

Disposal of Caversham Park

Note on Proposed Additional Payment/Overage Mechanisms for Heads of Terms

Subject to Contract

	Residential Overage
Principle	To share the benefits of the purchaser achieving a greater floor area of development than anticipated in the purchasers bid
Overage Amount	£x per square foot of Net Sales Area of private housing over and above bid proposal area. NSA measured in accordance with RICS code 7 th edition.
Overage Period	10 years commencing on legal completion of the purchase
Timing	If overage trigger exceeded in planning permission obtained prior to completion, relevant sum will be payable on completion in addition to the price. For planning consents achieved after complete the overage payment to be paid within 21 days of grant of planning consent
Trigger Event	An enhanced planning permission obtained before completion which achieves NSA above the bid proposal area will result in overage being paid on completion. After completion, overage will be triggered by the grant of each and every planning permission during the overage period which provides for NSA of private housing above the bid proposal area. Implementation or sale with benefit of planning permission is not a trigger event.
Deductions	Reasonably incurred costs of obtaining the enhanced planning permission – post completion overage only and not pre-completion additional price.
BBC Protection	Restrictive covenant in transfer and restriction on title. Prior to any disposal (other than a permitted disposal) the disponent will need to enter into a deed of covenant with the BBC. The restriction will require the consent or certificate from the BBC, not from a certificate from any conveyancer. The BBC is willing to agree a mechanism to ensure that provision of such certificate/consent does not hold up sales of completed units.
Disposals and Permitted Disposal	Disposals include the grant of a fixed legal charge over the Property and (if buyer is an SPV) a change of control. Mortgagees will only be bound by overage if they take possession of the Property or sell pursuant to their power of sale. Permitted Disposals are those to statutory undertakers, sales of completed residential units or to providers of affordable housing. Overage will not apply to any such disposals and no deed of covenant will be required.
Guarantor	Will be required from topco if Buyer is not topco of relevant group.