BOND NUMBER: 001409/1118/002449

(OPY 3 OF 3

DATED:

17 DECEMBER

201[ 8]

#### **APPLETHWAITE LIMITED**

- and -

#### THE LANCASHIRE COUNTY COUNCIL

- and -

#### **ZURICH INSURANCE PUBLIC LIMITED COMPANY**

#### **AGREEMENT**

7

made under Section 38 of the Highways Act 1980 and all other powers enabling it to do so in connection with land on the north of Liverpool Road, Hutton, in the County of Lancashire.

Legal & Democratic Services Lancashire County Council PO Box 78 County Hall Preston Lancashire PR1 8XJ

Tel:

01772 533282

(Ref:

LSG4/MA/894.5177)

#### **BETWEEN:**

- (1) APPLETHWAITE LIMITED (Co. Reg. No. 05187755) whose registered office is situated at Sceptre House, Sceptre Way, Bamber Bridge, Preston, PR5 6AW ("the Developer"); and
- (2) THE LANCASHIRE COUNTY COUNCIL of PO Box 78 County Hall, Preston, Lancashire, PR1 8XJ (the "County Council"); and
- 2URICH INSURANCE PUBLIC LIMITED COMPANY a public limited company incorporated in Ireland (Co Reg No. 13460) whose registered office is at Zurich House, Ballsbridge Park, Dublin 4, Ireland UK branch registered in England and Wales Registration No. BR7985 and whose address for service for the purposes of this Agreement is [ ] or such other address as shall be notified in writing from time to time ("the Surety");

ZURICH SURETY, 2ND FLODR, NDRFOLK HOUSE, 7 NORFOLK STREET, HANCHESTER M2 12U, ENGLAND

#### WHEREAS:

- (1) Lancashire County Council is by virtue of section 1(2) of the Highways Act 1980 the Highway Authority for highways other than trunk roads in the County of Lancashire;
- The Developer is the estate owner in fee simple absolute in possession free from encumbrances the land north of Liverpool Road, Hutton, Lancashire which is registered at HM Land Registry under title number LAN184106 which includes the site of the proposed highway shown coloured pink (the "Pink Land") on the Drawing numbered 14148/05/7 rev H and which is annexed hereto which the Developer is willing to dedicate as highway in accordance with the provisions of this Agreement, and is desirous of making up the Pink Land so that the same shall become a highway or highways maintainable at the public expense;

- (3) The Developer has requested that when the Works have been executed and maintained in accordance with this Agreement as hereinafter appearing the County Council shall undertake the maintenance of the Pink Land as a highway or highways maintainable at the public expense which the County Council has agreed to do upon the terms and conditions contained in this Agreement.
- (4) The County Council warrants that in its capacity as local highway authority it has approved the carrying out of the Works subject only to the Developer complying with, observing and performing the provisions of this Agreement.

NOW in pursuance of Section 38 of the Highways Act 1980 IT IS HEREBY AGREED AND DECLARED by and between the parties hereto as follows:

#### 1 DEFINITIONS AND INTERPRETATION

In this Agreement where the context so admits:

- 1.1 "Appendix A" means Appendix A of the Code of Practice on Highway Status and Adoption, the current form of which is annexed as the Third Schedule;
- 1.2 "Appendix B" means Appendix B of the Code of Practice on Highway Status and Adoption, the current form of which is annexed as the Fourth Schedule;
- 1.3 "Commuted Sum" means the sum calculated in accordance with the provisions of clause 3.11 below;
- 1.4 "County Council" includes its successors in title or other person or body having the responsibility for the exercise of the functions of the principal highway authority for the County of Lancashire from time to time and for the time being;

- 1.5 "Default Cost" means the total sums referred to at clause 17.1 (a) to (d) inclusive;
- "Design" means the design and scheme of works to be prepared by the Developer or a consultant on its behalf and approved by the Head of Service Highways (approval of which shall not be unreasonably withheld or delayed) for the carrying out of the Works and to include all appropriate drawings specifications conditions of contract and programme of works;
- 1.7 "Developer" includes the successors in title and all persons deriving title under or through it or having any legal estate interest right in or to the Pink Land;
- "Drawings" mean the sealed drawing(s) numbered 14148/05/1 rev F; 14148/05/5 rev D; 14148/06/1 Rev C and the section drawing(s) numbered 14148/05/2 rev B and 14148/05/3 rev C signed by or on behalf of the parties hereto and any amended or additional Drawings signed by or on behalf of the Head of Service Highways;
- 1.9 "Head of Service Highways" an officer or employee of the County Council appointed or authorised by the Head of Service Highways to implement any of the provisions of this Agreement on his behalf or in his stead;
- 1.10 "Estimated Cost" is the sum of THREE HUNDRED AND FIFTY FIVE
  THOUSAND POUNDS (£355,000.00) being the amount which is in the opinion
  of the Head of Service Highways the cost of carrying out the Works within the
  period specified in Clause 3.1 hereof;
- 1.11 "Final Certificate" means the Certificate to be issued on satisfactory completion of the Works in accordance with Clause 10 below;
- 1.12 "Highway Retaining Structures" means new or existing bridges or retaining walls (unless excluded by section 38(2) of the Highways Act 1980) irrespective of height supporting or necessary for the support of the Pink Land;

- 1.13 "Land Dedication Plan" means the plan showing the Pink Land and marked number 14148/05/7 rev H;
- 1.14 "Maintenance Period" means the period specified in Clause 8.2.1 below;
- 1.15 "Maximum Fee" means the sum of £840.00 (eight hundred and forty pounds) as detailed in Appendix A or such revision as in force at the date of this Agreement.
- 1.16 "Minimum Fee" shall mean the sum that is set annually by the Cabinet Member for Sustainable Development for the time being of the County Council and which is contained in Appendix A;
- 1.17 "Part 1 Certificate" means the Certificate to be issued on the satisfactory completion of the Part 1 Works in accordance with Clause 7 hereof;
- 1.18 "Part 1 Works" means the works referred to in Part 1 of the First Schedule hereto;
- 1.19 "Part 2 Certificate" means the Certificate to be issued on the satisfactory completion of the Part 2 Works in accordance with Clause 8 hereof;
- 1.20 "Part 2 Works" means the works referred to in Part 2 of the First Schedule;
- 1.21 "Pink Land" means the land shown coloured pink on the Land Dedication Plan and being part or parts of the Site;
- 1.22 "Site" means the land situate on the north side of Liverpool Road, Hutton, Lancashire as the same is for the purposes of identification only edged Red on the Site Plan;

- 1.23 "Site Plan" means the plan showing the Site and which is marked number 14148/05/7 rev H;
- 1.24 "Specification" means the edition of the publication entitled "Specification for Construction of Estate Roads 2011" or any further revision thereof a copy of which the Developer hereby acknowledges has been supplied to him;
- 1.25 "Statutory Undertaker" means a "statutory undertaker" as defined in Section 329(1) of the Highways Act 1980 and British Telecommunications Plc;
- 1.26 "Planning Permission" means the planning permission(s) for the Site granted by the South Ribble Borough Council as the local planning authority pursuant to the provisions of the Town and Country Planning Act 1990 (as amended) on 25 August 2016 under Reference Number 07/2016/0509/VAR which sought to vary the planning permission granted under the reference 07/2015/1845/FUL;
- 1.27 "Property Retaining Structures" means new or existing retaining walls (unless excluded by section 38(2) of the Highway Act 1980) irrespective of height supporting land or property above the road and within 3.65 metres of the edge of the Pink Land which for the avoidance of doubt shall include buildings built over a highway and property;
- 1.28 "Works" means all the works specified in the First Schedule hereto for the making up of the Pink Land;
- 1.29 Clause paragraph and schedule headings and the table of contents do not form part of this Agreement and must not be taken into account in its construction or interpretation;
- 1.30 References to clauses paragraphs and schedules in the absence of anything expressed to the contrary are references to the clauses paragraphs and schedules of this Agreement;

- 1.31 References to any statute include reference to any statutory amendment modification or re-enactment of such statute and all delegated legislation made under it:
- 1.32 Words importing any one gender include every other gender;
- 1.32 Words importing the singular number include the plural and vice versa and where any party comprises more than one person covenants and obligations on the part of that party shall be deemed to be the joint and several covenants and obligations of those persons.

#### 2. POWER TO EXECUTE

- 2.1 The County Council is a principal council within the meaning of section 270(1) of the Local Government Act 1972 and the local highway authority for the purposes of the Highways Act 1980 for highways other than trunk roads in the County of Lancashire;
- 2.2 The Planning Permission has attached to it certain conditions to carry out such works as may be necessary to connect the Site to a vehicular highway or highways.
- 2.3 The County Council enters into this Agreement pursuant to the provisions of section 111 of the Local Government Act 1972 sections 38 and 305 of the Highways Act 1980 and all other powers enabling it to do so.

#### 3. <u>DEVELOPER'S LIABILITY</u>

3.1 The Developer shall carry out and complete the Works at the Developer's expense in a good and workmanlike manner with proper materials in accordance in all respects with the Specification and the Drawings to the satisfaction of the Head of Service - Highways within 24 calendar months from the date hereof;

- 3.2 That before commencing any part of the Works the Developer shall inform the Head of Service Highways in writing of the name of the Principal Designer to be appointed by the Developer in accordance with the provisions of the Construction (Design and Management) Regulations 2015 made under the Health and Safety at Work Act 1974 and shall provide that upon the issue of the Part 2 Certificate the Head of Service Highways shall be provided with a copy of the Health and Safety File relating to the Works.
- 3.3 That before commencing any part of the Works the Developer shall submit the Design to the Head of Service Highways for his approval in writing (approval not to be unreasonably withheld or delayed) and shall produce evidence that the same has been approved by the local planning authority;
- 3.4 That before commencing any part of the Works the Developer shall inform the Head of Service - Highways in writing of the details of the person appointed by the Developer to be responsible for the safety in accordance with Regulation 7 of the Management of Health and Safety at Work Regulations 1999.
- 3.5 The Developer shall at all times permit the Head of Service Highways and any other officer of the County Council access to enter every part of the Site and sites thereof with or without equipment machinery materials plant vehicles and workmen for the purpose of inspecting and testing the Works and all components materials tackle or methods of works used or intended to be used therein.
- The Developer shall before the commencement of the Works and at no expense to the County Council obtain such consents deeds of grant easements licences or permissions as may be required for the purpose of carrying out the Works and to comply with the same and indemnify and keep indemnified the County Council from and against all liabilities costs claims actions and demand or expenses which may arise from the Developer's failure to obtain or comply with such licences consents or permissions

- 3.7 The Developer hereby declares and warrants to the County Council that he has and will throughout the duration of this Agreement maintain full right liberty and consent to carry out such works as may be necessary to connect the Pink Land to a vehicular highway or highways;
- 3.8 The Developer shall at all times indemnify the County Council and keep indemnified the County Council against all actions claims costs demands expenses losses liabilities and proceedings arising out of or in connection with or incidental to the carrying out of the Works (including but not limited to claims under Parts I and II of the Land Compensation Act 1973 and the Noise Insulation Regulations 1975) (as amended) other than those arising out of or in consequence of any neglect act default or liability of the County Council.

#### PROVIDED THAT the County Council shall:-

- a) Notify the Developer of any actions liabilities costs claims or proceedings in respect of which it intends to make a claim on the Developer pursuant to clause 3.8 above; and
- b) On receipt of a written request from the Developer to the County Council to inform the Developers of the progress of any such action liability costs claims or proceedings; and
- c) On receipt of a written request from the Developer to the County Council to submit to the Developer a written breakdown of any fees costs disbursements compensation or interest that it seeks to recover from the Developer in accordance with clause 3.8 above.
- 3.9 That the Developer shall not cause or permit or suffer any dwelling erected by the Developer or on his behalf fronting adjoining or abutting on to the Pink Land to be occupied until:
  - (a) the Head of Service Highways has issued the Part 1 Certificate in respect of the Pink Land or such part of the Pink Land as will provide the occupier

- with access to a vehicular highway and where applicable a base course pedestrian access to such highway has been provided; and
- (b) the Pink Land or such part of the Pink Land have lighting installed and commissioned in accordance with the Specification and the Drawings including electricity supply cables thereto provided and connected as agreed by the Developer with the relevant Statutory Undertaker for the time being and for the avoidance of doubt the Developer shall make payment at his own expense for the energy consumed from the date of connection until the County Council accepts responsibility for the same in accordance with the provisions of this Agreement; and
- (c) any street name plates on roads giving access to those properties have been erected in accordance with the requirements and specification of the street naming authority.
- 3.10 Where any dwelling fronts adjoins or abuts onto the Pink Land and that Pink Land includes a verge or strip of land (commonly known as 'a service strip') adjacent to the Carriageway then the Developer shall provide the first occupier of any such dwelling with a copy of the document set out in the Second Schedule hereto and request the first occupier to retain a copy of that document with the title deeds and documents to the dwelling.
- 3.11 The Developer shall on demand and in any event prior to the issue of the Final Certificate pay to the County Council such sum as is assessed by the Head of Service Highways in accordance with Appendix B and notified to the Developer in accordance with clause 3.11.1 below by way of Commuted Sum for the future maintenance of areas, highway construction and other infrastructure that, due to the non-standard nature of those works, will require maintenance in excess of that normally required in order to keep the highway in such a state as to be safe and fit for the ordinary traffic reasonably expected to use it;
- 3.11.1 The amount of the Commuted Sum will be notified to the Developer prior to the issue of the Final Certificate;

- 3.11.2 The Commuted Sum will be calculated in accordance with the costs/figures as detailed in Appendix B at the date on which the Commuted Sum is calculated.
- 3.12 THE Part 1 Works shall be completed within 18 calendar months from the date hereof and the Part 2 Works shall be completed within 24 calendar months of the date of issue of the Part 1 Certificate;

**PROVIDED THAT** such periods referred to at 3.1 and 3.12 above may be extended by such reasonable period or periods as shall be necessary subject to first obtaining the approval in writing of the Head of Service - Highways whose approval shall not be unreasonably withheld or delayed

### 4. HIGHWAY RETAINING STRUCTURES/PROPERTY RETAINING STRUCTURES

- 4.1 ON the Head of Service Highways certifying that any works appertaining to Highway Retaining Structures and/or Property Retaining Structures will be necessary the Developer for itself and its successors in title and assigns shall enter into a separate Agreement with the County Council and such Agreement shall provide for: -
  - 4.1.1 the assessment design construction repair and/or strengthening as appropriate of the Highway Retaining Structures and/or Property Retaining Structures in accordance with the County Council's requirements which shall be at the sole expense of the Developer;
  - 4.1.2 the payment by the Developer of a commuted sum (which for the avoidance of doubt is payable in addition to the sum payable pursuant to Clause 3.11 of this Agreement) to the County Council for the cost to the County Council of inspection maintenance repair and eventual reconstruction of those Highway Retaining Structures and/or Property Retaining Structures which are to be adopted by the County Council;
  - 4.1.3 the maintenance of any Highway Retaining Structures and/or Property

Retaining Structures which are not to be adopted by the County Council (to include its repair and reconstruction if damaged by whatever cause) by and at the expense of the Developer;

- 4.1.4 the County Council to carry out at the sole expense of the Developer (unless it declines to do so) the design and design check of any Highway Retaining Structures and/or Property Retaining Structures;
- 4.1.5 the County Council in all cases at the expense of the Developer (unless it declines to do so) to supervise the construction of any Highway Retaining Structures and/or Property Retaining Structures;
- 4.1.6 where a Property Retaining Structure includes a building/permanent structure over a highway for the Developer to enter into a separate agreement under section 177 of the Highways Act 1980 which shall bind their successors in title or assignees and come into operation on the issue of the Final Certificate under this Agreement;
- 4.1.7 the provision of a bond for an amount as specified by the County Council in respect of the Highway Retaining Structures and/or Property Retaining Structures.

#### 5. STATUTORY UNDERTAKERS - CONNECTIONS TO EXISTING SERVICES

5.1 THE Developer shall before connecting the Pink Land with any highway or highways maintainable at the public expense give notice to each person board or authority being the Statutory Undertaker for the time being of any service or services laid in upon or under such highway or highways of the proposal to make such connection as if the connection were work to be executed for road purposes or major highway works as defined at Section 86 (2) (3) and (4) of the New Roads and Street Works Act 1991 and shall indemnify the County Council in respect of the cost of any works or measures considered necessary by any Statutory Undertaker in consequence of the proposal to make such connection.

#### 6. TRAFFIC CALMING

- 6.1 The County Council shall subject to clause 6.2 below undertake all necessary consultations required by the "Lancashire County Council Traffic Calming Guidelines for Residential Roads" ("the Guidelines") and all other steps required to comply with statutory procedures and management of such traffic calming measures:
- 6.2 Where the Guidelines require that consultations be undertaken with third parties the County Council shall at its discretion claim from the Developer an additional fee of either 2% of the Estimated Cost plus any disbursements that shall include but shall not be limited to advertising Cost ("the Additional Fee") or the Maximum Fee whichever is the lesser. The Additional Fee or the Maximum Fee shall be payable in addition to any Inspection Fees payable in accordance with Clauses 14.1 14.2 or 14.3 below.
- 6.3 The Additional Fee or the Maximum Fee shall be payable by the Developer to the County Council on demand.

#### 7. PART 1 CERTIFICATE

7.1 On the completion of the Part 1 Works to the satisfaction of the Head of Service - Highways in all respects and when the Developer has entered into a separate Agreement or Agreements with the County Council if required to do so in accordance with the provisions of Clause 4 of this Agreement and when the Head of Service - Highways has received notification that any works appertaining to Highway Retaining Structures and/or Property Retaining Structures have been completed he shall issue the Part 1 Certificate to the Developer.

#### 8 PART 2 CERTIFICATE

8.1 On completion of the Part 2 Works to the satisfaction of the Head of Service - Highways he shall issue his Part 2 Certificate only if:-

- 8.1.1 any sewer constructed under the Pink Land under an agreement under Section 104 of the Water Industry Act 1991 (as amended) has vested in the Statutory Undertaker in accordance with that agreement; and
- 8.1.2 appropriate certification has been received by the County Council from the Environment Agency certifying that all necessary consents (if any) have been granted pursuant to the Water Resources Act 1991 and/or the Land Drainage Act 1991; and
- 8.1.3 the Developer, when required to do so in accordance with the provisions of Clause 4 of this Agreement has entered into a separate Agreement or Agreements with the County Council for any works appertaining to Highway Retaining Structures and/or Property Retaining Structures which have been certified as necessary by the Head of Service Highways of the County Council after the issue of the Part 1 Certificate and the Head of Service Highways of the Council has received written notification from the County Council that those works have been completed to his satisfaction.
- 8.2 From the date of the issue of the Part 2 Certificate to the Developer:
  - 8.2.1 the Maintenance Period of twelve (12) calendar months shall commence to run;
  - 8.2.2 the Developer shall permit the use of the Pink Land as if it is a highway for use by the public at large;
  - 8.2.3 the Developer shall remain the street manager for the purposes of Section 49(4) of the New Roads and Street Works Act 1991 and any statutory modification or re-enactment thereof until such time as the Pink Land shall become a highway or highways maintainable at the public expense.

#### 9. OBLIGATIONS DURING THE MAINTENANCE PERIOD

- 9.1 During the Maintenance Period:
  - 9.1.1 the Developer at his own expense shall maintain the Works including all grassed and planted areas and carry out such routine maintenance as may be necessary to facilitate use by vehicles and pedestrians;
  - 9.1.2 the County Council at its own expense shall undertake routine maintenance of and be responsible for payment for energy for all street lights and illuminated traffic signs provided that the County Council has not already accepted this obligation in accordance with the Specification.

#### 10. FINAL CERTIFICATE

- 10.1 Prior to the expiration of the Maintenance Period the Developer shall forthwith at his own expense reinstate and make good any defect or damage which may have arisen from any cause whatsoever or be discovered during the Maintenance Period (including any defect in or damage to the road surface water drainage system) of which he has been notified in writing by the Head of Service Highways so that the Works comply with the Specification AND THEN PROVIDED THAT:
  - 10.1.1 the Developer has paid to the County Council all amounts due to the County Council under this Agreement; and
  - 10.1.2 any necessary reinstatement or other works have been completed to the satisfaction in all respects of the Head of Service Highways; and
  - 10.1.3 the Developer has delivered to the Head of Service Highways drawings showing the Works as constructed together with a copy of the Health and Safety File as defined in the Construction (Design and Management) Regulations 2015; and
  - 10.1.4 the Head of Service Highways is satisfied that the Highway Retaining Structure Works and/or Property Retaining Structure Works (if any) have been maintained by the Developer since their completion; and

10.1.5 the Developer has secured all drainage rights required by the County Council in accordance with Clause 11 below;

the Head of Service - Highways shall issue the Final Certificate to the Developer and shall release the Surety from all liability hereunder.

#### 11 GRANTS OF RIGHTS OF DRAINAGE

11.1 Before the issue of the Final Certificate by the Head of Service - Highways the Developer shall without cost to the County Council execute or procure the execution by all necessary parties of such deeds as are in the opinion of the County Council necessary to secure to the County Council full drainage rights in respect of such parts of the surface water drainage system of the Pink Land as are situate outside the limits of the Pink Land and the County Council shall not be liable for the payment of compensation claims demands losses expenses or legal or any other costs liabilities or fees arising on account of the execution of any such deeds and the Developer will indemnify the County Council in respect of such compensation claims demands losses expenses costs liabilities actions or fees.

#### 12 PROCEDURE FOR INSPECTION AND ISSUE OF CERTIFICATES

12.1 Within fourteen (14) days of receipt of written application from the Developer to the County Council for the issue of a Part 1 Certificate or Final Certificate pursuant to this Agreement and within twenty-eight (28) days of written application from the Developer to the County Council for the issue of a Part 2 Certificate pursuant to this Agreement the Head of Service - Highways shall inspect the Works and where necessary provide the Developer with a definitive list in writing of any remedial works required to be carried out before the issue of that certificate. Any such remedial works shall be subject to the same inspection procedure detailed herein until such time as they shall be completed to the reasonable satisfaction of the Head of Service - Highways who within twenty-eight (28) days thereafter shall issue the relevant Certificate.

#### 13. ADOPTION

13.1 Upon the issue of the Final Certificate the Pink Land shall be deemed to have been dedicated by the Developer to the use of the public as a highway or highways maintainable at the public expense for all classes of user which for the avoidance of doubt includes mechanically propelled vehicles (Natural Environment & Rural Communities Act 2006).

#### 14 INSPECTION FEES AND LEGAL COSTS

- 14.1 ON the execution of this Agreement the Developer shall pay:-
  - 14.1.1 the County Council the greater of either the sum of TWENTY FOUR
    THOUSAND EIGHT HUNDRED AND FIFTY POUNDS (£24,850.00)
    being Seven (7) per cent of the Estimated Cost or the Minimum Fee in respect of the costs incurred by the County Council in inspecting the Works (both excluding for the avoidance of doubt the cost of inspecting any works appertaining to Highway Retaining Structures and/or Property Retaining Structures which shall be determined in accordance with the provisions of the separate Agreement to be made between the County Council and the Developer pursuant to the provisions of Clause 4 hereto); and
  - 14.1.2 the County Council the sum of <u>ONE THOUSAND FIVE HUNDRED</u>

    <u>POUNDS</u> (£1500.00) in respect of the County Council's legal costs for the preparation of this agreement.
- 14.2 FORTHWITH upon the period for completion of the Works being extended in accordance with clause 3.12 above the Developer shall pay to the County Council:-
  - 14.2.1 an additional inspection fee being the greater of either a sum equal to 2% of the outstanding amount of the Default Costs detailed at clause 17 whether or not a Default Notice has been served such Default Costs being approved in writing by the Head of Service Highways or the Minimum Fee; and

- 14.2.2 at each further extension in accordance with Clause 3.12 above or at twelve monthly intervals of the first such extension whichever shall first occur the Developer shall pay to the County Council a further additional inspection fee being the greater of either a sum equal to 5% of the outstanding amount of the Default Costs as detailed at Clause 17 or the Minimum Fee.
- 14.3 RECEIPT by the County Council of the payment of such sum shall not create any contractual relationship between the County 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 County 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 County Council.

#### 15. <u>DETERMINATION BY THE COUNTY COUNCIL</u>

15.1 If the Developer fails to perform or observe any of the conditions stipulations or obligations on his part contained herein or if a receiving order in bankruptcy is made against him or if the Developer is being wound up or if the Developer enters into a composition or scheme of arrangement (otherwise than for the purpose of amalgamation or reconstruction) the County Council may without prejudice to any of its rights claims or remedies against the Developer in respect of such non-performance or non-observance determine this Agreement (except for Clauses 16, and 17 of this Agreement) by notice in writing signed by the Head of Service - Highways and delivered to the Developer or sent by post to the address stated in this Agreement.

#### 16. POWER TO EXECUTE WORKS IN DEFAULT

16.1 Without prejudice to Clauses 3, 15 and 17 hereof if the Developer fails to execute or complete the Works in accordance with the Developer's obligations hereunder the County Council shall after not less than twenty-eight days' notice in writing to the Developer be entitled to execute or complete the Works in

default by its own employees or by contract or otherwise and to recover the cost as certified by the Head of Service - Highways from the Developer.

#### 17. SURETY'S OBLIGATIONS

- 17.1 If the Developer at any time fails to perform or observe any of the conditions stipulations or obligations on his part contained in this Agreement or if a receiving order in bankruptcy is made in respect of the Developer's estate or if the Developer is being wound up or if the Developer enters into a composition or scheme of arrangement (otherwise than for the purpose of reconstruction or amalgamation) the Head of Service Highways may without prejudice to any statutory rights or powers or any other right claim or remedy under this Agreement send to the Surety notice in writing (the "Default Notice"):-
  - (a) specifying the work (the "Default Work") to be carried out in order that the Works may be executed or completed as the case may be in accordance with this Agreement; and
  - (b) containing an estimate by the Head of Service Highways of the cost of carrying out the Default Work and of the cost of maintaining the Works for a period of twelve months prior to the Pink Land becoming maintainable at the public expense and also a statement of the amount of the usual establishment charges of the County Council;
  - (c) specifying the amount of the Commuted Sum which has not been paid by the Developer in accordance with Clause 3.11 above;
  - (d) specifying the amount of the bond required in respect of any Highway/Property Retaining Structures as required by Clause 4 above.

(together hereinafter referred to as the "Default Costs").

#### 17.2 THE Default Costs:-

17.2.1 shall not exceed the sum of <u>THREE HUNDRED AND FIFTY FIVE</u>

THOUSAND POUNDS (£355,000.00) being the Estimated Cost and the

amount of the Commuted Sum assessed by the Head of Service - Highways in accordance with Clause 3.11 above and the amount (if any) of any bond as detailed at clause 4.1.7 above, **PROVIDED THAT** the Surety's maximum aggregate liability under this Agreement shall not exceed **THREE HUNDRED AND FIFTY FIVE THOUSAND POUNDS** (£355,000.00);

- 17.2.2 shall not exceed the sum of <u>TWO HUNDRED AND FIVE THOUSAND</u> POUNDS (£205,000.00) on and after the issue of the Part 1 Certificate;
- 17.2.3 shall not exceed the sum of <u>THIRTY SEVEN THOUSAND POUNDS</u> (£37,000.00) on and after the issue of the Part 2 Certificate;
- 17.3 Within twenty-eight days (28) after the Surety has received the Default Notice the Surety shall:-
  - 17.3.1 pay the Default Costs to the County Council; or
  - 17.3.2 pay only the Default Costs detailed at clause 17.1 (c) and (d) above (if any) and send to the County Council Notice in writing ("the Surety's Counter Notice") of the intention of the Surety to carry out the Default Work;
- 17.4 If the Surety having sent the Surety's Counter Notice to the County Council fails to start the Default Work within fifty-six (56) days after the Surety received the Default Notice the Surety shall forthwith pay the balance of the Default Costs to the County Council with simple interest thereon at the rate of 4.7 percent per annum above the base lending rate for the time being of the National Westminster Bank Plc calculated from the date on which the Surety received the Default Notice;
- 17.5 If the Surety having sent the Surety's Counter Notice to the County Council starts the Default Work and the said work is not completed within four months after the Surety's Counter Notice was received by the County Council or within such further period as may be agreed by the County Council the Surety shall subject to Clause 17.6 below forthwith on demand by the Head of Service -

Highways pay to the County Council such sum as the Head of Service - Highways may determine as being the cost of carrying out any Default Work or part thereof not carried out by the Surety or the cost of maintaining the Works for the period of twelve months prior to the Pink Land becoming maintainable at the public expense as may be the case (or as being the cost of both) and also pay to the County Council the amount determined by the Head of Service - Highways as being the amount of the appropriate usual establishment charges of the County Council;

- 17.6 The sum payable under Clause 17.5 shall not exceed the balance of the Default Costs and the covenant in Clause 18.1 (c) shall apply with respect to such sum and on the issue of the Final Certificate the Surety shall be released from all liability hereunder;
- 17.7 For the purposes of this Agreement a demand stated to be made hereunder and signed or purporting to be signed on behalf of the County Council shall be conclusive as to the Surety's obligation to pay the amount demanded and there shall be no obligation or duty whatsoever on the Surety to consider the alternative set out in Clause 17.3.2 hereof.

#### 18 COUNTY COUNCIL'S COVENANTS

- 18.1 THE County Council HEREBY COVENANTS with the Developer and the Surety for the benefit of all building plots fronting adjoining or abutting the Pink Land and for each and every one of them:-
  - (a) to use its reasonable endeavors in consultation with the Surety to mitigate any loss or damage sustained by reason of any default by the Developer by taking such reasonable steps as the County Council shall think fit;
  - (b) to apply the Default Costs received from the Surety (excluding those detailed at clause 17.1 (c) and (d) as above mentioned) towards the expenditure involved in executing or completing the Works and maintaining and making good all defects for a period of twelve months after completion and the amount so received shall be deducted from any sum which would otherwise be recoverable from the owners of premises fronting the Pink Land under

- the provisions of the Highways Act 1980 or any other Act for the time being in force replacing or amending the same;
- (c) in the event of the Default Costs (excluding those detailed at Clause 17.1 (c) and (d)) paid by the Surety to the County Council exceeding the cost of executing or completing the Works and maintaining and making good all defects as aforesaid together with the amount of the County Council's usual establishment charges to repay to the Surety within twenty-eight (28) days after the Pink Land become maintainable at the public expense the amount of such excess with interest calculated at half yearly rests on the unexpended balance for the time being of the sum paid by the Surety to the County Council at the rate of interest prevailing from time to time on monies held in a deposit account with the County Council's bankers.
- 18.2 THE COUNTY COUNCIL HEREBY FURTHER COVENANTS that the Final Certificate will be issued in accordance with this Agreement and that the Surety will be released from all liability under this Agreement in accordance with this Agreement.

#### 19. PART OR PARTS

19.1 Notwithstanding anything herein before contained the Developer may from time to time during the currency of this Agreement apply to the Head of Service - Highways for the Part 1 Certificate or the Part 2 Certificate in respect of any part of the Pink Land (being the whole width of the Pink Land between points to be defined in the application) and if the Head of Service - Highways shall be satisfied that the part so defined is in all respects suitable to be treated as a separate road for the purposes of construction and adoption in accordance with the several provisions contained in this Agreement then he shall issue a separate Part 1 Certificate or Part 2 Certificate as the case may be in respect of that part and thereafter the same proceedings may be taken in respect of the said part of the Pink Land as if the said part were the subject of a separate Agreement under which the terms of this Agreement applied to the said part separately from the remainder of the Pink Land but without prejudice to the application of this Agreement to the remainder of the Pink Land and the liability

of the Surety shall be reduced as may be agreed by the Head of Service -Highways with the Developer.

#### 20. ASSIGNMENT

20.1 This Agreement may not be assigned by the Developer without the consent of the County Council which consent shall not be unreasonably withheld or delayed.

#### 21. ARBITRATION

21.1 In the event of any dispute arising out of this Agreement the same shall at the request of either party be referred to a sole arbitrator to be agreed between the parties or failing agreement as to the same within fourteen (14 )days after such request to be appointed by the President for the time being of the Institution of Civil Engineers and in this respect this Agreement shall be construed as a submission to arbitration within the meaning of the Arbitration Act 1996 or any statutory re-enactment or modification thereof.

#### 22 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

22.1 Pursuant to the provisions of Section 1 of the Contracts (Rights of Third Parties)

Act 1999 the provisions of this Agreement shall not be enforceable by any
person not a party to it.

#### 23. REGISTRATION

For the avoidance of doubt the County Council shall procure the registration of this Agreement in the Register of Local Land Charges in accordance with the provisions of Section 33 of the Local Government (Miscellaneous Provisions) Act 1982 and the Town and Country Planning (General Development Procedure) (Amendment) (England) Order 2002. Any fees that may be incurred by the County Council in effecting such registration shall be borne by the Developer and shall be payable by the Developer to the County Council on demand.

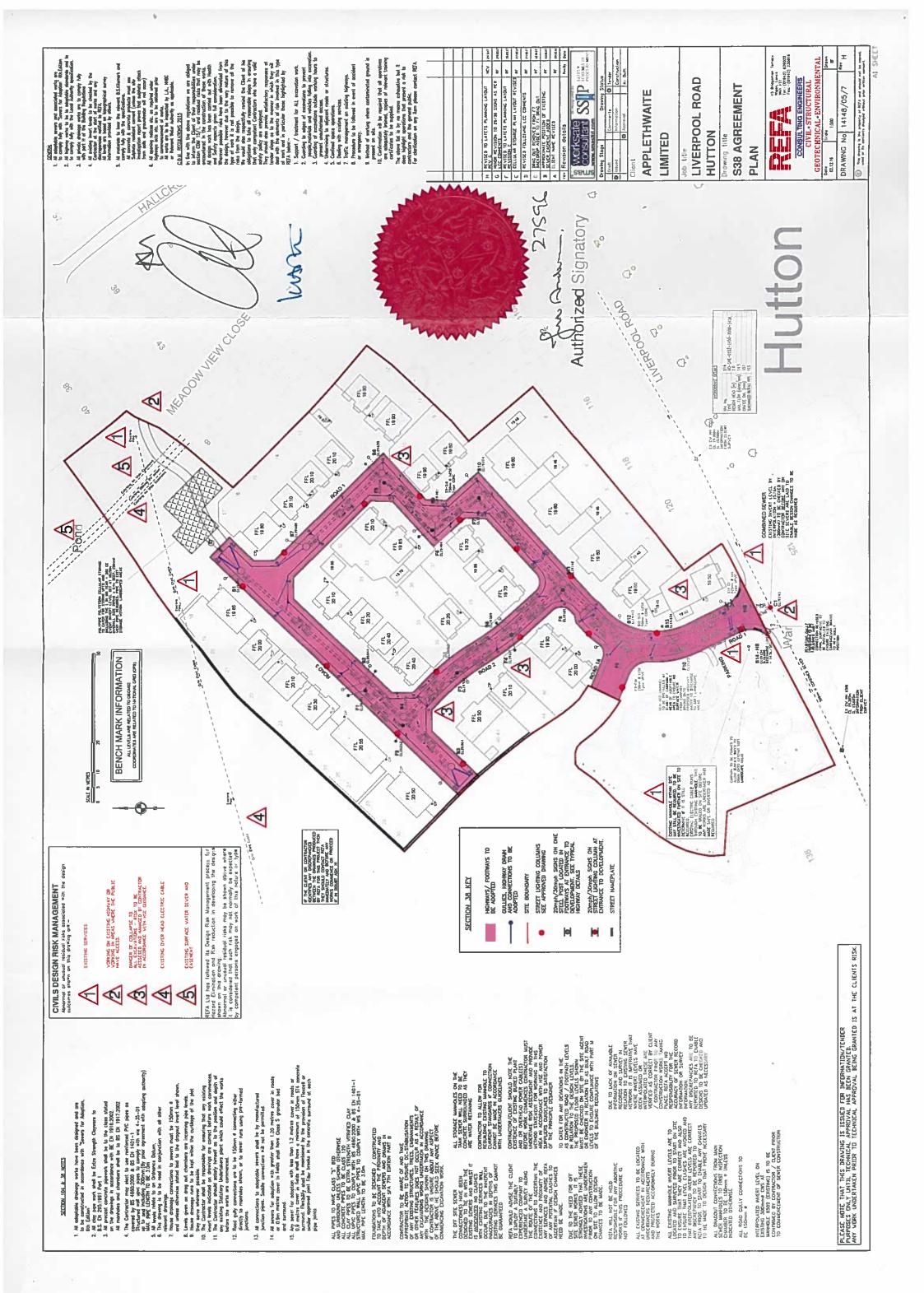
#### 24. JURISDICTION

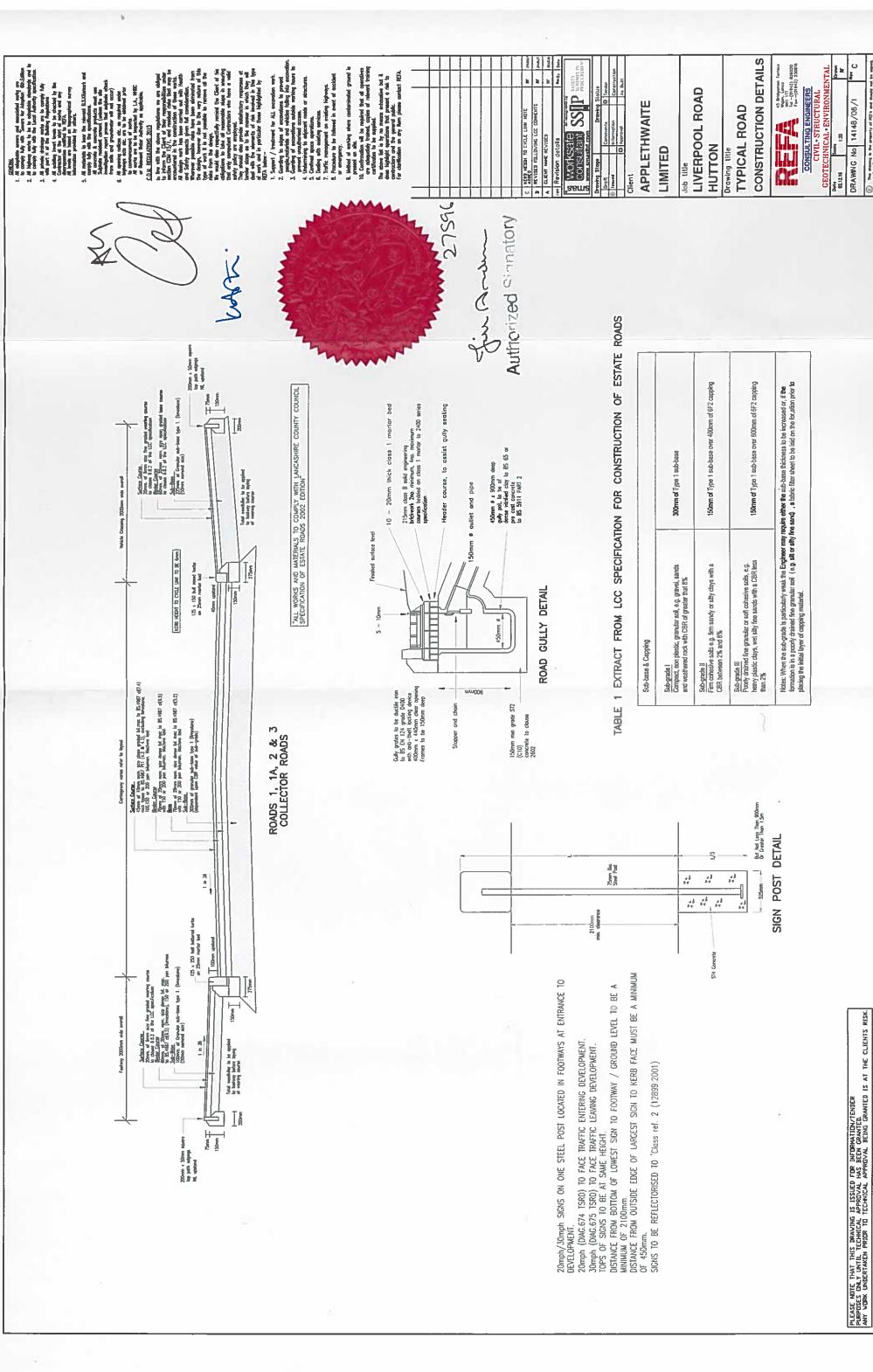
This Agreement shall be governed by and construed in accordance with the laws of England and Wales and only the Courts of England and Wales shall have jurisdiction hereunder.

#### 25. NATURE OF DOCUMENT

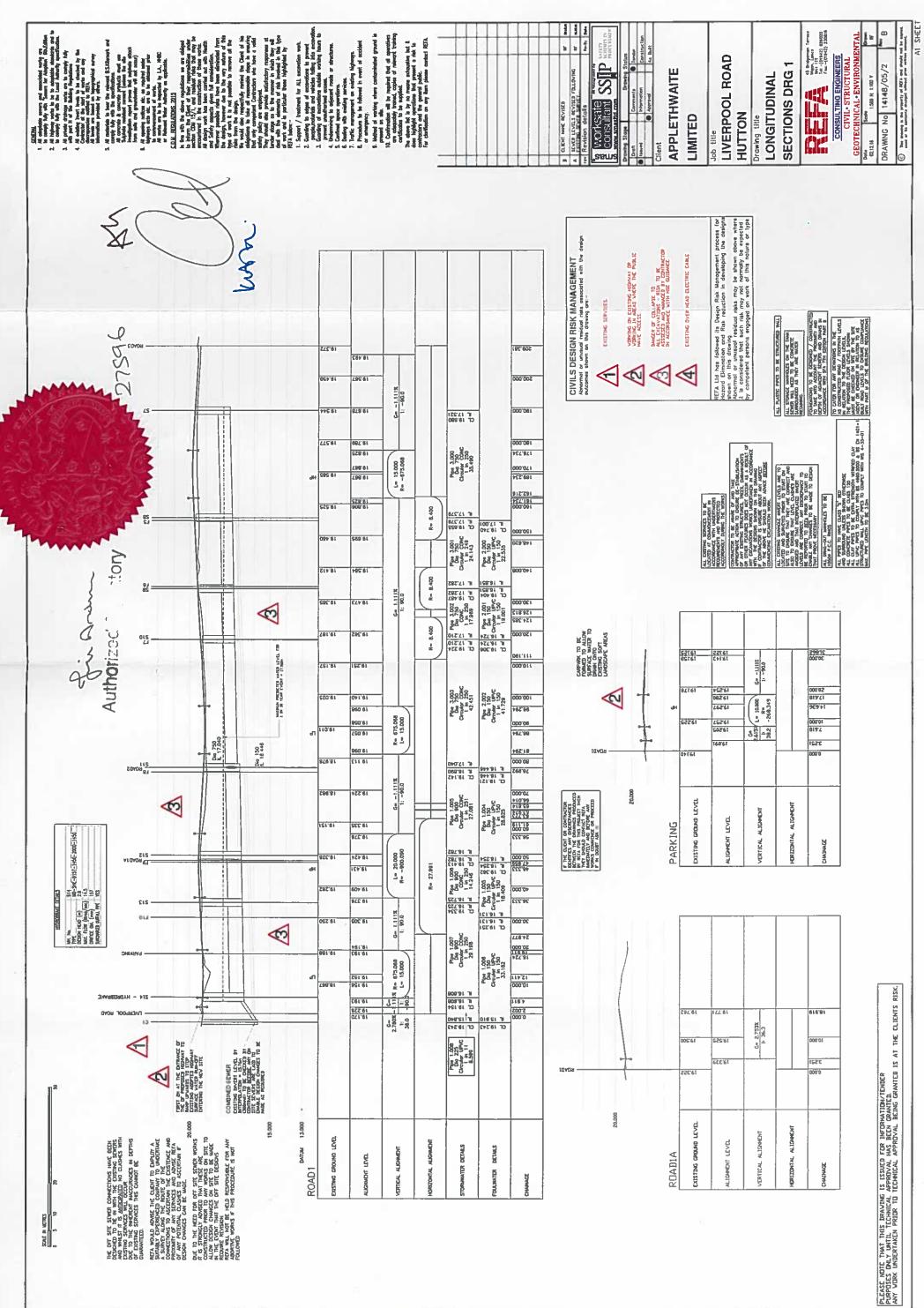
This Agreement is a deed and is executed by the parties as a deed.

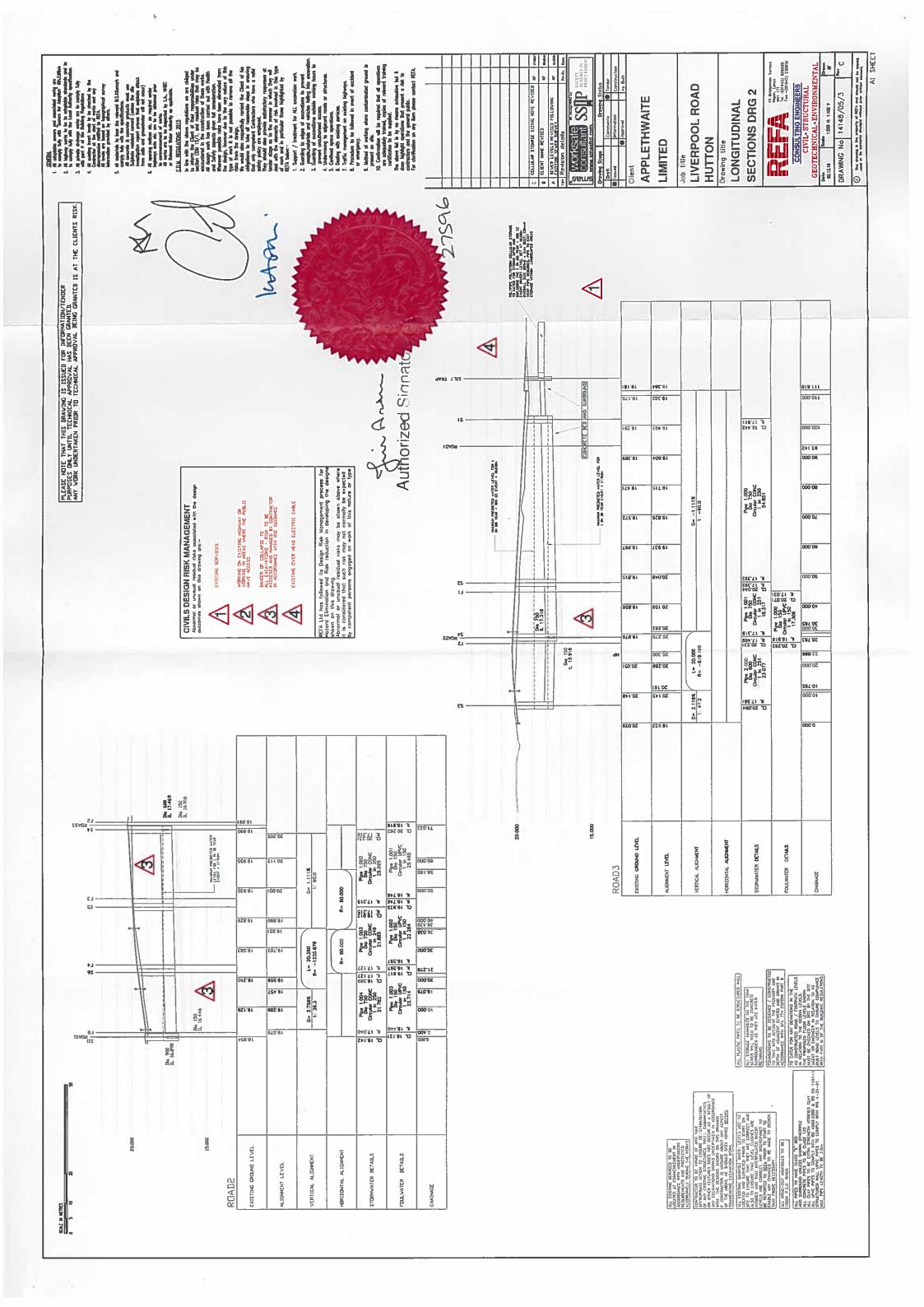
**IN WITNESS** whereof this Agreement has been executed as a Deed the day and year first before written

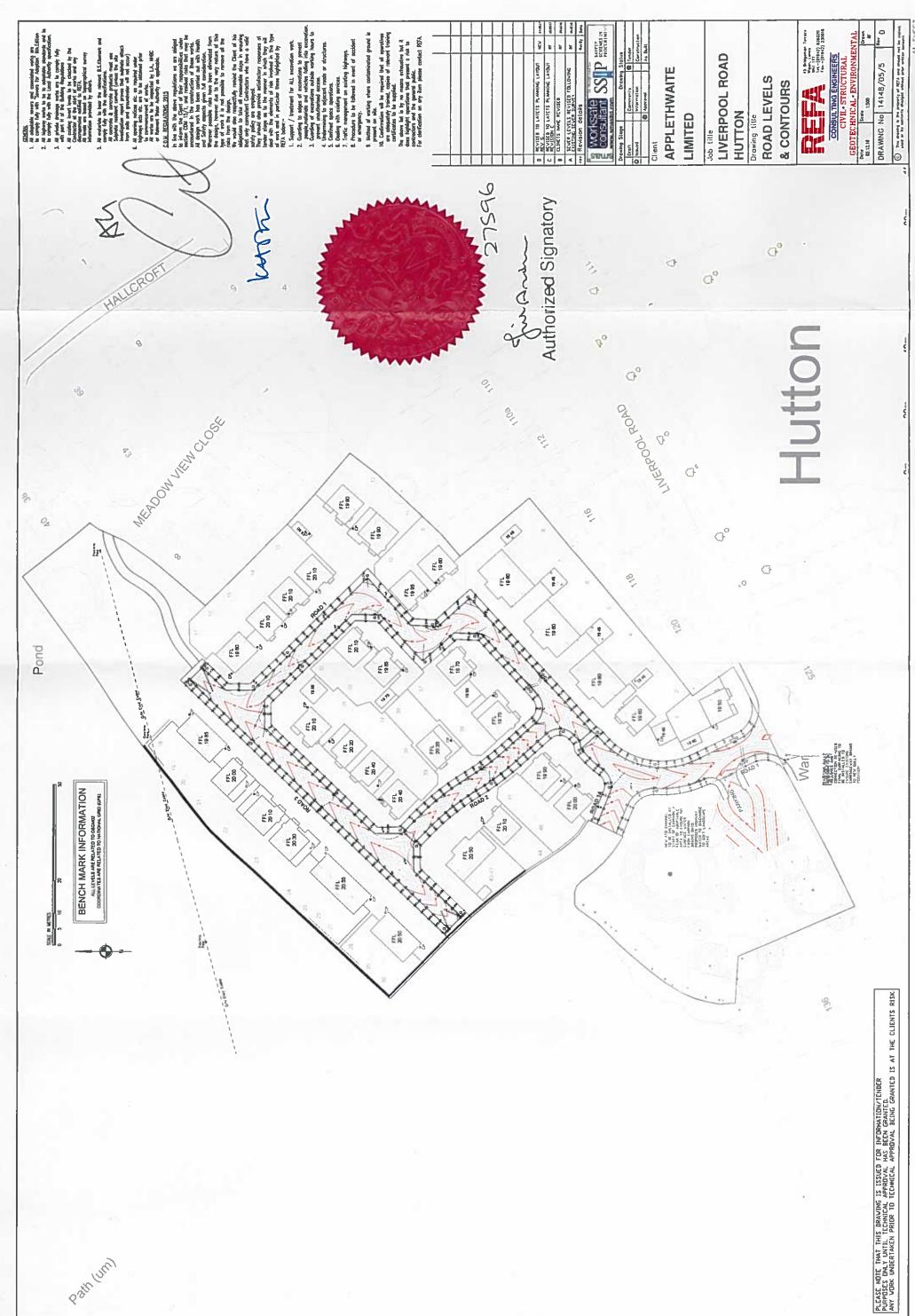


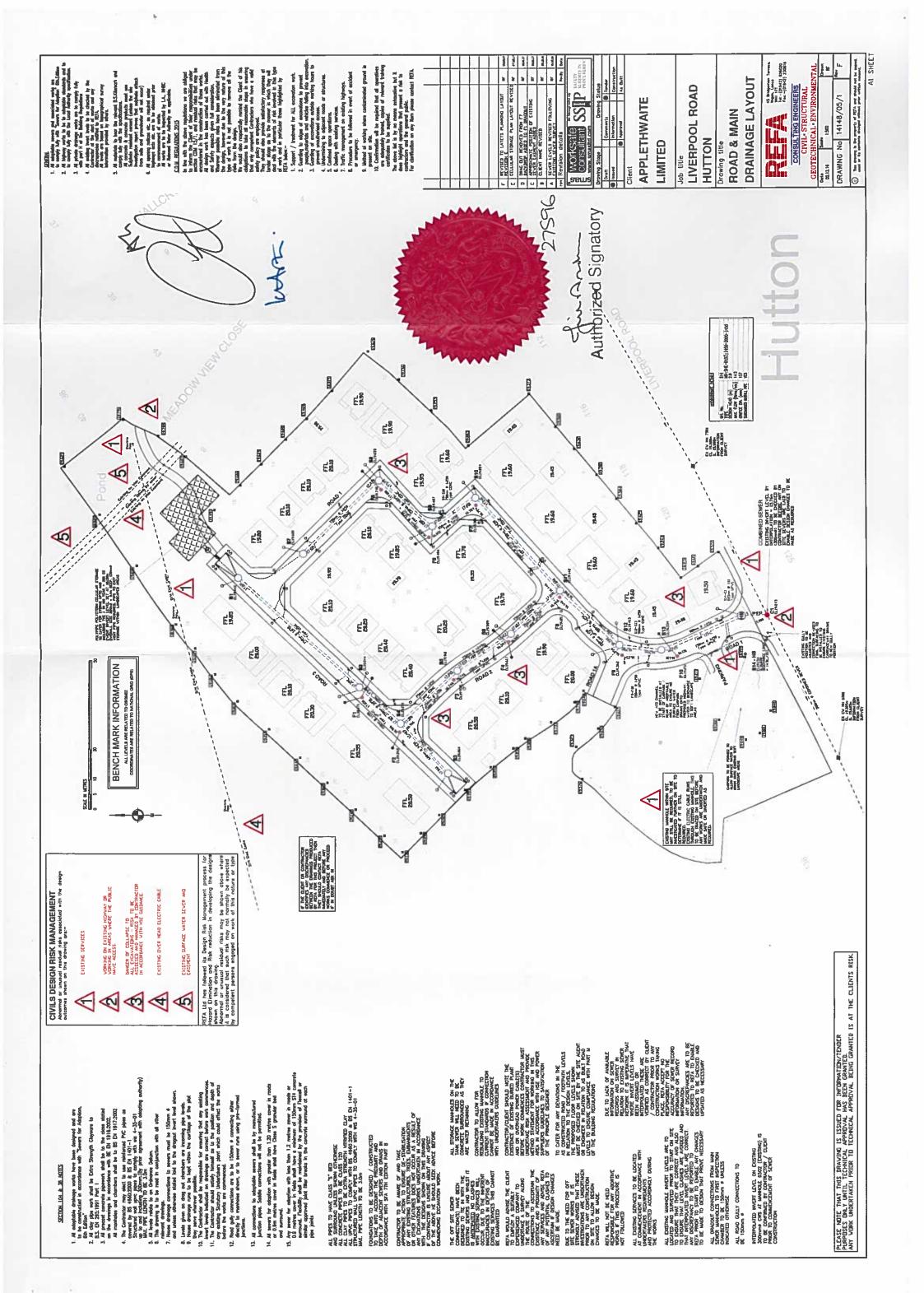


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#### THE FIRST SCHEDULE

#### Part I

- 1. All highway drainage
- 2. All other drainage contained within the highway
- 3. All kerb foundations and where appropriate kerbs including lowering at vehicle crossings and pram-ramps
- 4. Carriageway sub-base road base and any supporting structures thereto
- 5. Carriageway base course surfacing where appropriate
- 6. Demarcation of sight lines and clearance of vision splays
- 7. All Road traffic signs where appropriate

#### Part 2

- 7. All outstanding kerbing not completed in Part 1
- 8. Pedestrian ways
- 9. Carriageway wearing course and/or carriageway base course
- 10. Vision splays and verges
- 11. Street lighting and street furniture
- 12. Street name plates
- 13. Road markings
- 14. All other works described in the Specification and shown in the Drawings
- 15. CCTV Inspection Report and video of all highway drainage

#### THE SECOND SCHEDULE

### THE STATUS OF SERVICE STRIPS ALONGSIDE SHARED SURFACE CARRIAGEWAYS

It is very common on new residential developments particularly on short cul-de-sacs for there to be no separate footway and for all road users i.e. pedestrians cyclists and motorists to share use of the same surfaced carriageway.

In these situations a strip of land is usually provided alongside the carriageway. This strip is un-surfaced except where it is crossed by drives or paths to properties.

The purpose of the strip is to provide a facility for the utilities to lay cables and pipes and is commonly referred to as the service strip.

It is important for the owner/occupier of any property fronting the service strip to be aware of the following:-

- 1. The service strip is part of the adopted highway.
- 2. The purpose of the strip is to contain cable or pipes owned by the utilities such as electricity gas water and telecommunications:-
  - 2.1 The Highway Authority may arrange for public lighting columns and associated cables to be sited in the service strip.
  - 2.2 Interference with equipment cables or pipes by the owner/occupier digging in the strip can be extremely hazardous with potential danger to life. Those responsible for damage would be liable for any costs.
  - 2.3 The utilities and the Highway Authority can enter the service strip at any time without notice to carry out work.
- The owner/occupier shall not place any structure on the service strip or enclose any part of it within the garden curtilage by means of a fence wall or hedge.
- 4. If the owner wishes to plant in the service strip a licence from the Highway Authority may be necessary. Such planting will be severely restricted as to the

extent and type. Further advice can be obtained from the Highway Department of the Local Council.

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# Appendix A

CHARGES UNDER HIG	CHARGES UNDER HIGHWAYS ACT 1980 - SECTION 38	38			
SUMMARY	LEGAL DESCRIPTION	DESCRIPTION	CHARGE 15/16	CHARGE 16/17	CHARGED
Supervision fee	S38 administration and supervision fee, (Percentage of estimated cost of roadworks, subject to minimum fee)	Requests from developers for the Highway Authority to adopt the roads within a development as highways maintainable at public expense on satisfactory completion and maintenance.  Fees include for:  • inspection and approval of key stages of completion of road  • support in overcoming unplanned site constraints  • liaison with specialist street lighting and structural design teams	7% E2,330.00 Minimum fee. Plus approval and inspection for highway retaining structures and property retaining structures, which are charged at cost	7% £2,330.00 Minimum fee. Plus approval and inspection for highway retaining structures and property retaining structures, which are charged at cost	Per agreement
agreement	Supplementary charge for extension of s38 agreement	Extension of time to that specified in the original agreement. Fees include for:  inspection and approval of key stages of completion of road  vapport in overcoming unplanned site constraints and other issues preventing final adoption  liaison with specialist street lighting and structural design teams  assessment and valuing of works completions and bond reductions  advice and support	2% of outstanding default costs for 1st extension of up to one year. 5% of outstanding default costs after the 1st extension + Approval and inspection for highway retaining structures and property retaining structures, which	2% of outstanding default costs for 1st extension of up to one year. 5% of outstanding default costs after the 1st extension + Approval and inspection for highway retaining structures and property retaining structures. which	Per agreement

	Per linear metre					Per site
are charged at cost.	5908.00	19		-5-07	2% Plus disbursements e.g. advertising costs Maximum fee £840.00	£560.00 plus vat
are charged at cost.	5908.00		97 3 a	š.	2% Plus disbursements e.g. advertising costs Maximum fee £831.00	£555.00 plus vat
	Rates use to calculate the Highway Authority's Bond requirements for completing the roadworks specified in the agreement in the event of default by the applicant.	This element includes for construction materials and staff time in measuring, calculating and constructing the road as follows:	<ul> <li>total areas to be constructed, including verges and planting areas, footways, carriageways</li> <li>individual items in the highway including street lighting, drainage, gullies and gully connections, signing and road markings and other street furniture</li> </ul>	Works costs depend on the current costs to LCC of using our in-house contractor to finish any incomplete works to an appropriate standard.	Administration, design and management fee for approval and consultations for traffic calming schemes on s38 sites (percentage of estimated roadworks costs extra over the administration and inspection fee)	Site with 5 columns or less.
	Rate per linear metre for estimating s38 agreement roadworks costs.	v?			Administration, design and management fee for approval and consultations for traffic calming schemes on s38 sites	Provision of street lighting design service to developer.
	Rate per linear metre for estimating s38 agreement roadworks costs.	R	¥ W	2 10	Administration, design and management fee for approval and consultations for traffic calming schemes on s38 sites	Provision of street lighting design service to developer.

Each additiona	onal column	293.00	293.50	Per column	
		plus vat	plus vat		

# Appendix B

COMMUTED SUMS F	FOR FUTURE MAINTENANCE	COMMUTED SUMS FOR FUTURE MAINTENANCE - SECTION 38 AGREEMENTS			
Soakaway	Maintenance of a scakaway	The commuted sum allows for future maintenance and repairs over 20 years for the facility.	Site specific calculation	Site specific calculation	Per item
Other sustainable drainage systems (including filter drains)	Maintenance of other sustainable drainage systems (including filter drains)	The commuted sum allows for future maintenance and repairs over 20 years for the facility.	Site specific calculation	Site specific calculation	Per site
Diverted culverted watercourses	Maintenance of a diverted culverted watercourses - road crossing or longitudenal up to 20m length	The commuted sum allows for future maintenance and repairs based upon County Surveyors Society guidance	Site specific calculation	Site specific calculation	
Culvert debris screen	Maintenance of a culvert debris screen	A debris screen (also called a 'trash screen') prevents debris such as branches, leaves and litter entering a culvert (drain pipe) and blocking it so as to reduce capacity for water to drain through it. Screens need to be cleared of debris on a routine basis and after every heavy rainfall event. This facility would only be required as a consequence of the development and would not benefit general road users. The commuted sum allows for future maintenance and repairs over 20 years for the facility.	Site specific calculation	Site specific calculation	Per item

Per item	Per structure
Site specific calculation	Site specific calculation
Site specific calculation	Site specific calculation
Interceptors prevent water contaminated by oil and/or other harmful substances from entering a watercourse or culvert and then damaging the natural environment. Interceptors need cleaning out on a regular basis to prevent a build-up of harmful substances. This facility would only be required as a consequence of the development and would not benefit general road users. The commuted sum allows for future maintenance and repairs over 20 years for the facility.	Highway structures can include bridges, retaining walls and any other structure in, on, under or adjacent to the highway. This facility would only be required as a consequence of the development and would not benefit general road users. The commuted sum allows for future maintenance and repairs over 120 years for the facility and renewal of the structure at the end of that period.
Maintenance of petrol and spillage interceptors	Maintenance of highways
Petrol and spillage interceptors	Highways structures

	per square metre	137 247
Site specific calculation	00.063	Tree specific calculation
Site specific calculation	00.063	Tree specific calculation
Decorative lighting columns and fixtures can add to the aesthetic appeal of a new road scheme. Non-standard installations can overcome difficult design constraints. Such treatments would only be required as a consequence of the development and would not benefit general road users. The commuted sum allows for future maintenance and repairs over 30 years for the facility.	Verges wider than a standard 2.0m strip can be provided to overcome design constraints or to aesthetically enhance a new road layout. This facility would only be required as a consequence of the development and would not benefit general road users. The commuted sum allows for future maintenance (usually understood as grass mowing) and any repairs which become necessary over 60 years.	The commuted sum allows for future maintenance (including tending the growing tree to maturity, replacing a diseased or dying specimen) and any pruning, lopping etc which might become necessary over 20 years.
Maintenance of road lighting (non-standard but acceptable material specifications)	Maintenance of a highway verge (excluding service strip)	Maintenance of highway trees
Road lighting (non- standard but acceptable material specifications)	Highway verge (excluding service strip)	Highway trees

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Site specific calculation	Site specific calculation	Site specific calculation
Site specific calculation	Site specific calculation	Site specific calculation
Traffic management measures of this type would normally be discouraged and the developer asked to build safety features into the layout of the new road. Such treatments would only be required as a consequence of the development and would not benefit general road users. The commuted sum allows for future maintenance and repairs over 30 years for the facility.	Decorative paving materials can add to the aesthetic appeal of a new road but are typically more expensive to repair or replace than standard materials used by the County Council. Such treatments would only be required as a consequence of the development and would not benefit general road users. The commuted sum allows for future maintenance and repairs over 60 years for the facility.	Such treatments would only be required as a consequence of the development and would not benefit general road users. The commuted sum allows for estimated future maintenance and repairs over the life of the asset.
Maintenance of traffic management measures including street furniture, boilards etc.	Maintenance of enhanced paving materials	Maintenance of other matters not specified in table but necessitated by site circumstances
Traffic management measures including street furniture, bollards etc.	Enhanced paving materials	Other matters not specified in table but necessitated by site circumstances

THE COMMON SEAL of THE LANCASHIRE COUNTY COUNCIL was affixed to this Deed pursuant to the Scheme of Delegation to Chief Officers in the presence of:



Authorised Signatory

#### **EXECUTED** as a **DEED** by **APPLETHWAITE LIMITED**

Acting by a Director and its Secretary or two Directors.

Director

Director/Secretary

Signed and delivered as a Deed by Kim Katherine Ashworth as Attorney for Zurich Insurance Public Limited Company in the presence of:

Signature of witness

Name of witness

Address of witness

Occupation of witness

who

Claire Gozen

Norfolk House, Manchester

Senior Bond Administrator