Dated: Ist November 2012

AGREEMENT

under Section 106 of the Town and Country Planning Act 1990 (as amended) relating to land at Chapel Hill Longridge, Preston

between

Ribble Valley Borough Council

NOW THIS DEED WITNESSES as follows:-

1. DEFINITIONS

Expression	Meaning
"Act"	the Town and Country Planning Act 1990 as amended
"Affordable Housing"	housing that is affordable to local persons who cannot afford to rent or buy accommodation generally available on the open market on readily available terms who have need of local housing

"Affordable Housing Scheme"

a scheme submitted by the Owner to the Council for the provision of Affordable Housing which shall include the following:-

- (a) the forecast date for commencement and completion of each phase of the housing element of the Development
- (b) whether social housing grant from the Housing Corporation or any other source of financial assistance is expected towards the cost of providing the Affordable Housing as part of the Development

"Affordable Housing Units"

16 units of Affordable Housing to be constructed on the Land in accordance with the Planning Permission and the provisions of this Agreement and "Affordable Housing Unit" shall be construed accordingly

"Affordable Rent Units"

the Affordable Housing Units which are available for rent at a level which is no more than 80% of local market rents and "Affordable Rent Unit" shall be construed accordingly

"Affordable Rent/Discount Sales Strategy"

Sales a written strategy to be prepared by the Owner and submitted to the Council which sets out how the Owner will deliver the Affordable Housing Units in the absence of a Registered Provider. This strategy shall include the same affordable housing offer in terms of house types and the same eligibility criteria as would have been delivered by the Registered provider under the provisions of this Agreement but the rent that can be charged shall be a private rent at local housing allowance rates with 100% nomination rights to the Council and the shared ownership properties shall be delivered as

"Approved Person"

discount sale units at 40% discount from open market value

Persons who meet the Eligibility Criteria and who shall be selected in the following order of priority:-

- (a) people who have lived in the Borough of Ribble Valley for 10 years or more and continue to live there
- (b) people who have lived in the Borough of Ribble Valley for more than 5 years and continue to live there
- (c) people who have lived in the Borough of Ribble Valley for the last 12 months and continue to live there
- (d) people currently permanently employed and working in the Borough of Ribble Valley
- (e) people returning to the Borough of Ribble Valley having previously lived there

"Commencement Date"

the date on which any material operation (as defined in Section 56(4) of the Act) forming part of the Development begins to be carried out other than operations consisting of site clearance, demolition work, archaeological investigations, investigations for the purpose of assessing ground conditions, remedial work in respect of any contamination or other adverse ground conditions, erection of any temporary means of enclosure, the temporary display of site notices or advertisements

"Community Infrastructure Levy"

any Community Infrastructure Levy adopted by the Council pursuant to the Community

Infrastructure Levy Regulations 2010 (as shall be amended and updated from time to time) "Development" the development of the Land for full planning permission for access landscaping and the erection of 52 new build residential properties the conversion of the former barn to one dwelling unit and refurbishment of existing residential unit (53 Chapel Hill) "Eligibility Criteria" the Registered Provider shall ensure that the occupiers of all Affordable Housing Units demonstrate that they have sufficient income to rent/purchase (as appropriate) the unit but that they could not afford to rent/purchase (as appropriate) the unit on the open market, that they have a satisfactory credit history and that they have sufficient funds to cover the costs of any legal costs involved in the rent/purchase (as appropriate) of the unit "Interest Rate" the base lending rate for the time being of the Barclays Bank PLC compounded annually "Land" land at Chapel Hill Longridge as shown edged red on the plan attached to this Agreement "Market Dwellings" the residential units to be constructed on the Land pursuant to the Planning Permission excluding the Affordable Housing Units "Mortgagee" the mortgagee of an Affordable Housing Unit "Planning Application" the application which was submitted by the

"Planning Permission"

Owner to the Council on 25 January 2012 and

the planning permission granted by the Council

allocated reference number 3/2011/1071P

pursuant to the planning applications

"Shared	Ownership	Units"
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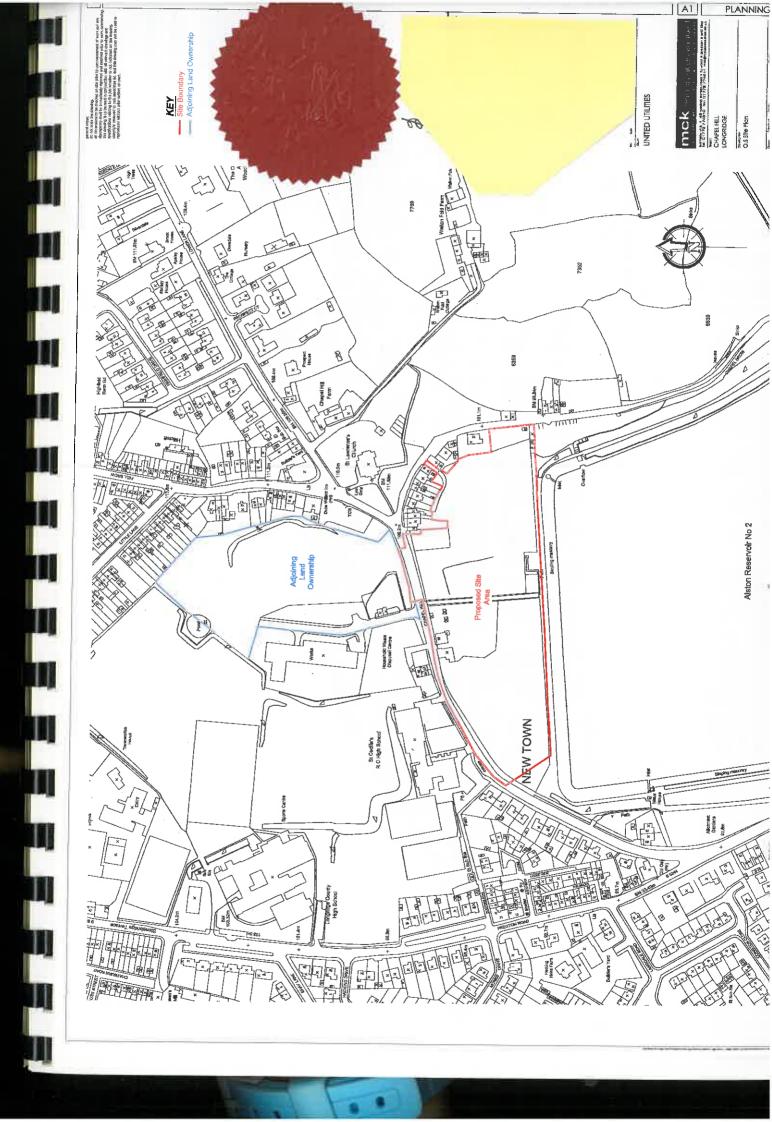
the Affordable Housing Units which shall be available on a shared ownership basis where each occupier shall acquire an interest in the unit of between 25% and 75% and may staircase up to 100% of the open market value of the unit in increments at times of his/her election, the balance of the equity in the unit being let to the occupier at a rent equal to or less than that permitted by the Housing Corporation and "Shared Ownership Unit" shall be construed accordingly

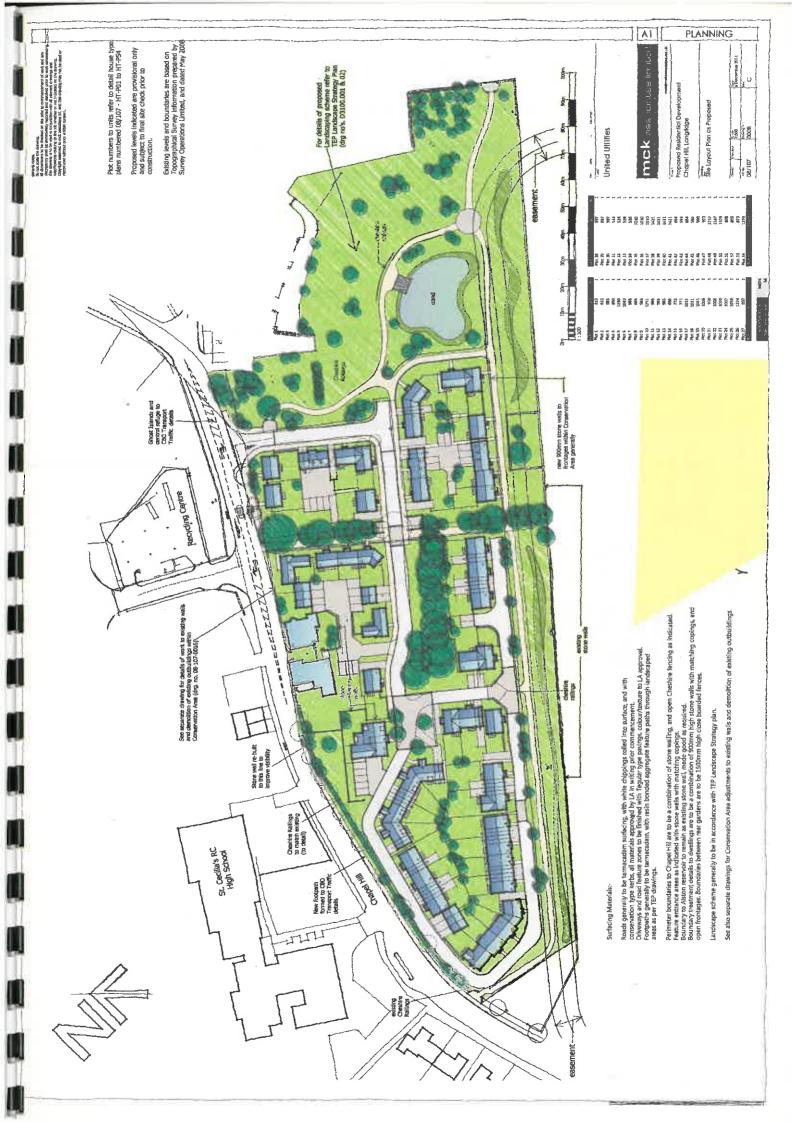
"Registered Provider"

a registered social landlord or other registered provider approved by the Council

INTERPRETATION

- 2.1 References to any party shall include the successors in title of that party and those deriving title through that party and, in the case of the Council, the successors to their functions
- 2.2 Obligations entered into by a party which comprises more than one person shall be deemed to be entered into jointly and severally
- 2.3 Words importing persons include firms, companies and bodies corporate and vice versa
- 2.4 Words importing the singular shall include the plural and vice versa
- 2.5 Words importing anyone gender shall include either other gender
- 2.6 Construction of this Agreement shall ignore the headings, contents list and frontsheet (all of which are for reference only)
- 2.7 References to a numbered clause, schedule, paragraph or appendix are references to the clause, schedule, paragraph or appendix of or to this Agreement so numbered
- 2.8 Any reference to a statutory provision shall be deemed to include:





2.0.1	any subsequent re-enactment of amending provision and
2.8.2	every statutory instrument, direction or specification made or issued under that provision or deriving validity from it
2.9	An obligation to do something includes an obligation to procure it to be done and
2.10	An obligation not to do something includes an obligation not to allow it to be done
3.	ENABLING PROVISIONS
3.1	This Agreement is a planning obligation by agreement made pursuant to the provisions of Section 106 of the 1990 Act with the intention of binding the Land and every part of the Land in accordance with that section
3.2	Insofar as any of the covenants contained in this Agreement are not planning obligations within the meaning of the Act they are entered into pursuant to
	Section 111 of the Local Government Act 1972 and all other enabling powers
4.	COMMENCEMENT
4.1	The obligations contained in this Agreement shall come into effect and bind the Owner from the Commencement Date
5.	COVENANTS WITH THE COUNCIL
5.1	The Owner covenants with the Council with the intention of binding the Land and every part of the Land:
5.2	to observe and perform the obligations set out in the First Schedule; and
5.3	agree with the Council that:
5.3.1	the obligations in this clause 5 constitute a planning obligation for the purposes of section 106(9)(a) of the Act; and
5.3.2	the Council is the local planning authority by whom the obligations in this clause 5 are enforceable for the purposes of section 106(9)(d) of the Act
6.	COVENANTS BY THE COUNCIL
6.1	The Council covenants with the Owner:

- 6.1.1 Upon written request of the Owner at any time after any of the obligations of the Owner under this Agreement have been performed or otherwise discharged to issue written confirmation thereof and
- 6.1.2 Where its approval is required to any matter under this Agreement not to unreasonably withhold or delay such approval

7. NOTICES

- 7.1 All notices, demands or other written communications to or upon the parties pursuant to this Agreement shall be deemed to have been properly given or made if despatched by first recorded delivery letter to the party to which such notice, request, demand or other written communication is to be given or made under this Agreement and addressed as follows:
- 7.1.1 in the case of the Council sent to the Council Offices Church Walk Clitheroe Lancashire BB7 2RA
- 7.1.2 in the case of the Owner to their company secretary at their registered office or such other address for service as shall have been previously notified to the other party
- 7.2 Any such notice, request or demand or other written communication shall be deemed to have been served at the expiration of 48 hours after the envelope containing the same was delivered into the custody of the postal authority within the United Kingdom and in providing such service it shall be sufficient to prove that the envelope containing such notice, request, demand or other written communication was properly addressed and delivered into the custody of the postal authority in a prepaid first class or recorded delivery envelope (as appropriate)

8. CESSATION AND LIABILITY

- 8.1 This Agreement shall cease to be of effect if the Planning Permission:
- 8.1.1 is quashed as a result of legal proceedings without the relevant planning permission having been commenced; or
- 8.1.2 expires before the Commencement Date; or
- 8.1.3 is revoked; or

- 8.1.4 is modified by any statutory procedure without the consent of the Owner
- 8.2 The cessation of this Agreement shall not affect the liability of any party for any earlier breach.
- 8.3 Upon the cessation of this Agreement the Council shall forlhwith procure the removal (or in the case of a cessation affecting only part of the Land a modification) of entries relating to this Agreement from the register of local land charges.
- 8.4 No person shall be liable for any breach of the covenants, restrictions or obligations contained in this Agreement occurring after he has parted with his interest in the Land or part of the Land in respect of which the breach occurs.
- Upon the performance discharge or other fulfilment of the obligations (or any of them) of the Owner under the terms of this Agreement such obligation or obligations shall absolutely cease and determine.
- 9. LOCAL AUTHORITY POWERS
- 9.1 Nothing in this Agreement fetters or restricts the exercise by the Council of its powers
- 10. LOCAL LAND CHARGE
- 10.1 This Agreement is a local land charge and shall be registered by the Council as such
- 11. RIGHTS OF THIRD PARTIES
- A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.
- 12. EXECUTED AS A DEED
- 12.1 This Agreement is a deed within the meaning of section 1 of the Law of Property (Miscellaneous Provisions) Act 1989 and is executed as such
- 13. DISPUTE RESOLUTION

- 13.1 Any dispute or difference arising out of this Agreement shall be submitted for the determination of an expert.
- The expert shall be appointed by the parties jointly or, in default, of agreement within 10 clear Working Days after either party has given to the other a written request requiring the appointment of an expert, by the President of the Royal Institute of Chartered Surveyors ("the President")
- 13.3 The President shall, if so requested, appoint an independent chartered surveyor as such expert or other person qualified in the discipline that the President deems appropriate for the dispute or difference in question. The expert so appointed must:-
- 13.3.1 act as an expert and not as an arbitrator;
- 13.3.2 afford the parties the opportunity within reasonable time limits to make representations to him;
- 13.3.3 inform each party of the representations of the other;
- 13.3.4 afford each party the opportunity within reasonable time limits to make representations to him on the representations of the other; and
- 13.3.5 notify the parties of his decision, with reasons, as guickly as practicable
- 13.4 The fees and expenses of the expert including the cost of his nomination shall be borne equally by the parties who shall bear their own costs as to the submission and determination of the dispute or difference by the expert
- 13.5 The expert's determination is to be conclusive and binding on the parties except:-
- 13.5.1 where there is a manifest error; and/or
- 13:5.2 on a matter of law
- 13.6 Either party may pay the share of the expert's fees and expenses due from the other party on behalf of the other party if such share is not paid within 20 Working Days of demand by the expert in which case the amount so paid plus all incidental expenses shall become a debt due and immediately payable to the paying party from the other party
- PAYMENTS DUE AND VAT

- 14.1 All sums payable by the Owner to the Council under the provisions of this Agreement shall be paid within 14 days of the dates specified
- 14.2 The Owner shall pay the Council's legal costs in connection with preparation of this Agreement on the execution thereof provided always that such sum shall not exceed £500

15. INTEREST

15.1 If either party shall fail to pay any sums due under the terms of this Agreement within 14 days of the due date that party shall become liable to pay interest on such sums from the date that they become due to the date on which they are actually paid at the rate of three per centum (3%) above the base lending rate of Barclays Bank Plc from the time being and from time to time in force.

16. AGREEMENTS AND DECLARATIONS

- 16.1 Nothing in this Agreement shall prohibit or limit the right to develop any part of the site in accordance with any planning permission (other than the Planning Permission) granted (whether or not on appeal) after the date of this Agreement
- 16.2 In the event that any of the provisions of this Agreement are unenforceable this shall not affect the enforceability of the remaining provisions hereof
- Any variation of this Agreement agreed between the Owner and the Council in writing shall not vitiate the remainder of this Agreement which shall remain in full force and effect subject to the amendment or amendments so agreed
- 16.4 Where any consent or approval is required under the terms of this Agreement such consents or approval shall not be unreasonably withheld or deleted
- The covenants on the part of the Owner contained in this Agreement shall not be enforceable against individual purchasers of dwellings units forming part of the Development or against statutory undertakers in relation to any parts of the site acquired by them for electricity sub-stations, gas governor stations or pumping stations

17. GOVERNING LAW

- 17.1 The parties hereto hereby acknowledge that this Agreement shall be subject to the law of England and Wales and shall be governed by the jurisdiction of the Courts therein
- 18. ENTRY ONTO COUNCIL LAND
- This Agreement does not give ever expressed or implied consent for any party to enter onto Council owned land for any purpose whatsoever any such consent will have to be obtained separately from the Council as and when necessary. The Council as landowner will have the right to refuse any such request for consent.
- 19. COMMUNITY INFRASTRUCTURE LEVY
- 19.1 It is hereby agreed and declared that the Owner will not be liable to make any payments pursuant to the Community Infrastructure Levy which duplicate the contributions for which the Owner is liable under the terms of this Agreement

IN WITNESS whereof the Owner and the Council have executed this document as a Deed and delivered it the day and year first above written

FIRST SCHEDULE

Covenants by the Owner

The Owner covenants with the Council as follows:

- To submit an Affordable Housing Scheme to the Council which provides for sixteen Affordable Housing Units which shall be delivered as six two bedroomed houses eight three bedroomed houses and two four bedroomed houses (eight Shared Ownership Units and eight for Affordable Rent Units) (all for Intermediate Rent or Affordable Rent and eight of which to be built to the lifetime home standard and available to households where at least one member of the household is aged over 55); or for an alternative mix of Affordable Housing Units to be agreed with the Council acting reasonably
- To construct the Affordable Housing in accordance with the approved Affordable
 Housing Scheme and to provide satisfactory evidence of the same to the Council
- 3. (Unless otherwise agreed in writing with the Council) not more than 75% of the Market Dwellings shall be occupied until the Owner has entered into a binding contract (and commenced construction of the Affordable Housing Units) with a Registered Provider to dispose of the completed Affordable Housing Units approved as part of the Affordable Housing Scheme, or the Council has approved the Affordable Rent/Discount Sales Strategy in accordance with paragraph 6 below
- (Unless otherwise agreed in writing with the Council) not more than 90% of the Market Dwellings shall be occupied until all the Affordable Housing Units have been constructed
- To provide the Council or its agents with such information concerning negotiation between the Owner and a Registered Provider in respect of the Affordable Housing proposed to be transferred to a Registered Provider as the Council or its agents may reasonably request
- 6. In the event that a Registered Provider cannot be secured to deliver the Affordable Housing then after 6 months of attempting to secure a Registered Provider the Council must be approached to approve private delivery. The same affordable housing offer in terms of house type will be delivered but the

affordable rent will be delivered as private rent at Local Housing allowance rates with 100% nomination rights with the Council and the shared ownership properties to be delivered as discount sale units at 40% discount from open market value. All the same eligibility criteria will apply.

- Each and every Affordable Housing Unit shall not be occupied or purchased by any person except an Approved Person who shall be approved in writing by the Council
- 8. In the event that the Affordable Housing is transferred to a Registered Provider the following provisions shall apply:-
- 8.1 Not to allow the use of any Affordable Housing Unit as a dwelling (other than as a show house or similar or a sales office) except by a person and his household determined by the Registered Provider as both being in need of affordable housing at the time of determination because of financial circumstances of the person and their household and being a person who has met the Eligibility Criteria
- 8.2 In relation to the Affordable Rent Units:-
- 8.2.1 the Affordable Rent Units shall be available for rent by an Approved Person
- 8.2.2 the first occupiers of each Affordable Rent Unit shall be nominated by the Council and on all subsequent lets 50% of the occupiers shall be nominated by the Council and 50% shall be nominated by the Registered Provider
- 8.2.3 the rent to be charged on the Affordable Rent Units shall be no more than 80% of local open market rents
- 8.3 In relation to the Shared Ownership Units:-
- 8.3.1 On completion of the Shared Ownership Units or as soon as possible thereafter the Registered Provider shall dispose of the Shared Ownership Units as follows:-
 - (1) at an open market value on a shared ownership basis with the rental element being discounted by the Registered Provider
 - (2) to an Approved Person who shall purchase the Shared Ownership Unit for occupation by the Approved Person and in accordance with the requirements of this Agreement

- (3) in consultation with the Council and having first obtained the Council's consent to the disposal to the Approved Person
- 8.3.2 The Approved Person shall be required to purchase a minimum share of 25% of the Shared Ownership Unit
- 8.3.3 The Approved Person shall be allowed to purchase additional shares in increments of no less than 10% up to a maximum of 100% provided that at the point of purchase of each additional share they continue to occupy the Shared Ownership Unit in compliance with the requirements of this Agreement
- 8.3.4 In the event that a Shared Ownership Unit has been marketed for 6 months without an Approved Person having been identified then the Registered Provider shall be entitled to dispose of the unit to a person who is not an Approved Person
- 8.4 The Registered Provider shall ensure that the Affordable Housing Units are allocated to meet the requirements of this Agreement and shall:-
- 8.4.1 Impose upper income brackets for purchasers of each Affordable Housing Unit type
- 8.4.2 Ensure income levels are verified via wage slips/P60s
- 8.4.3 Ensure local connections are established by reference to the electoral roll at a specific date in time provided always that the onus shall be on the Approved Person to provide proof of residence (eg utility bills if they are not on the electoral roll)
- 8.4.4 Verify local connection based on employment by way of references/confirmation of employment history and obtain confirmation of permanence of employment from the Approved Person's employer
- 9. Any Mortgagee shall prior to seeking to dispose of the Affordable Housing Units pursuant to any default under the terms of its mortgage or charge shall give not less than 2 months' prior notice to the Council of its intention to dispose and:
- 9.1 in the event that the Council responds within 1 month from receipt of the notice indicating that arrangements for the transfer of the Affordable Housing Units can be made in such a way as to safeguard them as Affordable Housing then the Mortgagee shall co-operate with such arrangements and use its best endeavours to secure such transfer

- if the Council does not serve its response to the notice served under paragraph 9.2 9.1 above within the 1 month period then the Mortgagee shall be entitled to dispose free of the restrictions set out in paragraphs 1 to 8 of this Schedule
- 9.3 if the Council or any other person cannot within 2 months of the date of service of its response under paragraph 9.1 above secure such transfer then provided that the Mortgagee shall have complied with its obligations under paragraph 9.1 the Mortgagee shall be entitled to dispose free of the restrictions set out in paragraphs 1 – 8 of this Schedule

PROVIDED THAT at all times the rights and obligations in this paragraph 9 shall not require the Mortgagee to act contrary to its duties under the charge or mortgage and that the Council must give full consideration to protecting the interest of the Mortgagee in respect of moneys outstanding under the charge or mortgage

THE COMMON SEAL of RIBBLE VALLEY BOROUGH COUNCIL was affixed to this Deed in the presence of:

M. H. Swott

Mayor **Chief Executive**

