

### SCHEDULE 3

#### Owner's covenants with the Council

The Owner covenants and agrees with the Council as follows:

##### Part 1

##### Notification

1. To use all reasonable endeavours to notify the Council as soon as reasonably possible and in any event within 10 Working Days of the following events:
  - 1.1. Commencement of Development on the Site or a Phase (as the case may be); and
  - 1.2. Occupation of the Development or Phase thereof.

##### Part 2

##### Affordable Housing

1. 20% of the total number of Dwellings shall be provided as Affordable Housing Units. The Affordable Housing Units shall be constructed to the HCA Scheme Development Standard. Where the total number of Affordable Housing Units to be provided includes part of a whole number then the number of Affordable Housing Units shall be rounded up where the part of the whole number is 0.5 or more and shall be rounded down where the part of the whole number is less than 0.5
2. Not to Commence Development on any Phase until it has submitted to the Council for approval the Affordable Housing Scheme for that Phase and once approved in writing by the Council the Affordable Housing Units shall be provided in accordance with the Approved Affordable Housing Scheme for that Phase.
3. 70% of the Affordable Housing Units shall be provided as Affordable Rented Housing and 30% of the Affordable Housing Units shall be provided as Intermediate Housing. Where the total number of Affordable Housing Units to be provided as Affordable Rented Housing and/or Intermediate Affordable Housing (as the case may be) includes part of a whole number then the number of Affordable Housing Units to be provided as Affordable Rented Housing and/or Intermediate Housing (as the case may be) shall be rounded up where the part of the whole number is 0.5 or more and shall be rounded down where the part of the whole number is less than 0.5
4. The Owner shall provide Affordable Housing in accordance with the Affordable Housing Scheme and in connection therewith:
  - 4.1 no more than 50% (fifty per cent) of the Market Housing Units in the relevant Phase shall be Occupied prior to the transfer of 50% (fifty per cent) of the Affordable Housing Units in that Phase to a Registered Provider; and
  - 4.2 no more than 85% (eighty five per cent) of the Market Housing Units in the relevant Phase shall be Occupied prior to the transfer of 100% (one hundred per cent) of the Affordable Housing Units in that Phase to a Registered Provider.

Provided always that any Transfer of Affordable Housing to a Registered Provider shall be together with the grant of rights over all access roads and footpaths services and conducting media serving the Affordable Housing.

5. To give notice(s) in writing to the Council:

- 5.1 upon the grant of any legal interest in any Affordable Housing Unit; and
- 5.2 of the expected date of Occupation of fifty per cent (50%) of the Market Housing Units at least three weeks prior to such expected date and thereafter upon any revision of such expected date and upon actual date of Occupation of fifty per cent (50%) of the Market Housing Units; and
- 5.3 of the expected date of Occupation of eighty five (85%) of the Market Housing Units at least three weeks prior to such expected date and thereafter upon any revision of such expected date and upon actual date of Occupation of eighty five per cent (85%) of the Market Housing Units,

and to promptly provide to the Council, upon receipt of a written request, a written progress report specifying the number of Affordable Housing Units that have been Completed and/or Occupied and the number of Market Housing Units that have been Completed and/or Occupied.

- 6 Subject to paragraph 7 of this Schedule from the date the Affordable Housing Units are ready for Occupation they shall not be used other than for Affordable Housing save that this obligation shall not be binding on:
  - 6.1 any Protected Tenant or any mortgagee or chargee of the Protected Tenant or any person deriving title from the Protected Tenant or any successor in title thereto and their respective mortgagees and chargees; or
  - 6.2 any Chargee provided that the Chargee shall have first complied with the Chargee's Duty set out in paragraph 7 of this Schedule;
  - 6.3 any purchaser from a mortgagee of an individual Affordable Housing Units pursuant to any default by the individual mortgagor.
- 7 The Chargee 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 three months' prior notice to the Council of its intention to dispose and:
  - 7.1 In the event that the Council responds within two months 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 Chargee shall co-operate with such arrangements and use its best endeavours to secure such a transfer;
  - 7.2 If the Council does not serve its response to the notice served under paragraph 7.1 within two months then the Chargee shall be entitled to dispose free of the restrictions set out in this Schedule;
  - 7.3 if the Council or any other person cannot within three months of the date of service of its response under paragraph 7.1 secure such transfer then provided that the Chargee shall have complied with its obligations under paragraph 7.1 the Chargee shall be entitled to dispose free of the restrictions set out in this Schedule.

Provided that at all times the rights and obligations in this paragraph 7 shall not require the Chargee 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 Chargee in respect of moneys outstanding under the charge or mortgage.

- 8 If a Registered Provider holding a legal interest in an Affordable Housing Unit reasonably expects to cease and/or ceases to be accredited or approved by the HCA (or its equivalent successor body) that Registered Provider:

- 8.1 shall provide prompt written notice to the Council upon becoming aware of the date upon which it reasonably expects to cease to be accredited or approved; and
- 8.2 shall provide immediate written notice to the Council upon the date of the cessation of accreditation or approval; and
- 8.3 shall transfer its legal interest in any Affordable Housing Unit to another Registered Provider subject to the provisions of this deed.

9 If a Registered Provider serves a valid notice in pursuance to paragraph 8.1 or 8.2 that Registered Provider may dispose of its legal interest in any Affordable Housing Units subject to any subsisting leases and the terms of this deed but otherwise free from the terms of paragraph 8.3 above and thereupon the provisions of paragraph 8.3 above shall become null and void but only in respect of any Affordable Housing Units to which legal interest has been transferred provided that:

- 9.1 the Registered Provider provides written notice to the Council that confirms it is seeking a purchaser of its legal interest in those Affordable Housing Units also specified in the notice; and
- 9.2 the Registered Provider thereafter uses best endeavours to sell and transfer its legal interest in the Affordable Housing Units to a new Registered Provider subject to the terms of this deed including the terms of this paragraph 9 at a price equal to its market value taking into account the existence of the deed; and
- 9.3 the Registered Provider evidences to the Council's reasonable satisfaction that the Registered Provider is using its best endeavours to sell and transfer its legal interest in the Affordable Housing Units to a new Registered Provider in pursuance to paragraph 9.2; and
- 9.4 at least six months have elapsed since the Council is deemed to have received the notice referred to at paragraph 9.1 above and a contract for the disposal of the Registered Provider's legal interest in the Affordable Housing Units has not been exchanged with a new Registered Provider (or completion has not been effected where there is to be no exchange of contracts).

## 10 **Transfer of Affordable Housing**

10.1 The Registered Provider shall upon completion of the Transfer of the Affordable Housing Units and at all times subsequently allocate each Affordable Housing Unit to a person who is considered by the Registered Provider to be in need of such accommodation and who in the opinion of the Registered Provider is unable to afford other accommodation in the locality suitable to the needs of himself and his household and who:

10.1.1 has immediately prior to such allocation been resident within the parish of Kingsteington; or

10.1.2 has a strong local connection with the parish of Kingsteington,

and in seeking to allocate the Affordable Housing Units under this paragraph 10 the Registered Provider shall (but without limiting its wider discretion in this regard) consider:

10.1.3 family associations of such person or persons in the parish of Kingsteington;

10.1.4 any periods of ordinary residence of such person or persons in the parish of Kingsteington not immediately before the date upon which any Affordable Housing Unit becomes vacant; and/or

10.1.5 whether such person or persons has to have permanent employment in Kingsteington.

10.2 If the Registered Provider is unable to allocate any of the Affordable Housing Units in the manner referred to in paragraph 10.1 above within 20 Working Days then the Registered Provider shall subject to the provisions of paragraphs 10.3 and 10.4 below allocate any such Affordable Housing Unit to a person or persons ("**nominee**") nominated by the Manager for Housing for the time being of the Council from the Council's list of persons of priority housing need within its administrative area provided that the Registered Provider shall have the right to reject such nominee if one of the following criteria is met:

10.2.1 the nominee has no housing need as defined within the criteria for preference within the Housing Act 1996 (as amended by the Homelessness Act 2002);

10.2.2 the nominee is not a suitable tenant as defined within the criteria of the Registered Provider's allocations and lettings policy;

10.2.3 in the case of an Affordable Housing Unit to be let on a shared ownership lease the nominee does not have sufficient cash or income to purchase the required equity share,

and the Registered Provider has the right (whilst acting reasonably at all times in respect of each nomination) to reject the nominee by giving notice to the Council and such notice shall state reasons for the rejection and the Council shall have the right to nominate an alternative person.

10.3 In the circumstances set out in paragraph 10.4 below the Registered Provider shall be released from the obligation under paragraph 10.2 above and shall be entitled to allocate any vacant Affordable Housing Unit to any person who is considered by the Registered Provider to be in need of such accommodation and who is resident in the district of Teignbridge or has a strong local connection with the district of Teignbridge or failing that within the county of Devon.

10.4 The circumstances referred to in paragraph 10.3 above are the following:

10.4.1 if no nomination is made by the Manager for Housing within 10 Working Days of notification by the Registered Provider of a vacancy;

10.4.2 if a nomination has been made by the Manager for Housing and the nominee has failed either:

10.4.2.1 If the Dwelling is being made available on a shared ownership lease to exchange contracts for the grant of the shared ownership lease within a six week period; or

10.4.2.2 in any other case to complete a tenancy agreement or lease within a seven day period,

and it is agreed that in these circumstances the Manager for Housing may not make a second nomination.

10.5 Upon any disposal by the Registered Provider of the freehold reversion of any Affordable Housing Unit in respect of which a shared ownership lease has been granted there shall be included in the transfer a covenant on the part of the purchaser in favour of the Registered Provider that the said purchaser will not dispose of the said Affordable Housing Unit (other than by way of mortgage or charge) without first offering to convey the Affordable Housing Unit to the Registered Provider at open market value.

11 **Adapted Dwellings**

- 11.1 5% of the Affordable Housing Units provided across the Development shall be provided as Adapted Dwellings in accordance with the provisions of this Part of Schedule 3, Where the total number of Adapted Dwellings to be provided includes part of a whole number then the number of Adapted Dwellings shall be rounded up where the part of the whole number is 0.5 or more and shall be rounded down where the part of the whole number is less than 0.5;
- 11.2 No more than 75% of the Open Market Dwellings on a Phase shall be Occupied until the Adapted Dwelling(s) on that Phase, if any, have been transferred to one or more Registered Provider and have been constructed to Practical Completion and made available for Occupation unless otherwise agreed by the Manager in writing

**Part 3**

**Custom Build Dwellings**

1. Notwithstanding the provision of Affordable Housing on the Site, a number equal to 5% of the total number of Dwellings permitted on the Site as part of Reserved Matters Approvals for the Development shall be delivered as Custom Build Dwellings in accordance with the provisions of this Part 3 of Schedule 3, Where the total number of Custom Build Dwellings to be provided includes part of a whole number then the number of Custom Build Dwellings shall be rounded up where the part of the whole number is 0.5 or more and shall be rounded down where the part of the whole number is less than 0.5.
2. The Custom Build Dwellings shall be provided on the Abbrook and Sawmills Site as part of the Abbrook and Sawmills Development in accordance with the requirements of any planning permission authorising the Abbrook and Sawmills Development.

**Part 4**

**Cycleway obligations**

The Owner covenants with the Council as follows:

- 1 No Occupation of the 100th or subsequent Dwellings shall take place until either:
- 1.1 The Cycleway between points B and C has been constructed and Completed by the Owner; and
- 1.2 The Cycleway has been constructed between points C and D or The Cycleway Contribution has been paid to the Council.

