminary performance assessment has shown that typical apartments should achieve a reduction in carbon emissions in excess of 40% over the 2010 Part L1A Target Emission Rate in line with London Plan requirements
6.2	Energy and CO2					
6.2.1	Development proposals hierarchy, and should n reduction.	s should be designed in accommeet the following minimum to	Development proposals should be designed in accordance with the London Plan energy hierarchy, and should meet the following minimum targets for carbon dioxide emissions reduction.		Yes	As per 6. 1.2 performance has been measured against Building Regulations Part L1A 2010, which are more stringent that 2006 version. The performance achieved would be in excess of the targeted level identified
	Yaar	Improvement on 2006 Building Regulations				
	2010 - 2013	44 per cent				
	2013 - 2016	55 per cent				
	2016 - 2031	Zero carbon				
6.3	Overheating					
6.3.1	Development proposal overheating during sum systems.	Is should demonstrate how the	Development proposals should demonstrate how the design of dwellings will avoid overheating during summer months without reliance on energy intensive mechanical cooling systems.	_	Yes	The apartments have been designed to deliver cross ventilation where possible and all windows have the provision to open to deliver purge ventilation.
6.4	Water					
6.4.1	New dwellings should be designed to some designed between the state of	l be designed to ensure that c per day.	New dwellings should be designed to ensure that a maximum of 105 litres of water is consumed per person per day.	_	Yes	Current design will achieve <1051/p/d
6.4.2	1	s permitted in an area at risk or yrdance with PPS25.	Where development is permitted in an area at risk of flooding, it should incorporate flood resilient design in accordance with PPS25.		TBC	To be confirmed based on flood risk assessment.
6.4.3		ould adhere to standards for s Homes.	New development should adhere to standards for surface water run-off as set out in the Code for Sustainable Homes.		Yes	Intention is to collect all water on site - refer to CFSH summary
6.4.4		ould incorporate Sustainable I	New development should incorporate Sustainable Urban Drainage Systems and green roofs where appropriate.	_	Yes	See note under 6,4,3, and drawings 834_07_101, 106 and 108,
6.5	Materials					
6.5.1	All new residential dev regard to using materic	velopments should meet the reals with lower environmental i	All new residential developments should meet the requirements of the Code Level 4 with regard to using materials with lower environmental impacts over their lifecycle.	2	Yes	Minimum CfSH requirements are to be achieved through material selection and specification

The Int	The International Quarter 📀 LONDON HOUSING DESIGN GUIDE COMPLIANCE TRACKER			
Item	Section	Priority	Compliance Comments	Comments
6,5.2	5.5.2 All new residential development should accord with Code for Sustainable Homes Level 4 and the London Sustainable Design and Construction SPG with regard to the sourcing of materials.		Yes	As per 6.5.2
9.9	Ecology			
1 9 9				
	value and seek to enhance the ecological capital of the area in accordance with GLA best practice guidance on biodiversity and nature conservation.	_	es /es	The existing site has no areas of ecological value and intention is to significantly improve beyond the current state.
				Coording to be and

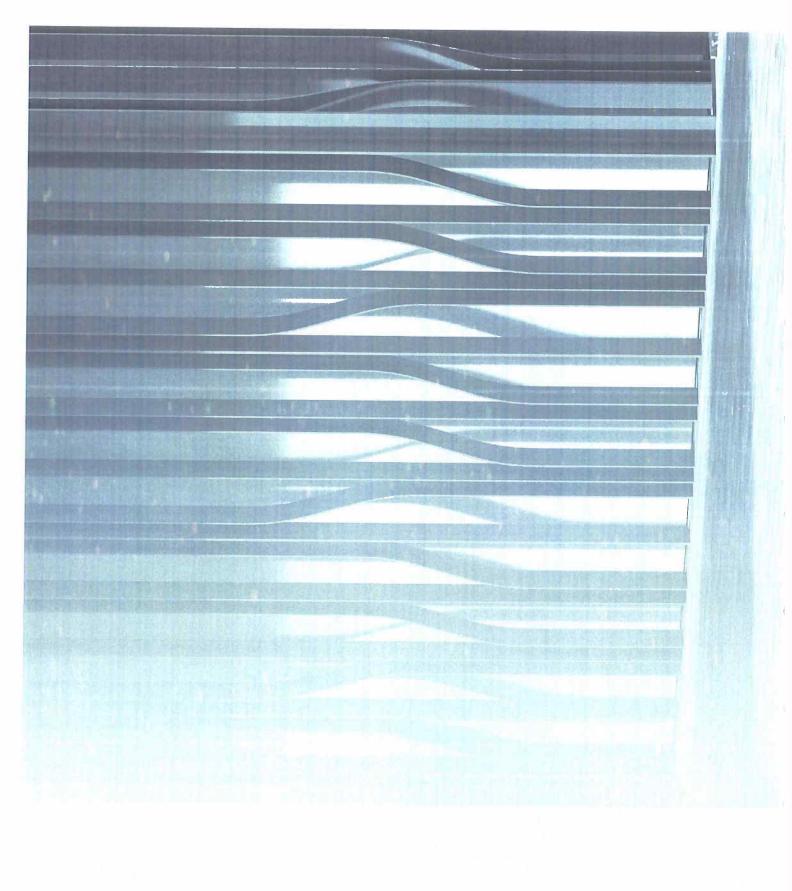
" In the Lifetime Homes Criteria a stair providing easy access is defined as one having maximum risers of 170mm, minimum goings of 250mm and a minimum width of 900mm measured 450mm above the pitch line.

In the Lifetime Homes Criteria the entrance level of a dwelling is generally deemed to be the storey containing the main entrance door. Where there are no rooms on the storey containing the main entrance door (e.g., flats over garages or shops and some duplexes and townhouses) the first storey level containing a habitable or non-habitable room can be considered the entrance level, if this storey is reached by a stair providing 'easy access', as defined above.

‡ Balconies and terraces over habitable rooms which require a step up to increase slab thickness / insulation are exempt from the Lifetime Homes level access standard.

<sup>o</sup> Dwellings over more than one storey with no more than two bedrooms may instead be designed with a Part M compliant WC at entrance level. The WC should provide a floor drain to allow for an accessible shower to be installed at a later date.

11 Adequate fixing and support for grab rails should be available at any location on all walls within a height band of 300mm - 1800mm from the flocr.



## **SCHEDULE 2**

- 1. London Borough of Newham
- 2. London & Quadrant Housing Trust
- 3. Circle Anglia Housing group
- 4. Notting Hill Housing Trust
- 5. Network Housing Group
- 6. Local Space
- 7. One Housing Group
- 8. East Thames Housing Group
- 9. Guinness Housing Trust
- 10. Swan Housing Group
- 11. Genesis Housing Group
- 12. Southern Housing Group
- 13. A2/Dominion Housing Group

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# SCHEDULE 3 FORM OF OPTION NOTICE

To: SCBD at address given for service)  Dated: [  Subject: Option Agreement contained within Part 4A of Schedule 1 to the LCR Agreement relating to the regeneration of Stratford City London (Zone 2) ("the Agreement") dated [  ] and made between (1) the London Legacy Development Corporation; (2) the Mayor and Burgesses of the London Borough of Newham ("the Council"); and (3) Stratford City Business District Limited ("SCBD")
We refer to the Agreement. The Terms defined in the Agreement shall apply to this Notice.
We give notice that in accordance with [ paragraph 4.2.1 of the Agreement, we hereby exercise the Call Option and, subject to the terms of the Agreement, require you to grant the Lease for the Option Units in accordance with the terms of the Agreement.
Signed [ ] Authorised signatory for and on behalf of [ ]



## SCHEDULE 4 DEED OF NOVATION



www.bonddickinson.com



2013

## Deed of Novation

relating to Part 4A of a Modification Agreement dated [ ] pursuant to section 106A(1)(a) of the Town and Country Planning Act 1990 and other powers relating to the regeneration of Stratford City, London Zone 2

The London Legacy Development Corporation <sup>(1)</sup>
The Mayor and Burgesses of the London Borough of Newham <sup>(2)</sup>
Stratford City Business District Limited <sup>(3) and</sup>
[Incoming SCBD wholly owned subsidiary] <sup>(4)</sup>

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8	Delivery	2
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#### BETWEEN:

- (1) THE LONDON LEGACY DEVELOPMENT CORPORATION of Level 10, 1 Stratford Place, Montfichet Road, London, E20 1EJ (the "LLDC");
- (2) THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF NEWHAM of Newham Dockside, 1000 Dockside Road, London, E16 2QU (the "Council");
- (3) STRATFORD CITY BUSINESS DISTRICT LIMITED (Company Number 7328908) whose registered office is at 20 Triton Street, Regent's Place, London, NW1 3BF ("SCBD"); and
- (4) **[INCOMING NEW SCBD ENTITY]** (Company Number [●]) whose registered office is at [20 Triton Street, Regent's Place, London, NW1 3BFI ("Incoming Party")

**WHEREAS** this Deed is supplemental to the new Part 4A (the **Option Agreement**) which is appended to the Modification Agreement dated [●] and made between (1) the LLDC (2) the Council and (3) SCBD (the **Modification Agreement**).

#### IT IS HEREBY AGREED as follows:

#### 1 Definitions and Interpretation

- 1.1 Unless the context otherwise requires, words and expressions defined in the Option Agreement shall apply mutatis mutandis to this Deed as if the same were set out in full in this Deed.
- 1.2 The principles of construction set out in the Modification Agreement shall apply mutatis mutandis to this Deed as if the same were set out in full in this Deed.
- 1.3 The parties desire that as from the date of this Deed all rights, benefits and duties, obligations and liabilities of SCBD under the Option Agreement shall be transferred to, and be assumed by, the Incoming Party in accordance with this Deed.

#### 2 Novation

- 2.1 In consideration of the sum of £10 (ten pounds) paid by the Incoming Party to the Council and to LLDC (receipt of which the Council and the LLDC acknowledge) the LLDC, the Council and SCBD have agreed to novate the Option Agreement on the terms of this Deed.
- 2.2 The parties acknowledge that the [First Instalment Deposit] [and the Second Instalment Deposit] paid by the Council to SCBD pursuant to the Option Agreement shall be deemed to have been paid to the Incoming Party for the purposes of Part 4A of the Option Agreement.
- 2.3 By its execution of this Deed, the Incoming Party shall, with effect on and from the date of this Deed, be bound by the terms and provisions of the Option Agreement as if it had been an original party thereto in the capacity of SCBD.
- 2.4 Save as amended by this Deed, all terms and conditions of the Option Agreement shall continue in full force and effect.

## 3 Acceptance of liability by Incoming Party

3.1 From and including the date of this Deed, the Incoming Party accepts the liabilities of SCBD under the Option Agreement and covenants with the Council and separately with the LLDC to perform or procure the performance of all the duties and to discharge or procure the discharge of all the obligations of SCBD under it and to be bound by all its terms and conditions in every way as if it was named in the Option Agreement as a party *ab initio* in place of SCBD.

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- 3.2 The Incoming Party confirms to the Council that it has acquired legal title to the [Option Building] [the land on which the Option Building is to be constructed] and shall have sufficient right title and interest to grant the Leases of the Option Units to the Council subject to the terms of the Option Agreement.
- 3.3 Without limiting the generality of the foregoing, the Incoming Party acknowledges and covenants with the Council and separately with the LLDC that it will receive and accept responsibility for negotiating and settling all claims and demands whatsoever against SCBD arising out of or in respect of the Option Agreement arising on or subsequent to the date of this Deed.

#### 4 SCBD Release

4.1 The Council and the LLDC releases and discharges SCBD from further performance of SCBD's obligations under the Option Agreement and from all claims and demands whatsoever arising out of or in respect of the Option Agreement arising on or subsequent to the date of this Deed save in respect of any matters arising from any antecedent breach by SCBD.

#### 5 Interpretation

This Deed shall hereafter be read as one with the Option Agreement so that all references in the Option Agreement to "this Agreement", "herein" and similar expressions shall include references to this Deed.

#### 6 Notices

The correspondence and email addresses of the Incoming Party for notices and demands under the Option Agreement are as follows:

[ 5 ]

#### 7 Rights of Third Parties

Unless the right of enforcement is expressly provided for it is not intended that a third party should have the right to enforce a provision of this Deed pursuant to the Contracts (Right of Third Parties) Act 1999.

## 8 Law and Jurisdiction

This Deed and any non-contractual obligations arising in connection with it (and any document entered into in connection with it) shall be governed by English law and the parties irrevocably submit to the exclusive jurisdiction of the English court to determine any dispute arising in connection with this Deed (and any document entered into in connection with it).

## 9 Delivery

This Deed shall be treated as having been executed and delivered as a deed only upon being dated.

## 10 Counterparts

This Deed may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement and any party may enter into this Deed by executing a counterpart.

In witness whereof this Deed has been entered into the day and year first before written

#### [EXECUTION]

## SCHEDULE 5 HEADS OF TERMS FOR LEASE OF OPTION UNITS

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## Draft Heads of Terms in relation to Affordable Housing Units at The International Quarter, Stratford London with London Borough of Newham

These Heads of Terms set out the principal terms and conditions on which Stratford City Business District Limited (the Vendor) wish to take forward discussions with London Borough of Newham (the Purchaser) in relation to sale of affordable housing units The International Quarter, Stratford, London scheme.

1.Nature of terms	These Heads of Terms are not intended to be legally binding and any agreement between the parties is subject to relevant Board approval and execution of definitive documentation relating to the subject matter of these Heads of Terms.
2. The Parties	The Vendor: Stratford City Business District Limited Company number * 20 Triton Street Regents Place London NW1 3BF Tel: 0203 4309000 Fax: 0203430 9001 Email: FAO:  The Purchaser: London Borough of Newham
3. The Property	The land and buildings at The International Quarter development at Stratford identified [edged red] on the plan at Annexure E.
4. The Eligible Units	The Purchaser has been granted an option to acquire the Eligible Units (the Units) shown on the plan at annexure F under an Option Agreement dated []. (the Call Option). A copy of which is annexed at Annexure G.
5. Property Interest	On exercise of the Call Option, the Vendor and the Purchaser will be bound to proceed with the affordable housing disposal to the Purchaser, the intention being that there will be an individual lease for each of the affordable housing units which will be produced for each Unit at the point of Completion.  The Lease will be in the Vendors standard form for this development and will
	include the keys terms detailed in these Heads of Terms. The Vendor confirms that the Lease will be in substantially the same form as all the other leases on the Vendors Development.
	The Call Option will be subject to satisfaction of conditions precedent which will include satisfactory planning consent and Practical Completion of the Units and exercise of the Call Option.  Each underlease will be for a term of 999 years less 10 days from the date of

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	commencement of the head lease and will be granted on the basis of tenure described in clause 7 below.
6. Purchase Price	The total premium to be paid by the Purchaser on will be £5.2 million (which is a figure exclusive of VAT).  The Premium is to be paid on a prorata basis for each Unit on completion of each Lease
7. Tenure	Underleases will be granted on the basis of that the tenure is Intermediate tenure as defined in the s106 Agreement.
8. Service Charges	The Purchaser will be responsible for payment of estate and building service charge. It may also be applicable for there to be a service charge payment in respect of parking if parking is provided in the Lease and CHP depending on the nature of the development.
9. Deposit	The Purchaser will pay a 10% deposit on exercise of the Call Option. The Call Option provides for the return of this deposit in certain circumstances.
10. Practical Completion of Units	Each Lease will be completed 10 working days after notice from the Vendor confirming that the relevant Unit has reached practical completion and an NHBC Cover Note has been issued for that Unit.
11. Costs fees and expenses	Each Party will pay its own fees in relation to the negotiations of the heads of terms and grant of the Leases.
12.Cooperation	The Parties agree to fully cooperate with each other and to provide all assistance to each other required in order to put agreements in place to give effect to these Heads of Terms.
13.Nature of agreement	Except clause 15 which shall be binding as of the date hereof, these heads of terms are not binding upon the Parties, and is subject to the negotiation and execution of definitive legal documentation reflecting its terms.
14. Confidentiality	The existence and content of these heads of terms is confidential and the parties agree they will not disclose this information except to their respective appointed professional advisors.
15. Vendor's Solicitor	Eversheds Kett House Station Road, Cambridge Tel: 0845 497 4582 Fax: 0845 497 3777 Email: DavidRoberts@eversheds.com FAO: David Roberts
16. Purchaser's solicitors	Bond Dickinson LLP  1 Whitehall Riverside

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## Confidential and Subject to Contract

	Leeds LS1 4BN
	Ref: LON/0055/32/VW
17. Governing law and	These heads of terms and all matters arising from it are governed by English law.
jurisdiction	The courts of England have exclusive jurisdiction to settle any dispute arising from
	or connected with this heads of terms.
18. Lease Provisions	Parties
	The Landlord - Stratford City Business District Limited
	The Tenant - London Borough of Newham
	Residential Management Company [name to be confirmed]. The Residential Management Company will take responsibility for performance and delivery of services after the HandOver Date (disposal of the last unit on the development)
	Demise
	The leases will be individual apartment leases which will be the internal demise of each apartment. Each lease will be subject to Tenants covenants and will have rights granted and rights reserved
	Tenants Covenants
	Covenants on the part of the Tenant substantially in the form attached at Annexure A to be agreed pursuant to the mechanism in the Call Option.
	Tenants Regulations
	Regulations substantially in the form attached at Annexure B, any new regulations which may be imposed from time to time will only be in the interest of principles of good estate management.
	Ground Rent
	[Each lease will provide for ground rent to be at £1.00 per annum save that once the Tenant ceases to have any interest in that particular Unit as it's undertenant shall have taken a final transfer of the Tenants legal and beneficial interest in the Property the Rent shall be the sum referred to as the Rent in the Lease until the first day of the [25 <sup>th</sup> year of the Term and shall double then and on the first day of each 25 <sup>th</sup> year thereafter until the [125 <sup>th</sup> ] year of the Term]
	Alienation
	Each lease will provide that the Tenant cannot assign its interest in the whole of

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the Lease except in circumstances that ensure compliance with the terms of the S106 Agreement, and ensure compliance with the terms of the Lease regarding payment of service charges, rents. A restriction will be entered on the Tenants title to the Property to ensure compliance with the terms of the Lease

#### Forfeiture

Each lease will contain forfeiture provisions, but the Vendor/Landlord agrees that prior to exercising any right of re-entry, it will serve no less than 28 days notice on any mortgagee of which notice has been given to enable the mortgagee to rectify the default.

## Manager

The Manager will initially be Stratford City Business District Limited as Landlord, after the Hand Over Date (last unit sale on the development) it will be the Residential Management Company of which the Tenant will be a member. The Manager will be responsible for the building and estate services which may include CHP and parking

### **Rights Granted**

Each lease will have the benefit of rights in similar form to those detailed in Annexure C

## **Rights Reserved**

Each lease will be subject to the rights reserved in similar form to those detailed in Annexure D

### **Service Charge Sectors**

The extent to which the Tenant will be expected to contribute towards the service charge sectors are yet to be finalised. However the intention is that there will be an estate service charge, covering the immediate estate and also a separate park wide estate service charge, a building service charge, an energy centre service charge and a parking service charge

### 19. Superior Lease

The Vendor acknowledges that any superior lease will not contain any new obligations that will be the responsibility of the Buyer

#### Annexure A

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#### **Tenants Covenants**

## 1. To Pay Rent and Service Charge

- 1.1 To pay the Service Charges to the Landlord or Manager (as applicable) in advance on the Payment Days (as defined in the unit leases) the first payment being a proportionate part calculated from the date of the lease to the next Payment Day to be made on the execution of the Lease;
- 1.2 To pay the Ground Rent yearly in advance to the Landlord (or to such person as the Landlord directs) on the Rent Day in each year the first payment being a proportionate part calculated from the date of the Lease to the next Rent Day to be made on the execution of the Lease;
- 1.3 To pay the Insurance Charge to the Landlord or if after Handover Date to Manager within seven working days of demand;

## 2. To Pay Outgoings

- 2.1 To pay all existing and future rates, taxes, charges, assessments and outgoings which may at any time during the Term be assessed charged or imposed upon or payable in respect of or by the owner or occupier of the Unit and without prejudice to the generality of the foregoing:-
  - 2.1.1 all consideration in respect of the supply of goods or services by the Landlord to the Tenant under the Lease is exclusive of any VAT which may be chargeable on it and on the date upon which a supply is treated as having been made for the purposes of the Value Added Tax Act 1994 ("VATA") the Tenant becomes liable to pay to the Landlord an amount equal to any such VAT;
  - 2.1.2 the consumption of Heat and hot water at the Unit; and
  - 2.1.3 where the Lease requires the Tenant to pay repay reimburse or provide any amount or other consideration in respect of a supply made to the Landlord of goods or services liable to VAT then the Tenant will pay to the Landlord a sum equal to any VAT charged to the Landlord on that supply less any part of that VAT for which the Landlord is entitled to credit under sections 24 to 26 VATA or which the Landlord is otherwise able to recover except that where the VAT supply relates partly to the Apartment and partly to other property then the Tenant's covenant is a covenant to pay to the Landlord a fair proportion (to be conclusively determined by the Landlord) of that sum;

### 3. Interest on Late Payment

If the Rent (whether demanded or not) or any other monetary payment under the Lease including (without prejudice to the generality of the foregoing) payments due pursuant to paragraphs 1.1 and 1.3 of the Third Schedule of the Lease is not paid within 14 of becoming due then to pay interest on it at the Interest Rate the interest to accrue from day to day commencing on the date when the payment became due until payment is made;

## 4. Payments by Direct Debit

4.1 To pay all sums that may fall due to the Landlord or Manager by direct debit/standing order or otherwise as the Landlord or Manager (as shall be appropriate) shall prescribe and to sign such authority to the Tenant's bankers as the Landlord or Manager (as shall be appropriate) may from time to time require;

#### 5. **Nuisance**

- 5.1 Not to do or permit or suffer anything to be done in or upon the Apartment or any part thereof which may be or become a nuisance or annoyance or cause damage or inconvenience to the Landlord or the tenants or occupiers of other properties on the Estate or lawfully using any Recreational Facilities nor may the Unit be used for any immoral illegal or unlawful purpose and not to carry out any activity which would damage the Unit or the building within which the Unit is situate;
- No noise music or singing whether by wireless gramophone instrument voices radio television or other means may be allowed in the Unit so as to be audible from outside the Unit between 23:00 and 08:00 or so as to be audible outside the Unit at other times if the occupier or adjoining or neighbouring apartment or apartments object;

#### 6. Landlord's Insurance

- Not to do or permit or suffer to be done anything which may render an increased or extra premium payable for insurance arranged pursuant to the provisions of the Lease (or the Superior Lease) or which may make the insurance void or voidable;
- If owing to the act or default of the Tenant the premiums on the building in which the Unit is situated are increased on demand to pay and indemnify the Landlord or the Superior Landlord against all increased premiums;
- Not to insure in respect of risks against which the Landlord or the Superior Landlord has insured under the provisions of the Lease;

- 6.4 If a claim is made under the Insurance Policies then to pay to the Landlord or the Superior Landlord on demand a fair proportion attributable to the Apartment of any excess required to be borne by the Landlord or the Superior Landlord;
- 6.5 If the Unit is damaged or destroyed by the occurrence of an Insured Risk to give immediate notice to the Landlord;
- 6.6 If the building within which the Unit is situated or any other part of the Estate or Estate is damaged or destroyed by an Insured Risk and the insurance money under the Insurance Policies is wholly or partly irrecoverable by reason of the act default or omission of the Tenant then and in every case immediately to pay to the Landlord the whole or (as the case may require) the irrecoverable proportion of the cost of rebuilding and reinstating the appropriate building;
- 6.7 If within five years from the date of the damage or destruction of the building within which the Unit is situated or any part of the Estate or Estate the reinstatement or rebuilding of the building, or any part of the Estate or Estate reasonably required for the use of the Unit is prevented for whatever reason then the Lease shall automatically be terminated (but without prejudice to the rights of either party in respect of any antecedent breach of covenant) and the proceeds of insurance shall (subject to the rights of any other interested parties) be held by the Landlord upon such trusts to be divided between the Landlord and the Tenant and the other tenants in the building as shall be agreed in due proportion to their respective interests in the building and the Estate and Estate or in default of agreement determined by a single arbitrator to be appointed by the President for the time being of the Royal Institute of Chartered Surveyors.;
- 6.8 To comply with all the requirements and reasonable recommendations of the Landlord's or the Superior Landlord's insurers, subject to it first being notified to the Tenant.

## 7. Parking

- 7.1 Not to park or accommodate any commercial vehicle caravan or boat on any parking space or on any part of the Estate save that a commercial vehicle is permitted to temporarily remain on the Estate for the purpose of delivery of goods only;
- 7.2 Not to carry out upon any part of the Estate (including any parking space) any repairs or servicing to any motor vehicle (except in an emergency nor cleaning of any motor vehicle);

- 7.3 Promptly to clean up any spillages of oil or other substances on the Parking Areas, the Common Parts and any other communal areas on the Estate;
- 7.4 Not to leave or put on any part of the Estate any motor vehicle motorcycle bicycle or other vehicle and to observe any regulations made from time to time by the Landlord relating to the parking of vehicles (and the Tenant acknowledges the right of the Landlord or its agent to apply wheel clamps to vehicles parked in contravention of such regulations and to charge a fee for removal);
- 7.5 To comply with the Landlord's car park management plan, subject to it first being notified to the Tenant.

#### 8. **Obstruction of Common Parts on the Estate**

- 8.1 Not to obstruct or block or permit or suffer to be obstructed or blocked wholly or partially in any way whatsoever any part of the roads accessways or footpaths laid down from time to time on the Estate;
- 8.2 Not to block or obstruct or allow to be blocked or obstructed all or any part of the Common Parts;

#### 9. Refuse

- 9.1 Not to deposit or permit or suffer to be deposited on any part of the Estate (except in the appropriate areas designated on the Estate as the refuse area for use by apartments within the building) any rubbish or refuse of any kind and not to use any bin stores for any purpose other than for the placing of domestic rubbish contained within a sealed refuse disposal bag or other similar sealed container and to comply with the Landlord's reasonable regulations from time to time as to disposal or recycling of rubbish and refuse;
- 9.2 No rags dirt rubbish refuse or other substances sanitary towels or nappies or other items that could cause blockage shall be inserted into or placed or left in the sinks baths lavatories cisterns or any pipes in the Unit nor shall any blockage or obstruction be caused therein in any other manner whatsoever;
- 9.3 Not to burn any rubbish in the Unit or on the Common Parts or on the Estate and not to deposit any rubbish in the Unit or Common Parts other than in proper receptacles as allocated from time to time by the Landlord;
- 9.4 Not to throw or allow to be thrown any rubbish or refuse or anything whatsoever out of any window or opening in the Unit or from the balcony or terrace adjoining the Unit;

## 10. Overloading of Floors & Storage of Materials

- Not to do or suffer to be done anything on or to the Unit which may prejudice weaken or endanger the Apartment or any part of the building in any way whatsoever and not without the previous consent of the Landlord to place or keep or permit to be placed or kept in or on the Unit or any part thereof any heavy article in such position or in such quantity or weight or otherwise in such manner howsoever as to overload or damage or to be in the opinion of the Landlord likely to overload or damage the building or any part thereof nor to use any part of the Apartment in such manner as to subject them to any strains beyond that which they are designed to bear;
- 10.2 Not to allow any petrol or oil to escape or drain into any of the pipes sewers or drains laid in on over or under the Estate or any part thereof nor to keep or allow to be kept in the Unit any flammable explosive noxious or dangerous substances of any kind (except in the fuel in the fuel tank of any vehicle lawfully parked on the Estate);

#### 11. Restriction on Use

- 11.1 No part of the Unit shall be used or be permitted to be used for any purpose save that of a single private dwelling;
- 11.2 No part of the Unit shall be used for a trade or business purpose or for any illegal, immoral, offensive or dangerous use, sale by auction or political meeting;
- 11.3 No placard or nameplate other than the name or number of the Unit (which in any event shall be of such type and in such position as the Landlord in its absolute discretion shall determine) shall be placed or allowed on any part of the building;
- 11.4 No television or other aerial or satellite dish other than any communal systems erected by the Landlord shall be erected or kept on the outside of the Unit;
- 11.5 Not to hang any curtains blinds or other window coverings in the windows of the Unit other than curtains blinds or coverings which are white as viewed from outside the Unit and which are the same specification as those that were originally provided by the Landlord (if any) or as otherwise required by the Landlord;
- 11.6 Not to allow any child under 15 years of age to play on the parts of the Estate designed for such use unless accompanied by an adult exercising effective control;

- 11.7 To take all reasonable steps to ensure that lawful visitors of the Tenant do not behave in a manner likely to interfere with the peaceful enjoyment of other owners and occupiers of the buildings or any person lawfully using the Estate;
- 11.8 Not to smoke in any part of the Estate (except the Unit);
- 11.9 Not to play or loiter in the Common Parts or to make any avoidable noise on the Common Parts between the hours of 22:00 and 06:00;
- 11.10 Not to use or permit to be used any barbecues or fireworks on any part of the Estate;
- 11.11 Not to stop up, darken or obstruct any windows in the Unit, or building or do anything else which may obstruct the flow of light or air to the Unit or the building;
- 11.12 Not to do anything in the Apartment or on any balcony/terrace that would prejudice the safe operation of the adjoining railway and comply with regulations made by the operator of any railway regarding the safe operation of the railway

## 12. Use of the Balcony/Terrace

- 12.1 Not at any time in relation to any terrace or balcony within the Unit to allow the balcony or terrace or any decking area to become unkempt and to maintain the same in a good and neat order and not to make any alterations or additions (whether structural or not to such balcony or terrace);
- 12.2 Not to permit any barbecues or gatherings on the balcony or terrace;
- 12.3 Not to carry out any activities on any balcony or terrace which would make such balcony or terrace structurally unsafe;
- 12.4 Not to permit any external heater or cooking equipment or fridge or other equipment on any balcony or terrace area;
- 12.5 Not to lift any paving slabs (if any) laid on any terrace or balcony;
- 12.6 To ensure that any items on the balcony are secured or safely stored in order to prevent any such item falling from the balcony or terrace and to be responsible for any damages costs and claims resulting from any breach of this paragraph;
- 12.7 Not to place any planter on the balcony without written consent of the Landlord or Manager;

- 12.8 To ensure that any plants on the balcony or terrace are properly maintained and to use all reasonable endeavours to prevent water from such plants encroaching onto any other part of the Estate or Estate;
- 12.9 Not to enclose any balcony or terrace with screens, windbreaks or similar structures or to affix anything to the balcony without previous written consent from the Landlord or Manager;
- 12.10 To pay for the cost of any repairs to the balcony carried out by the Landlord or Manager pursuant to paragraph 1 of Part II of the First Schedule within 14 days of demand;
- 12.11 Not to have any illuminated lights on the balcony which would prejudice the safe operation of the adjoining railway

#### 13. Repair

13.1 To keep the Unit in good and substantial repair during the Term and (whether the Landlord shall or shall not have served notice requiring the Tenant so to do) utilising best quality materials and in a good and workmanlike manner, to repair any damage the Apartment and all improvements and additions to the Unit and the Utility Service Installations comprised in and used exclusively for the benefit of the Unit.

The Tenant's obligation to repair will not extend to damage caused by Insured Risks provided its actions have not invalidated the insurance policy

- 13.2 To be responsible in all respects for all damage caused to the Unit or to other parts of the Estate and Estate through the bursting, overflowing or stopping-up of any Utility Service Installations comprised in and used exclusively for the benefit of the Unit caused by or through neglect of the Tenant its servants or agents. The Tenant will not be responsible for damages caused by the Insured Risks provided its actions have not invalidated the insurance policy.
- 13.3 To keep in good repair and regularly cleaned any fitted blinds installed in the Unit and not to remove such blind;
- 13.4 To replace any fitted blinds installed at the Unit with replacements agreed by the Landlord;
- 13.5 To keep the windows properly dressed and to keep the glass in the windows of the Unit properly cleansed (as often as reasonably required by the Landlord and where such windows cannot safely be reached by the Tenant to authorise and permit the

Landlord at the Tenant's cost to clean the same) and in the seventh year of the Term and in every seventh year thereafter and in the last year of the Term howsoever determined fully effectively and efficiently redecorate in a good and workmanlike manner all parts of the inside of the Unit to at least the standard pertaining at the date hereof or (at the option of the Landlord) to the standard pertaining to new residential accommodation of equivalent value at the determination of the said term;

- 13.6 Not to replace any of the glass in the windows and to notify the Landlord of any damage to the Landlord and Manager as soon as possible after occurrence of any such damage. On receipt of such notice the Landlord or Manager will repair the same as soon as reasonably practicable and the cost of such repair will be a debt due by the Tenant payable to the Landlord or Manager within 14 days of demand;
- 13.7 The Tenant will undertake any works required in any notice it receives pursuant to paragraph 21 of the Third Schedule of the Lease diligently and as expeditiously as possible to the reasonable satisfaction of the Landlord

#### 14. Alterations

- 14.1 Not to cut, maim, alter or injure any the Estate, the building, the Common Parts, Structural Parts of building or the principal walls, floors ceilings, structures, timbers, iron or stucco work of or on the Unit;
- 14.2 Not to alter amend or add to the internal layout and design of the Unit or any part of the Unit without the prior consent of the Landlord (such consent not to be unreasonably withheld) and then only upon payment of its proper fees and expenses so incurred including those of its professional and other advisers;
- 14.3 Not at any time to interfere with the external decoration or painting of the building;
- 14.4 Not to tamper with, alter, carry out any repairs (or arrange for the same to be carried out) by third parties to the Heat Installations, Heat Interface Unit or the Utility Service Installations not forming part of the Unit;

## 15. Permitted Floor Coverings

No person may reside in the Unit unless the floor is covered with suitable materials equal and equivalent to the specifications set out in the **Sixth Schedule**, which must not penetrate the main floor structure or compromise the inherent acoustic performance of the main floor structure in any way, except that they may be removed for cleaning, repairing, decorating or for some similar temporary purpose;

- 15.2 The Tenant shall before altering the floor covers apply to the Landlord for consent and consent shall not be unreasonably withheld or delayed where the permitted floor coverings comply with the Sixth Schedule of the Lease;
- 15.3 Following replacement of any floor coverings the Tenant shall deliver to the Landlord an acoustic report by a suitably qualified engineer confirming that the replacement flooring complies with the provisions of the lease

## 16. Visual Amenity of the Estate

- 16.1 Not to hang out or place washing or other articles on the outside of the Unit or on any balcony or terrace adjoining the Unit;
- Not to exhibit any form of flag sign advertising or notification material which is visible from the exterior of the Unit without the prior written consent of the Landlord;
- 16.3 Not to place entrance mats outside the Apartment or change the appearance of the Apartment entrance door;

#### 17. **Pets**

No bird or animal or reptile shall be kept in the Unit without the written permission of the Landlord which if given shall be deemed to be by way of licence revocable by the Landlord at will. This covenant does not prevent the keeping of a dog used as a guide or hearing dog or a dog for the disabled;

## 18. Not to Object to Landlord's Works

- 18.1 Not to make or permit or suffer to be made any claim or objection in respect of any works of construction, building installation, alteration, addition or repair carried out on the Estate or upon any land or apartment of the Landlord by the Landlord or by any persons authorised by it provided always that any such works shall be carried out with as little inconvenience to the Tenant as reasonably practicable;
- To permit the Landlord at any time or times during the Term to erect, rebuild or alter the building or any buildings or erections within the Estate or adjoining the Estate to any extent and in any manner the Landlord may think fit notwithstanding that the building so erected, rebuilt or altered may obstruct or interfere with the access of light or air for the time being to or enjoyed with the Unit or any part of the Unit or any building for the time being on the Estate;

## 19. Notices Affecting the Apartment

- 19.1 Immediately upon receipt thereof to deliver to the Landlord copies of all notices received from the Local Authority or any other corporation authority body or persons affecting the Unit;
- 19.2 To give written notice to the Landlord as soon as reasonable practicable of any defects in the Unit which may give rise to a liability or duty to the Landlord under common law or statute;
- 19.3 To give immediate notice to the Landlord of any encroachment on or circumstance which might result in the acquisition of any easement or other right over the Unit and to take or join in such proceedings or take such other steps as the Landlord may reasonably require to prevent such acquisition;

## 20. Permit Landlord Entry

- 20.1 To permit the Landlord, Superior Landlord, the Manager or their respective servants or agents with or without workmen and others during the said term at all reasonable times on giving not less than forty eight hours notice to the Tenant (except in case of emergency) to enter the Unit for:-
- the purposes of viewing (and to open up walls, floors and ceilings where the same is required in order to view) the condition or user of the Unit or for inspecting any works in progress or for taking inventories of the fixtures and things to be surrendered at the expiry of the Lease and the reading of meters
- the purpose of carrying out such repairs (in the event that the Tenant shall not have commenced to execute such repairs within two months of the date of service upon it of such notice (or if in the opinion of the Landlord there is some greater urgency then within such lesser period as may be practicable but in any event without any delay whatever)) PROVIDED THAT the costs incurred or to be incurred by it in so doing including any architects' surveyors' and legal fees (as certified by the Landlord's surveyor) shall be a debt recoverable from the Tenant to the Landlord as the case may be and shall be immediately recoverable by action and the Tenant shall from the date of demand until the date of bank clearance of such payment of the said cost pay interest at the Interest Rate and the Tenant hereby irrevocably appoints the Landlord respectively to be the agent of the Tenant throughout the term for the purpose of entering upon inspecting and viewing the condition of any parts of the Unit not at the time of such inspection in the occupation of the Tenant;

- for the purpose of ascertaining that the covenants and conditions of the Lease have been observed and performed;
- 20.5 to effect any works necessary for repairing maintaining and upholding the building and the Common Parts and any other part of the Estate; and
- 20.6 for any other lawful purpose;

## 21. **To Comply with Statute**

- 21.1 To execute such works as are or may be under or in pursuance of legislation common law and/or codes of practice in force at any time during the said term directed or required to be executed upon or in respect of the Apartment (and whether by the Landlord or the Tenant thereof);
- 21.2 To comply with all requirements and recommendations from time to time of any competent authority in relation to fire precautions and means of escape affecting the Unit and to keep sufficient smoke detection apparatus in about the Apartment open to inspection and properly maintained and not to obstruct the access to or means of working them nor any means of escape from the Unitt;

## 22. Temporary Absence from the Unit

- 22.1 In the event of the Tenant not being resident in the Unit for a continuous period in excess of three calendar months to notify the Landlord or its managing agents in writing of the name and address of a suitable agent being a surveyor solicitor accountant or other person responsible for the compliance on behalf of the Tenant with the Tenant's covenants contained in the Lease;
- 22.2 If the Unit is left unoccupied for any continuous period of more than 7 days to turn off mains water supply to the Unit;

## 23. Comply with Encumbrances on Title and Superior Lease

23.1 To observe and perform the covenants and other matters referred to in the documents mentioned in the property and charges register of title numbers SELLER'S TITLE NUMBER so far as the same are still subsisting and capable of being enforced and to indemnify the Landlord against all claims actions proceedings costs damages expenses and demands in respect of any breach non-performance or non-observance thereof;

23.2 To comply with all the tenant's covenants and the provisos in the Superior Lease (except for the covenant to pay rent, repair the structure and exterior of the buildings and repair the common parts);

## 24. To Observe Future Regulations

To observe the regulation and variations to such regulations from time to time made by the Landlord (and after the Handover Date the Manager) to regulate the use of the building, the Estate, and the Common Parts including any regulations relating to parking and the issue of car parking permits (if any);

## 25. **To join in Agreements**

- 25.1 To grant such further rights and easements or to enter into such covenants as shall be required by public bodies in respect of Utility Service Installations, Heat Installations and any other conducting media in such form as they reasonably require and to join in any agreement for adoption as may be required Provided That the tenant shall not be liable for any costs in relation to this;
- At any time and from time to time to enter into such agreements or obligations under the Planning Acts (whether under Section 106 of the Town and Country Planning Act 1990 or otherwise) as may be required by the Landlord in relation to the Estate or any part or parts of it in relation to town and country planning provided that the agreement or obligation is expressed not to bind or be enforceable against the owner or occupier of the Unit or any mortgagee of such person;

## 26. Indemnity In Respect of Breach

To indemnify and reimburse the Landlord for costs, charges, expenses, losses and other liabilities arising from the non-observance or non-performance by the Tenant or its undertenant or licensee or invitee of any covenants relating to the Unit and the building, the Common Parts and the Estate contained in the Lease;

## 27. Yield Up

At the expiration or sooner determination of the Term quietly to yield up to the Landlord the Unit in such repair and condition as complies with the Tenant's obligations under the Lease;

## 28. To Provide Information Requested

- 28.1 From time to time on demand to furnish the Landlord, Superior Landlord or Manager with full particulars of all interests in the Unit;
- 28.2 To disclose such information as the Landlord, Superior Landlord or Manager may require in relation to any application or request made or particulars produced to the Landlord, Superior Landlord or Manager;

## 29. Indemnity

- 29.1 To pay to the Landlord, Superior Landlord or Manager on a full indemnity basis all costs claims demands and expenses (including without prejudice to the generality of the foregoing all professional fees incurred by the Landlord in contemplation of or in relation to or as a result of:
- any notice under Section 146 or 147 of the Law of Property Act 1925 and or any proceedings pursuant to such notice;
- 29.3 any breach of an obligation of the Tenant under the Lease; and
- any application for consent under the Lease save where consent is unreasonably withheld in breach of an obligation of the Landlord not to do so.

## 30. Planning Permission

- Not to make any application for planning permission in respect of the Unit without prior written consent of the Landlord;
- Not to make any objection to any applications which may be submitted to the local planning authority from time to time on behalf of the Landlord for planning permission in relation to the Estate or any part or parts of it so long as such application does not materially diminish the value of the Apartment;

## 31. [Car Parking Permits & The Section 106 Agreement

31.1 The Tenant acknowledges and agrees that the Landlord has brought to the attention of the Tenant the restrictions contained in the Section 106 Agreement whereby no application may be made to the local authority for a resident's parking permit and the Tenant covenants with the Landlord to comply with such provision and to indemnify the Landlord against any cost claim and liability arising from any breach of this provision;

- 31.2 Not to do anything that would cause the Landlord to be in breach of any provision of The Section 106 Agreement including without prejudice to the generality of the foregoing the provisions of paragraph 34.1 above and to indemnify the Landlord and the Manager against any costs, claims, demands or loss arising from such breach;
- 31.3 To comply with all of the provisions of The Section 106 Agreement in so far as they relate to the Apartment, the residential occupation of the Apartment or to residential tenants on the Estate and to indemnify the Landlord and the Manager against any costs claims demands or loss arising from such breach.]

# DN: THIS CLAUSE IS DEPENDENT ON WHETHER S.106 CONTAINS PERMIT RESTRICTIONS

## 32. Energy Centre

32.1 [To enter into forthwith as soon as requested by the Landlord any Energy Services Agreement that may be required by a utility company in relation to the provision of air cooling and heating and hot water which the Landlord may delegate to the utility company to provide and to pay the proportion of the Building Service Charge, Parking Service Charge, Estate Service Charge and Energy Centre Service Charge relevant to such services to the utility company and if so directed by the Landlord to set up a direct debit or standing order if required;]

## 33. Heat Interface Unit

- If requested to do so by the Landlord or the Manager, the Tenant shall enter into a Heat Supply Agreement directly with the Energy Services Company for the supply of Heat to the Property and the Tenant will be liable for such costs directly to the Energy Service Company payable for the supply of Heat and maintenance and upkeep of the Heat Installations;
- 33.2 Not to interfere, tamper, repair or carry out works on the Energy Centre, Heat Installations or Heat Interface Unit and immediately upon becoming aware to report any defect in or damage to these installations to the Energy Services Company (if any), the Landlord and the Manager;
- 33.3 Not to arrange for repairs or other works to be carried out to the Heat Interface Apartment unless the works or repairs are carried out by a contractor previously approved by the Manager;

33.4 The Tenant shall, if requested to do so by the Landlord, Superior Landlord or Manager, join in any agreement required to connect the Central Heating Plant to a district central heating plant;

#### 34. Alienation

- Not to assign underlet or part with possession or occupation of part of the Unit as distinct from the whole;
- 34.2 Not to assign underlet or part with possession or occupation of the whole of the Unit for a period of less than two years;
- Not to assign underlet or part with possession or occupation of the Unit except to an assignee or underlessee who complies with the provisions of the next following sub-clause as to the execution of a Deed of Covenant in the form set out in the Lease;

34.4

- 34.4.1 should the Tenant or any underlessee desire to transfer or assign the Lease of the Apartment or underlet the Unit to ensure that the transferee assignee or underlessee enters into and executes a Deed of Covenant (in duplicate) substantially in the form set out in the Lease contemporaneously with the transfer assignment or underlease and with such alterations as the deaths of the parties or such other circumstances render necessary and to lodge the Deed of Covenant and the duplicate with and to pay a reasonable fee to the Landlord or Manager in connection with the approval engrossment and recording of the Deed of Covenant (including any fees payable in respect of the rewording of the Deed of Covenant pursuant to the provisions of the Lease);
- 34.4.2 upon a devolution or transmission of the Lease or of an underlease of the Apartment not within that set out paragraph 34.4.1 to use his reasonable endeavours to ensure that the person in whom this underlease of the Unit becomes vested as a result of the devolution or transmission enters into and executes a Deed of Covenant (in duplicate) substantially in the form set out in the Lease and with such alterations as the deaths of the parties or as such other circumstances render necessary and lodges the Deed of Covenant and the duplicate with and pays the reasonable fees of the Landlord in connection with the approval engrossment and recording of the Deed of Covenant (including any fees payable in respect of the

rewording of the Deed of Covenant pursuant to the provisions of the Lease);

- 34.4.3 Where there is a subsisting Heat Supply Agreement, not to assign transfer or underlet the Unit or to enter into any tenancy arrangements without including contemporaneously with such assignment, underletting or tenancy that the assignee, undertenant or occupier enters into a new Heat Supply Agreement or takes a lawful novation of the then existing Heat Supply Agreement and within 14 days of the assignment, underletting or tenancy to give written notice to the Energy Services Company (if any) of the dealing and the identity of the new occupier;
- 34.4.4 within one calendar month of every transfer assignment mortgage or legal charge of the Lease of the Unit and of every transfer or assignment and also of every Grant of Probate or Letters of Administration Order of Court or other instrument effecting or evidencing a devolution of the title of the Lease being executed or operating or taking effect or purporting to operate or take effect to provide the Landlord with a certified copy for the purpose of registration and to pay to the Landlord a reasonable registration fee initially (being not less than £120 and VAT); and
- 34.4.5 In the case of any assignment sublease underletting or disposition to a person or company not ordinarily resident in England or Wales to supply to the Landlord an address for service of notices and proceedings in England other than the Apartment which address shall thereafter be deemed the address for service in England of that non-resident until the Landlord shall have received written notice of an alternative address other than the Apartment for service in England; and
- 34.4.6 In the case of any underletting for 3 years or less the Tenant will:
  - 34.4.6.1 ensure that such letting is by way of an assured shorthold tenancy;
  - 34.4.6.2 provide a certified copy of such underletting to the Landlord and, after the Handover Date, the Manager; and
  - 34.4.6.3 ensure that such underletting contains a provision obliging the undertenant to observe and perform the covenants in the Lease other than the payment of Rent and Service Charges.

#### Annexure B

#### Regulations

## 1. Use of the Apartment

No more than two adult people may occupy any bedroom and no bedroom may contain more than two beds. This regulation does not apply to children's beds, cots and bassinets.

Not to keep anything within the Unit that is visible from outside the Unit and is not in keeping with the building.

## 2. Behaviour of Owners and Occupiers

To preserve the development as a high class residential estate any owner, or lawful visitor of any owner must be adequately clothed and must not use language or behave in a manner likely to cause offence or embarrassment to any other occupier or owner of another unit on the estate or to any person lawfully using the common parts and facilities of the estate.

## 3. Safety on Balconies, terraces and other open areas

Owners and occupiers must ensure that any items on balconies are properly secured so as to prevent them blowing away or falling so as to have the potential to cause injury to another person. This shall include

Weighting down umbrellas at the base

Not leaving umbrellas up when the terrace is not in use or where the weather causes a danger that these will be blown away

Storing all portable items away in the Unit when they are not in use.

## 4. Use of the Recreational Facilities

The Landlord and Manager take no responsibility for personal items left in the recreational facilities. Owners must ensure that all personal belongings are removed from the recreational areas.

[The Grow Garden may only be used as part of the gardening club on the Estate]

## 5. Use of the Lifts

Not to allow children to operate the lifts

All owners and occupiers are responsible for complying with the instructions regarding the use and operation of the lifts which may from time to time be issued by the Landlord or Manager and for ensuring that their visitors are aware of any such instructions.

The weight limits of the lifts must not be exceeded.

## 6. Moving Furniture

No owner or occupier shall transport furniture or large objects through common parts of the estate or within the building without having first given sufficient notice to the building manager so as to enable a representative to be present at the time when the owner or occupier does so.

If any damage is caused to the building or common parts of the estate by the transport of any such object then the owner or occupier is responsible for the cost of remedying the damage.

## 7. Common Parts

If the Tenant or any occupier or lawful visitor to the estate spills anything in the common areas of the estate then this must be cleaned immediately.

#### **Annexure C**

### Rights Granted

## [DN - the exact extent of rights granted to be finalised on the grant of the Leases]

The following are specimens of rights that could be granted to the Tenant subject to and conditionally upon the Tenant paying the Rent and the Service Charges and complying with the covenants and regulations as may from time to time be made by the Landlord or the Superior Landlord in the Lease :

- a right of way where appropriate (in common with the Landlord and all others entitled to the like right) over in and along the Common Parts and the roadways, courtyards, footpaths, walkways and other areas of the Estate designated from time to time by the Landlord or the Superior Landlord providing access to and egress from the Estate subject to compliance by the Tenant;
- 2. the right of support and protection for the Unit from all other parts of the building and the Estate;
- 3. subject to the rights reserved the flow and uninterrupted right of use, passage and running of Utility Services in common (where appropriate) with all others using them from and to the Unit through the cisterns, tanks and Utility Service Installations now or to be constructed in or under any part of the Estate and from time to time serving the Unit;
- 4. the flow and uninterrupted right of Heat and hot water with all others using them from and to the Unit through the Heat Installations now or to be constructed in or under any part of the Estate and from time to time serving the Unit;
- 5. the exclusive right to use the balcony or terrace adjoining the Apartment if any and to which access is obtained from the Apartment; **DN: REMOVE IF NO BALCONY**
- 6. the right to place rubbish in the refuse bins provided in the bin store area allocated from time to time by the Landlord or Manager within Building [ ] or on the Estate
- 7. the right to use [ a ] [two] space[s] in any cycle store on the Estate for [a] [two] pedal cycle[s] only; **DN: 1-2 BEDS HAVE ONE SPACE. 3-4 BEDS HAVE 2 SPACES**
- 8. the right to connect up to and use the internal security system, television or satellite, aerial, dish or other television system installed in the building by the Landlord

- or Manager for the common use of the owners of the apartments in the building;
- 9. the exclusive right (subject to the right for the Landlord/the Manager to substitute the parking space for an alternative space) to use the Parking Space for the parking of one fully taxed licensed and roadworthy private motor car that fits within the boundaries of the Parking Space (but only in conjunction with the use and occupation of the Apartment) or any substituted parking in the Parking Area allocated by the Landlord or Manager; ] DN: REMOVE IF NO RIGHT TO PARK GRANTED

#### Annexure D

## (Rights Reserved)

### [DN - the exact extent of rights reserved to be finalised on the grant of the Leases]

The following are specimens of Rights that could be excepted and reserved to the Landlord and Manager together with their contractors, employees, agents or persons acting at their direction

- 1. The right for the Landlord, Superior Landlord and Manager at reasonable times (except in the case of emergency) and whenever possible on giving reasonable notice to enter the Unitt for the purpose of executing works of repair, decoration, reinstatement, replacement, renewal, alteration, addition, inspection or improvement to the Unit under any of its contractual obligations under the National House Building Cover Guarantee and/or the Lease and/or upon any other part of the Estate not comprised within the definition of the Unit and for the avoidance of doubt including the balcony or for any reason pursuant to the Superior Lease or to remove any unauthorised items the work being done with reasonable despatch causing as little disturbance as possible and making good all damage caused;
- 2. The right of support and protection for all other parts of the building and the Apartment;
- 3. the right to substitute the Parking Spaces for another space on the Estate provided that any substitute space shall be no less commodious than the Parking Space; DN: REMOVE IF NO RIGHT TO PARK GRANTED
- 4. The flow and uninterrupted right of use passage of Heat and hot water in common with the Tenant from and to all other parts of the Estate through the Heat Installations now or to be constructed in or under the Unit;
- 5. The flow and uninterrupted right of use passage and running of Utility Services in common (where appropriate) with the Tenant from and to all other parts of the Estate through the cisterns tanks and Utility Service Installations now or to be constructed in or under the Unit;
- 6. The right of entry upon the Unit at reasonable times for the purpose of inspecting, repair, maintenance, cleansing, renewing, replacing or connecting to the Utility Service Installations within the Unit now or in the future subject to the Landlord giving not less than seven days written notice to the Tenant (save in the

case of an emergency) PROVIDED THAT (save where such entry is required due to an emergency or pursuant to a legal obligation) such rights shall only be exercisable if the purpose for exercising such rights cannot be reasonably performed without such entry;

- 7. The right of entry upon the Unit in order to clean any windows not cleaned by the Tenant pursuant to the provisions of the Lease and to charge the cost of doing so to the Tenant such cost to be paid within 14 days of demand;
- 8. The right for the booms and counter booms of any cranes (but no other parts of any cranes) under the control or with the authority of the Landlord upon any adjoining or neighbouring land to oversail any airspace above the Unit and any balcony/roof terrace the use of which is enjoyed with the Unit;
- 9. The right of entry for the Landlord, Manager and Energy Service Company to enter onto the Unit to repair, renew, replace, inspect and maintain the Heat Installations and Heat Interface Unit; and
- 10. All rights enabling the Landlord to have full use and enjoyment of any adjoining or neighbouring land for any purpose whatsoever connected with the conversion, appropriation, Estate or building at any time hereafter of such adjoining or neighbouring land for building or other purposes and whether or not the same shall obstruct or interfere with the access of light or air to the Unit.

Annexure E

(Plan of Site)

Annexure F

(Plan of Eligible Units)

## Annexure G

(copy of Option Agreement)

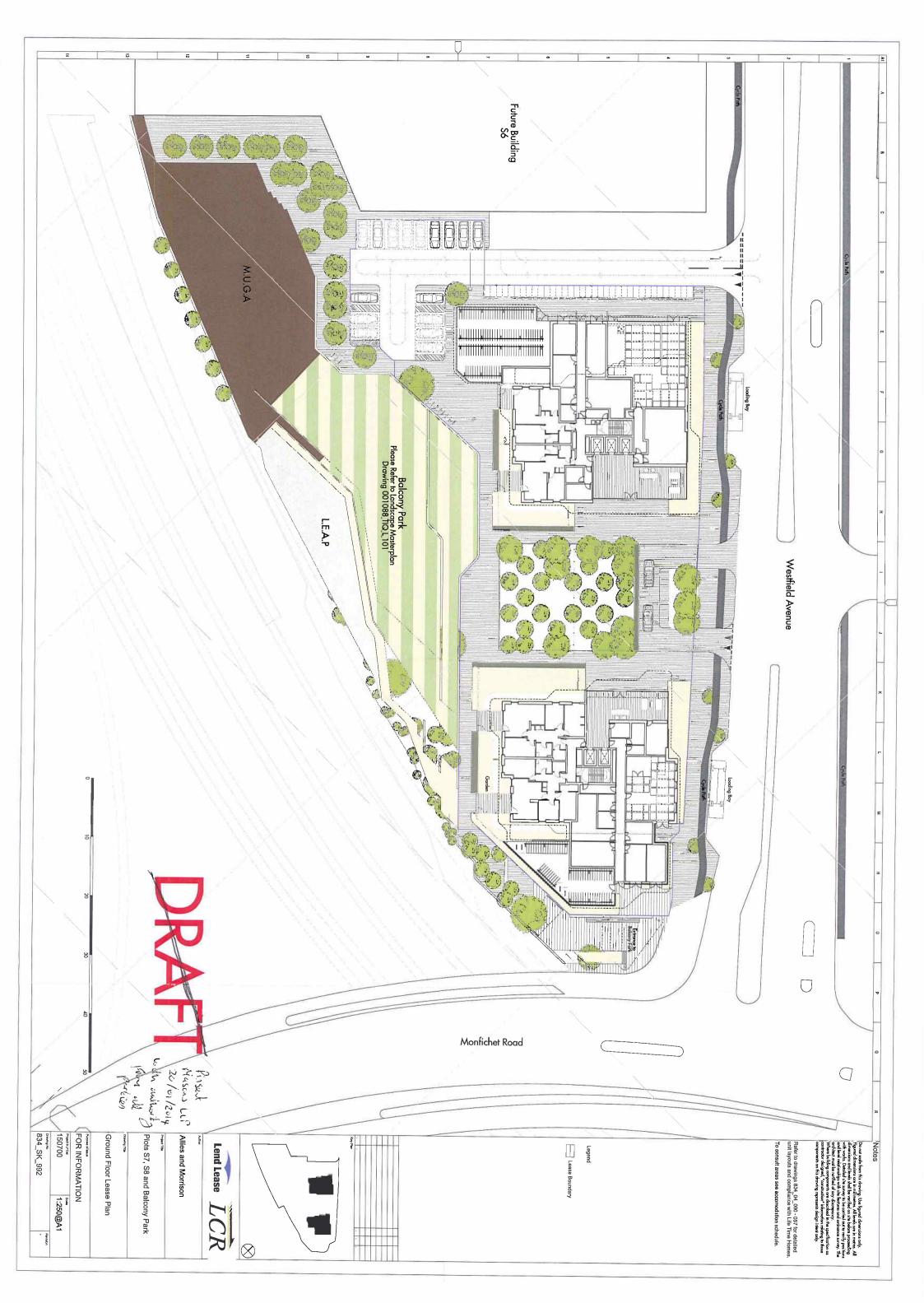
## Annexure H

(Affordable Housing Units Agreed Tenure Mix)

# SCHEDULE 6 DESIGNATED AREA

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## SCHEDULE 7 OPTION BUILDING PLAN

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