THE COUNCIL OF THE BOROUGH OF TORBAY

- and -

THAT TORQUAY COMPANY LIMITED -and-

THE ROYAL BANK OF SCOTLAND PLC

DEED OF AGREEMENT

under Section 38 and 278 of the Highways Act 1980 and Section 111 of the Local Government Act 1972 in connection with Street Works at Torwood Street, Torquay in the Borough of Torbay

BETWEEN:

- THE COUNCIL OF THE BOROUGH OF TORBAY of Town Hall, Castle Circus, Torquay, (1) TQ1 3DR ("the Council and the Second Mortgagee")
- THAT TORQUAY COMPANY LIMITED (Company Number 06528816) of 6a St Pancras Way, (2) London, NW1 0TB ("the Developer")
- THE ROYAL BANK OF SCOTLAND PLC incorporated and registered in Scotland with (3) company number SC083026 and whose registered office is at 36 St. Andrew Square, Edinburgh, Scotland, EH2 2YB ("the First Mortgagee")

BACKGROUND:

- The Council is the highway authority for the area within which the Works are situated (1)
- The Developer owns the Property on which the Works are situated or abutting (2)
- The Council and the Developer have agreed to enter into this Agreement pursuant to section (3) 38 and 278 of the Highways Act 1980 to secure the execution of and payment for the Works which will be of benefit to the Developer and of benefit to the general public at large
- The Works include works on the Section 38 Land following completion of these works the (4) Developer has requested that the Section 38 Land is adopted as highway maintainable at the public expense which the Council has agreed to do on the terms and conditions of this Agreement
- The First and Second Mortgagees have a registered charge over the Property and to provide (5)their consent to the terms of this Agreement

NOW THIS DEED WITNESSES as follows:

1. **ENABLING POWERS**

This Agreement is made pursuant to section 278 of the Highways Act 1980, section 111 of the Local Government Act 1972 and section 1 of the Localism Act 2011 and all other enabling powers of the Council

DEFINITIONS AND INTERPRETATION 2.

2.1 **Definitions**

The following terms in this Agreement shall have the following meanings:-

"CDM Regulations" means the Construction (Design and Management) Regulations 2015 (SI 2015/51)

"Communications Policy" means the annexed document entitled Street Works and Works for Road Purposes. Communications Policy

"Certificate of Satisfactory Completion" means the certificate issued by the Proper Officer to the Developer upon Satisfactory Completion

"the Council" and "the Developer" includes their respective successors in title and assigns

"the Council's Account" means National Westminster Bank plc (Borough of Torbay General Account); Sort Code: 55-70-01; Account Number: 06040411 or such other account as notified to the Developer in writing

"the Developer's Account" means the account as notified to the Council in writing

"Drawing(s)" means the drawings attached to this Agreement numbered

- i. Drawing Section 278/38 Plan Revision E
- ii. Drawing CM 1626 (00) 060 J
- iii. Drawing CM 1626 (00) 059 A
- iv. Drawing T006U-203 Rev C4
- v. Drawing 2239.12D
- vi. Drawing 2239.15B

and any amended or additional drawing signed by the Proper Officer which shall accord with the technical requirements of the Proper Officer

"Estimated Cost" means the sum of £120,000 being the amount which is in the reasonable opinion of the Proper Officer the cost of carrying out the Works within the period specified in this Agreement

"Final Certificate" means the Certificate issued by the Proper Officer following the expiry of the Maintenance Period

"Maintenance Period" means the period of 12 months immediately following the date of the issue of the Certificate of Satisfactory Completion

"Notice of Commencement" means 14 days' prior notice in writing served by the Developer upon the Proper Officer of its intention to proceed with the Works

"Proper Officer" means the suitably qualified officer of the Council for the time being appointed for the purposes of this Agreement or of any provision contained herein

"Property" means the freehold land registered under title number DN75863

"Satisfactory Completion" means the completion of the Works in accordance with the Drawings that enables the Works to be used for the purpose for which they were designed save for any minor defects and "Satisfactorily Complete" shall be construed accordingly

"Second 38 Land" means the carriageway and footway of the road shown coloured pink on

Drawing Section 278/38 Plan Revision E attached to this Agreement to the extent that it is not already part of the public highway

"Specification" means the specification for Highway Works 1991 produced by Her Majesty's Stationery Office (The Manual of Contractual Documents for Highway Works Volume 1 – Specification for Highway Works) as amended from time to time, or any replacement or equivalent guidance

"Statutory Undertaker" means a statutory undertaker as defined in Section 329(1) of the Highways Act 1980 and other undertakers and public utility suppliers deemed to be statutory undertakers for the purposes of that Act

"Stopping Up Order" means an order of the Secretary of State (c/o) the Department of Transport (National Transport Casework Team) (**reference:** NATTRAN/SW/S247/3982) authorising the stopping up over part of the Council's highway network

"Traffic Manager" means the suitably qualified officer appointed by the Council to act as Traffic Manager for the purposes of the Traffic Management Act 2004

"the Works" means the paving re-surfacing and associated works as more particularly described in the Drawings and in Appendix 1, which for the avoidance of doubt includes works on the Section 38 Land which will be dedicated as public highway following completion of the works in accordance with the provisions of this Agreement

"1991 Act" means the New Roads and Street Works Act 1991

2.2 Interpretation

In this Agreement:-

- (a) the clause, paragraph and schedule headings do not form part of this document and are not to be taken into account in its construction or interpretation
- (b) any reference in this document to a clause, paragraph or schedule without further designation is to be construed as a reference to the clause, paragraph or schedule of this document so numbered

3. COMMENCEMENT

This Agreement shall come into effect on the date of this Agreement

4. GRANT OF RIGHT TO EXECUTE WORKS

The Council as the highway authority hereby grants to the Developer and its servants and agents or any contractor of the Developer with all necessary plant and equipment a licence to enter upon the public highways so far as is necessary for the purpose of executing the Works (including breaking open the surface) and retaining, inspecting, replacing and maintaining the same

5. DEVELOPER'S OBLIGATIONS

The Developer hereby covenants with the Council that it will observe and perform the requirements of this clause 5:-

5.1 Approval of Works

Before carrying out the Works the Developer shall obtain all necessary consents of Statutory Undertakers who have or may have apparatus that may be affected by the Works

5.2 The Works

The Developer shall at its own expense:

- (a) carry out and complete the Works in a good and workmanlike manner and with proper materials, in accordance in all respects with the Specification and the Drawing(s), to the reasonable satisfaction of the Proper Officer and in accordance with any permits, permissions, consents and approvals granted by the Council (or any other statutory or public authorities),
- (b) advise all Statutory Undertakers who may or do have apparatus or any part of their services affected by the Works, and
- (c) execute all works or pay any costs that may become due and payable in respect of any further works that are required by any Statutory Undertaker as a result of the Developer undertaking the Works

5.3 Contractors

For the avoidance of doubt, the performance of the covenants on the part of the Developer contained in this Agreement may be delegated to a contractor(s) PROVIDED THAT The Developer shall:-

- (a) require that the contractor carrying out the Works shall at all times maintain a public liability insurance policy with a member of the Association of British Insurers in a minimum sum of £5,000,000 for a single claim (and in the event of the Developer carrying out the Works itself it shall provide the insurance cover required by this clause)
- (b) include in the conditions of contract of the contractors (or any sub contractors) engaged to carry out the Works obligations to:-
 - (i) give the Traffic Manager appropriate notice (such form of notice to be obtained from the Traffic Manager to comply with the requirements of the Traffic Management Act 2004) of the intention to commence the Works;
 - (ii) comply with the requirements of the Communications Policy; and
 - (iii) comply with any obligations imposed herein upon the Developer in so far as they relate to the carrying out of the Works
- (c) Indemnify the Council against any costs arising or incurred by any failure of the contractor to comply with the matters set out in this clause 5.3(b)

5.4 Notice of Commencement

The Developer shall send to the Proper Officer the Notice of Commencement for the purpose of exercising its functions under the terms of this agreement

5.5 **Programme of Works**

The Developer shall:-

- (a) give the Proper Officer a programme of works for the purpose of exercising its functions under the terms of this agreement for approval 7 days prior to commencement of the Works PROVIDED THAT in the case of Works not involving road closure the Proper Officer may at his discretion accept a shorter period; and
- (b) carry out the Works in accordance with the approved programme of works PROVIDED THAT the submitted programme of works will be deemed to be approved if the Proper Officer does not either (a) confirm approval or (b) confirm what is required for the programme of works to be approved, within 7 days of receipt of the programme of works

5.6 Health and Safety

Throughout the progress of the Works the Developer shall have full regard for the safety of the public and, without prejudice to the generality of the foregoing, shall:-

- (a) comply with the Communications Policy and
- (b) provide and maintain such precautionary works (including fencing) and signs as may be reasonably required by the Proper Officer or any other body having statutory authority

5.7 **1991 Act**

Until the date of issue of the Final Certificate, the Developer shall:

- (a) appoint a supervisor qualified in accordance with the provisions of section 67 of the 1991 Act:
- (b) remain the street manager of the Section 38 Land under section 49(4) of the 1991 Act; and
- (c) comply with any other provision of the 1991 Act which applies to the Works

5.8 **General Indemnity**

The Developer shall indemnify the Council in respect of all actions claims demands expenses and proceedings reasonably and properly incurred within three years of the Final Certificate being issued arising out of, or in connection with, any breach or non-observance by the Developer of its obligations in this Agreement other than those arising out of or in consequence of any act neglect default or liability of the Council or any failure by the Council to comply with its obligations hereunder

5.9 **Developer's Further Indemnity**

Without prejudice to the generality of the indemnity given by the Developer to the Council at clause 5.8 the Developer shall

- (a) be responsible for all reasonable and proper costs and expenses incurred by the Council or its duly appointed agents within seven years of the Final Certificate being issued in dealing with settling or disposing of claims for noise insulation or injurious affection arising from the execution of the Works during or after completion of the Works
- (b) indemnify the Council against any lawful claim under the Land Compensation Act 1973 (and any statutory modification or re-enactment thereof) arising out of the use of the Works within seven years of the Final Certificate being issued
- 5.10 The Developer shall only be required to indemnify the Council in accordance with clause 5.8 and 5.9 of this Agreement if:
 - (a) the Council notifies the Developer as soon as reasonably practicable on becoming aware of any matter which becomes the subject of a claim for indemnity;
 - (b) the Council keeps the Developer reasonably informed of all progress of which it is, or becomes, aware of in connection with that matter and of any proposed settlement;
 - where it is permitted by the Council's insurer, not settling or compromising that matter without the previous consent of the Developer, such consent not to be unreasonably withheld or delayed. Where the Developer does not consent it shall indemnify the Council against all costs incurred by the Council in litigating that matter and will assist the Council in such litigation by providing such witnesses and other evidence as it is able to do relating to any matter in contention

5.11 Access to the Works

Subject to compliance with health and safety requirements reasonably required by the Developer, the Developer shall during the carrying out of the Works upon reasonable request give the Proper Officer and any other authorised officer of the Council access to every part of the Works and all materials used or intended to be used therein for the purpose of inspecting the same

5.12 Duty to Allow Inspection of the Works

The Developer shall not cover up any part of the Works without the approval of the Proper Officer (such approval not to be unreasonably withheld or delayed) who shall be given the opportunity to examine and measure any work which is about to be covered up and to examine foundations before permanent work is placed thereon. The Proper Officer shall be given at least two working days written notice whenever any such work is ready for examination and approval of the Proper Officer will be deemed to have been given if within 14 working days of receiving notice of any part of the Works due to be covered, they have not

either confirmed approval or confirmed what further works are required to achieve approval

5.13 Obligations During Maintenance Period

The Developer shall at its own expense during the Maintenance Period (or as soon as practicable thereafter) reinstate and make good any damage or defect in the Works which in the reasonable and proper opinion of the Proper Officer shall have arisen out of any defect in the design or construction of the Works or the use of defective workmanship or of materials not in accordance with the Drawings during the construction of the Works or otherwise shall have been caused by the person carrying out the Works which shall have become apparent during the Maintenance Period

5.14 As Built Drawings

Before the issue of the Final Certificate the Developer shall furnish the Council with a full set of drawings of the Works as built

5.15 Defective Design

- (a) If during the execution of the Works any defect error or omission shall be found either in the Drawings or in any survey undertaken by the Developer or if the highway shall be found to be unsuitable for the Works all defects errors omissions or wants of repair or making good shall be undertaken at the sole expense of the Developer,
- (b) If it is no longer possible to complete the Works due to the circumstances in 5.14 (a) and the land on which the Works was to take place has been make good, the Estimated Costs payment made in accordance with clause 8 of this Agreement shall be returned by the Council to the party that made the payment within ten days of a written demand and the provisions of this Agreement shall terminate

5.16 Timing of Works

- (a) The Developer shall carry out and complete the Works within 18 months of the Works commencing and shall during the Maintenance Period at its own expense maintain the Works and shall carry out such routine maintenance and repairs as may be necessary to facilitate use by vehicles and pedestrians
- (b) Without prejudice to any remedy of the Council, the Proper Officer may in its absolute discretion give written notice to the Developer granting an extension of time to complete the Works. The Proper Officer may grant more than one such extension
- (c) If, by any impediment, prevention or default, whether by act or omission by the Council (except to the extent caused or contributed to by any default, whether by act or omission of the Developer) or by a force majeure event, the Developer delays the

carrying out and completion of the Works or the Developer's obligations under this agreement, the Proper Officer shall grant an extension of time to complete the Works or the Developer's obligations under this agreement for a further period or periods, by giving written notice to the Developer. Such extension shall be commensurate with the delay suffered by the Developer that was caused by such impediment, prevention or default or force majeure

5.17 *Fees*

- (a) On completion of this Agreement the Developer shall pay to the Council into the Council's Account the sum of £7,200 in respect of the costs incurred by the Council in inspecting the works TOGETHER with the proper legal costs of the Council in the sum of £1,000 in connection with the preparation and completion of this Agreement and the necessary duplicates thereof
- (b) Receipt by the Council of the payment of such sum shall not create any contractual relationship between the Council and the Developer nor absolve the Developer from any liability or obligation imposed upon him by the terms of this Agreement or by statute or at common law and the Council will not be liable for any loss damage or injury which the Developer may sustain by reason of insufficient or faulty inspection of the Works by the Council other than any loss damage or injury arising out of or in consequence of any act neglect default or liability of the Council

6. COUNCIL COVENANTS

The Council hereby covenants that it will observe and perform the requirements of this clause 6:-

6.1 The Certificate of Satisfactory Completion

- (a) Upon notification in writing to the Proper Officer that the Developer considers that the Works are Satisfactorily Complete the Proper Officer shall inspect the Works as soon as reasonably practicable and in any event within 14 working days, and if they are Satisfactorily Complete, the Proper Officer shall issue to the Developer the Certificate of Satisfactory Completion
- (b) On the issue of the Certificate of Satisfactory Completion the Works shall be highway open for use by the public at large but shall not be regarded as highway maintainable at the public expense

6.2 The Final Certificate

(a) Upon notification in writing to the Proper Officer that the Developer considers that any works for which the Developer is responsible under this Agreement during the

Maintenance Period have been carried out and the Developer considers that the Works are finally completed the Proper Officer shall carry out a safety audit and issue a Final Certificate as soon as reasonably practicable and in any event within 14 working days PROVIDED THAT no such certificate need be given until:-

- (b) the Proper Officer deems to his reasonable satisfaction that the Works are finally completed;
 - i. the Developer has paid to the Council all amounts due to the Council under this Agreement;
 - ii. any works required under clause 5.12 have been completed to the reasonable satisfaction of the Proper Officer and
 - iii. the Developer has delivered to the Proper Officer drawings in accordance with clause 5.13
 - iv. the Stopping Up Order has been finally determined

6.3 Release from Liability

The Council covenants that the Final Certificate shall be issued in accordance with this Agreement and that the Developer shall be released from all liability under this Agreement (save in the case of the Developer for the indemnities set out in clauses 5.8 and 5.9) and that upon the issue of the Final Certificate the Works shall become maintainable by the Council as highway maintainable at the public expense

7. AGREEMENTS AND DECLARATIONS

It is hereby agreed between the parties hereto and declared as follows:-

7.1 Works in Default

If the Works or any part or parts thereof or any works required within the Maintenance Period are not carried out or completed to the reasonable satisfaction of the Proper Officer in accordance with the terms of this Agreement, the Council after giving twenty eight days written notice of its intention to the Developer may enter onto the site of the Works and execute or complete the relevant works in accordance with the provisions of this Agreement by its own employees or by contractors and recover its reasonable and proper costs from the Developer up to the maximum of the Estimated Cost provided that the Developer is first provided with evidence of such costs being incurred

7.2 Compliance with Communications Policy

(a) If in the reasonable opinion of the Proper Officer the Developer has failed to comply with the Communications Policy the Proper Officer may serve notice upon the Developer that the licence granted by this Agreement to carry out the Works on the

public highway is suspended with immediate effect

(b) Should notice be served pursuant to clause 7.2(a) the Developer shall immediately cease carrying out works on the public highway until the relevant part of the Communications Policy has been complied with and the Proper Officer gives notice to the Developer that it may continue carrying out the Works

7.3 Third Parties

A person who is not a party to this Agreement has no right to enforce any term of this Agreement under the Contracts (Rights of Third Parties) Act 1999 and the parties to this Agreement do not intend that any third parties are created by this Agreement

7.4 Council as a Public Authority

Nothing contained in this Agreement shall in any way prejudice or be construed to prejudice the statutory rights powers duties and authority conferred upon the Council as local authority

7.5 Approvals

Where under this Agreement any approval, consent, certificate, direction, instruction, requirement, authority, agreement, action or expression of satisfaction is required to be given, or reached, or taken, by any party, or any response is requested, any such approval, consent, certificate, direction, authority, agreement, action, expression of satisfaction or response, shall not be unreasonable or unreasonably withheld or delayed and shall be lawful

7.6 Making up of Private Streets

If the Developer fails to perform any of its obligations under this agreement, nothing in this agreement shall prevent or restrict the Council from exercising its powers under the Private Street Works Code contained in Part XI of the Highways Act 1980 or any other statutory provision

7.7 Assignment

This agreement is personal to the Developer, and the Developer may not assign or transfer this agreement without the prior written consent of the Council

7.8 Notices

A notice or other communication to be given or delivered under this agreement must be in writing and must be:

- (a) delivered by hand; or
- (b) sent by pre-paid first class post or other next working day delivery service to the address specified above.

Any notice or other communication given or delivered in accordance with this clause will be deemed to have been received:

- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice or document is left at the address provided that if delivery occurs before 9.00 am on a working day, the notice will be deemed to have been received at 9.00 am on that day, and if delivery occurs after 5.00 pm on a working day, or on a day which is not a working day, the notice will be deemed to have been received at 9.00 am on the next working day; or
- (b) if sent by pre-paid first class post or other next working day delivery service, at 9.00 am on the third working day after posting

8. SECURITY FOR PERFORMANCE OF THE DEVELOPER'S OBLIGATIONS

- 8.1 On the date of this agreement, the Developer shall pay the **Estimated Cost** as a cash bond to the Council into the Council's Account. Such sum shall be placed on deposit in a holding account identified by the Council for the purpose of holding the cash bond
- 8.2 The Council is not obliged to secure any interest or any particular rate of interest
- 8.3 As soon as reasonably practicable and in any event no longer than 28 days after the issue of the:
 - (a) Certificate of Satisfactory Completion, £114,000 shall be repaid to the Developer into the Developer's Account.
 - (b) Final Certificate, the remaining balance shall be repaid to the Developer into the Developer's Account

9. MORTGAGEE CONSENT

- 9.1 The First and Second Mortgagees acknowledge and declare that this Agreement has been entered into by the Developer with its consent and that the Property shall be bound by the obligations contained in this Agreement and that the security of the mortgage over the Property shall take effect subject to this Agreement PROVIDED THAT the First and Second Mortgagees shall otherwise have no liability under this Agreement unless it takes possession of the Property in which case it too will be bound by the obligations as if it were a person deriving title from the Developer
- 9.2 The parties to this Agreement agree that where the Property is subject to a mortgage or charge (from time to time) that the chargee shall not be personally liable for any breach of this

Agreement unless committed or continuing at any time when the mortgagee and/or chargee is in possession of the Property

10 CDM REGULATIONS

- 10.1 The Developer elects to be treated for the purposes of the CDM Regulations as the only Client. The Council agrees with such election by the Developer
- 10.2 The Developer agrees to undertake all the obligations of a Client and to use its best endeavours to ensure that the Works are carried out in accordance with the CDM Regulations
- 10.3 The Developer warrants it has taken or shall take all reasonable steps to be satisfied that all contractors engaged on the Works are suitable and competent having regard to their responsibilities in relation to the Works and the CDM Regulations; and further indemnifies and shall keep the Council indemnified against any breach of the Developer's obligations under this clause

11. DEFAULT EVENTS

The Council may terminate this agreement immediately by written notice to the Developer without prejudice to any other rights the Council may have, if any of the following events occur:

- (a) the Developer is in fundamental breach of any of its conditions, stipulations or obligations and liabilities in this agreement; or
- (b) the Developer is in substantial breach of any of its conditions, stipulations or obligations and liabilities in this agreement and has failed to rectify the breach within a reasonable time after receiving notice to rectify from the Proper Officer; or
- (c) the Developer is struck off the register of companies, is wound up, a bankruptcy order is made against the Developer; or the Developer otherwise ceases to exist

12 DEVELOPER'S DECLARATION

The Developer declares and warrants to the Council that throughout the duration of this Agreement the Developer has or will have full right, liberty and consent to carry out such

works as may be necessary to connect the Section 38 Land to a highway that is, or will be, maintainable at the public expense

13 ADOPTION

The Developer shall from the date of the Final Certificate dedicate, and the Council shall adopt, the Works, including the Section 38 Land as highway maintainable at the public expense and the Council shall maintain the Works and the Section 38 Land thereafter

IN WITNESS whereof the parties hereto have executed this Deed the day and year first before written

Executed as a Deed by affixing THE COMMON SEAL of THE COUNCIL OF THE BOROUGH OF TORBAY in the presence of :-



Proper Officer and Authorised Signatory

#7493

Executed as a Deed by
THAT TORQUAY COMPANY LIMITED
acting by:

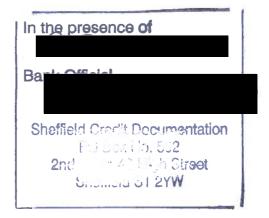
Director

In the presence of:
Name:
Occupation:
Address:

Executed as a Deed by
THE ROYAL BANK OF SCOTLAND PLC
acting by two authorised signatories:

Signed as a deed by

as the Attorney in their capital Sheffield Credit Documental for and on behalf of Royal Bank of Scotland Pic



Appendix 1 – The Works

Torwood Street

Widening of footpath outside the retail spaces

Creation of a loading bay which is to be used during the hours stipulated by the council

16 new bike stands along the street for public use

Paving to be high quality granite

Public art (manhole cover with a time capsule) along Torwood Street

Retail Unit 3 reduced outdoor terrace/seating area in order to accommodate wider

footpath between loading back and terrace

Retail Unit 4 terrace (entrance and façade brought back to create a terrace

Hotel and office entrance paving amendment

Retail Unit 1 Terrace Balustrade extension (to create straight line)

The Terrace

New proposed loading bay and drop off zone for the hotel guests and services New drop kerb for guest coming from the car park Two new pedestrian crossings New paving along the front of the hotel in high quality paving Planter materiality and size/position

