

SCHEDULE TO THE 4TH SCHEDULE (CLAUSE 17)

COMPANY'S OBLIGATIONS OF LARGE SCALE VOLUNTARY TRANSFER AGREEMENT 13TH MARCH 2001

THE SCHEDULE

1. USE OF INCOME AND RECEIPTS

Subject to any statutory requirement affecting the Company and the Company's obligations under any debenture or charge or under the Loan Agreement and/or Refinancing Agreement (as those phrases are defined in Clause 1.1.1 of the form of Warranty Deed set out in Part I of the Fifth Schedule to the Principal Agreement) to use all rental income and all receipts from the sale of any part of the Property in the management, maintenance, repair, modernisation and improvement of the Property and community infrastructure and to pay all other proper and reasonable expenses relating to the Property including the payment of interest and the repayment of capital borrowed to acquire and/or improve the Property and otherwise for the provision of Social Housing primarily in the Chichester Area.

2. RENT INCREASES

2.1 Subject to the provisions of paragraph 2.2 below not to increase the rent payable by Qualifying Tenants before 1st April 2001. For each of the five years from 1st April 2001 and terminating on 31st March 2006 not to increase the rent payable by Tenants by more than the calculated percentage increase in the RPI during the period of twelve months ending with the date of publication of the figure for RPI published for the last September before the date for such increase in rent PLUS one percent (RPI + 1%).

2.2 Notwithstanding the provisions of paragraph 2.1 the Company shall be entitled at any time to increase the rent payable by a Qualifying Tenant of a Dwelling where such increase is authorised by the provisions of the Tenancy Agreement.

3. HOUSING CORPORATION REGISTRATION

Not knowingly to do or omit to do any act or thing which might result in the cancellation or withdrawal of the Company's registration by The Housing Corporation and to comply with all reasonable requirements of The Housing Corporation.

4. LIAISON

4.1 For an initial period of ten years from the Completion Date to attend annual liaison meetings with the Council and provide sufficient and necessary information in order that the Council may satisfy itself that the Company is fulfilling its obligations under the Principal Agreement PROVIDED THAT the Company shall not be required to disclose any such information where despite using reasonable endeavours to obtain any applicable authorisations it is under a legal duty not to disclose such information

4.2 For an initial period of ten years from the Completion Date to attend annual meetings with the Council and the Tenants Forum.

5. **H.O.M.E.S**

To participate in the Housing Organisations Mobility and Exchange Scheme (H.O.M.E.S) and the HOMESWAP Scheme and to maintain a Tenants Transfer List.

6. **ASSURED TENANT'S CHARTER**

To comply with the covenants and conditions contained or implied by statute in the Tenancies of the Property and to comply with the Performance Standards and the Assured Tenant's Charter published from time to time by The Housing Corporation.

7. **CONSULTATION PROMISES**

To comply with all promises and commitments made to former secure tenants of the Council occupying the Property as set out in the Consultation Document.

8. **ALLOCATIONS**

In the selection of tenants for vacant dwellings (other than dwellings required to be offered to nominees of the Council in accordance with the Nomination Rights Deed), to act in accordance with the published allocation policy of the Company as the same may be amended from time to time having consulted with the Council in respect of any proposed amendment and having taken into account any representations the Council may have made in relation to the amendments proposed.

9. **CATCH UP REPAIRS AND IMPROVEMENT PROGRAMMES**

To carry out and complete the catch up repairs programme and improvements programmes referred to in Section 3 of the Consultation Document prior to the fifth anniversary of the Completion Date.

10. **SECURITY OF TENURE**

10.1 The Company shall not seek to gain possession of any of the Dwellings occupied by Tenants on any grounds other than those set out in the Tenancy Agreement notwithstanding that it may have a legal right to use other grounds for possession under the Housing Act 1988 (as amended by the Housing Act 1996), nor will it seek to gain possession in relation to the succession by any person who has a right of succession under Clause 5.7 of the Tenancy Agreement or who would have had such right if the Tenancy Agreement had not been varied save to the extent that possession proceedings are necessary to ensure the succession of such persons.

10.2 In the event that the Council receives notification from a Tenant that the Company is or is proposing to take proceedings for possession of the Tenant's Dwelling in breach of the Company's obligations the Council having made all necessary enquiries and on being satisfied that this is the case shall immediately serve written notice upon the

Company which notice shall ask the Company to confirm that it will withdraw any notices that have already been served or proceedings which have already commenced and that it will abide by its obligation contained in this Clause. The notice shall give the Company 21 days in which to respond or where proceedings are imminent such shorter period as appears reasonable to the Council. If the Tenant's allegation that the Company is in breach is justified and the Company does not give the undertakings required by the Council's notice within the period set out in that notice the Company shall (without prejudice to any other remedies available to the Council):-

- 10.2.1 pay to the Council a sum equal to any reasonable losses suffered by the Tenant as a result of the breach of its obligation;
 - 10.2.2 pay to the Council a sum equal to the costs and expenses reasonably and properly incurred by the Council in enforcing the obligations of the Company; and
 - 10.2.3 in the event that the Tenant has already been evicted from the Tenant's Dwelling immediately make accommodation available to the Tenant which accommodation shall in so far as its size amenities and locality and the terms and conditions on which it is held be so far as possible the same as the Dwelling from which the Tenant was evicted.
- 10.3 The Council shall hold any monies recovered under Paragraph 10.2.1 above upon trust for the Tenant absolutely.

11. **CONSULTATION**

The Company undertakes for the benefit of each Tenant that it will consult with each Tenant on any changes in matters of housing management as if Section 105 Housing Act 1985 applied to the Tenancy Agreement.

12. **RIGHT TO BUY FOR SUCCESSORS**

The Company shall permit a tenant who has succeeded to the tenancy of a Tenant's Dwelling whether by statute or under the terms of the Tenancy Agreement to exercise a right to buy the Dwelling on such terms and in such manner as would apply if such Tenant had the preserved right to buy of a successor as defined by Section 171B(4)(a) of the Housing Act 1985 whether or not the tenant is in fact such a successor.

13. **CONSTITUTION**

Not to change the Memorandum and Articles of Association of the Company so far as they relate to the Company's objects and powers and to local authority or tenant representation without the Council's prior consent in writing, such consent not to be withheld or delayed in relation to all reasonable advice issued by the Housing Corporation concerning the governance of all classes of registered social landlords.

14. **DEVELOPMENT**

The Company shall not in respect of any of the land forming part of the Property which is at the date hereof used as amenity land or as garages or hardstanding carry out or permit to be carried out any development (as defined in the Town & Country Planning Act 1990) without the prior consent in writing of the Council which consent shall not be unreasonably withheld or delayed in the case of any development the purpose of which is the provision of further Social Housing in the Chichester Area. In the event that social housing grant monies (or any successor grant scheme thereto) are being applied to the proposed development scheme IT IS HEREBY AGREED that a condition of the Council's consent (if granted) shall be that the Council be granted 100% nomination rights in respect of any initial lettings to dwellings within any new development and any voids thereafter on terms satisfactory to the Council (acting reasonably). Where any other development scheme is proposed and which is dependent on grant monies (other than aforesaid) and which themselves are dependent on some prior condition imposed on the Company, the Council's consent (if granted) shall not include any conditions relating to nominations that are not compatible with the prior conditions aforementioned

15. **AMENITY AREAS**

To maintain all the amenity and play areas transferred pursuant to the terms of the Principal Agreement to the standard appropriate for its current use.

16. **WARDENS**

To offer suitable alternative accommodation within the Company's housing stock to all Transferring Employees who are both designated in Part I of the Third Schedule as being Sheltered Scheme Managers and who occupy a Dwelling as at the date of this Agreement in the event that their employment with the Company shall cease for reasons of retirement or redundancy and in addition to offer such persons (subject to all necessary statutory and other consents) a contractual right to buy of such alternative accommodation.

17. **RECOVERY OF RTB DISCOUNTS**

In the event that, in its capacity as the reversioner under any leases of flats forming part of the Property which were sold by the Council pursuant to the RTB before the Completion Date (details of which freehold reversions to be transferred to the Company are set out in Paragraph B of Part II of the First Schedule to the Principal Agreement) the Company shall, pursuant to the covenants in such leases, become entitled to any repayment of any discount allowed by the Council to the tenant on the occasion of the RTB sale, the Company will (subject to the Council meeting its reasonable costs in doing so) use its best endeavours to recover such sums from such

former tenant or tenants and shall within 28 days of receipt of such sums account to the Council therefor.

18. ASBESTOS RELATED WORKS

18.1 Within one month of such works being commissioned, the Company shall provide to the Council full details of any works involving the removal of (or any remedial works required in relation to) asbestos present in the Dwellings and shall distinguish between those works that result from the repairs and improvement programme anticipated in the Stock Condition Survey and those works that are regarded as further works and which are to be counted (in accordance with paragraph 18.3 below) against the £3.3 million provided for in the Price paid by the Company for the Property

18.2 The Company shall allow the Council access (on reasonable notice) to any Dwelling where works envisaged in Paragraph 18.1 are to be or have been carried out for the purposes of allowing the Council to inspect the works carried out or proposed to be carried out

18.3 The Company acknowledges and covenants as follows:-

18.3.1 that the provision of £3.3 million referred to in paragraph 18.1 above has been provided to reflect the cost of any further works required (if any) involving the removal of (or any remedial works required in relation to) asbestos present in the Dwellings (over and above any works required as a consequence of the Company's said repair and improvements programme);

18.3.2 that any works costed against the said £3.3 million shall be works that are necessarily required of the Company to meet the duty of care it owes to any persons in its capacity as landlord. Any dispute between the parties as to whether any further such works are required shall be determined in accordance with the provisions of Clause 22 of the Principal Agreement SAVE THAT the arbitrator shall be appointed by the President of the Royal Institution of Chartered Surveyors from time to time

18.3.3 that no works carried out to rectify defective or otherwise sub-standard works previously undertaken and costed against the £3.3 million shall be double counted against the £3.3 million

THE COMMON SEAL of CHICHESTER)
DISTRICT COMMUNITY HOUSING)
LIMITED was hereunto affixed in the)
presence of:-)

Authorised Signatory

Authorised Signatory

