

SCHEDULE 1

Owner's covenants

The Owner, the Developer and the Council (where relevant) covenant:

1. Implementation

- 1.1 to give to the Council not less than 14 days written notice of their intention to Implement the Development

2. Contributions

- 2.1 not to Implement or to cause or permit Implementation of the Development until it has paid or caused to be paid to the Council the Solent Recreation Mitigation Project Contribution
- 2.2 not to Dispose or to cause or permit the Disposal of more than 8 Dwellings until it has paid or caused to be paid to the Council the Affordable Housing Contribution which must be applied by the Council only for the purposes of providing off-site affordable housing and in the event that the Council have not expended or committed for expenditure the Affordable Housing Contribution within a period of ten years from the date of receipt by the Council of such payment, the Council covenants to refund the Affordable Housing Contribution to the payer of the same promptly.
- 2.3 not later than Implementation of Development to pay or cause to be paid to the Council the Monitoring Fee.

3. Management and Maintenance of the Common Parts

- 3.1 not to Implement the Development unless and until the Council has approved in writing the Owner's proposal for the formation of the Management Company and such proposals shall include full details of the proposed structure and voting rights of the Management Company.
- 3.2 The Council covenants that it will notify the Owner that it either approves or rejects the proposal referred to in 3.1 above within 28 days of receipt. In the event that notification is not received within that time, the proposal/s will be deemed to be approved for the purposes of 3.1 above and 3.3 below. In the event that notification of a refusal is received by the Owner within the aforementioned time period, the Owner shall continue to comply with the obligation at 3.1 above until such time as the Council approves the proposal or deemed approved applies.
- 3.3 not later than 6 months following Implementation of the Development to submit to the Council in writing the Owner's proposal for the Management Plan.
- 3.4 not to Dispose of a Dwelling until:
- 3.4.1 the Management Company has been formed in accordance with the approved proposal; and
- 3.4.2 the Management Plan has been approved in writing by the Council.

4. Management Company

- 4.1 not later than six months from Implementation of the Development the Owner shall take all necessary steps to secure the formation and registration of the Management Company at Companies House (taking into account any modifications reasonably required by the Council)

and to notify the Council accordingly within seven days of the completion of the registration of the Company.

4.2 shall secure the proper maintenance of the Common Parts and SuDs to the reasonable satisfaction of the Council until such time as:

4.2.1 the Management Company is registered and the Management Plan has been approved by the Council; and

4.2.2 the maintenance arrangements for the Common Parts and SuDs in accordance with the Management Plan have been fully implemented; and

4.2.3 the transfer of the Common Parts and SuDs to the Management Company is completed.

4.3 that if the Management Company ceases to exist as a company or if the Management Company at any time defaults in the performance of any of its covenants or obligations on its part as contained in the Management Plan and/or Management Agreement then the Owner or Developer shall (without prejudice to any other right or remedy of the Owner or Developer against the Management Company or any other person) perform the said covenants and obligations until the appointment by the Owner or Developer of a successor to the Management Company.