



Registration of a Charge

Company Name: **HANOVER SOCIAL HOUSING LIMITED**

Company Number: **14038234**



Received for filing in Electronic Format on the: **04/07/2023**

XC71IV30

Details of Charge

Date of creation: **30/06/2023**

Charge code: **1403 8234 0005**

Persons entitled: **REDWOOD BANK LIMITED**

Brief description: **THE FREEHOLD PROPERTY KNOWN AS 1 TO 31 (INCLUSIVE) HANOVER POINT, STOCKTON-ON-TEES TS20 1RA TITLE NO. TES1532)**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **NARDIP BHAMRA**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 14038234

Charge code: 1403 8234 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th June 2023 and created by HANOVER SOCIAL HOUSING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th July 2023 .

Given at Companies House, Cardiff on 5th July 2023

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

Legal Charge

Date: 30 June 2023

- 1 The Chargor
- 2 Redwood Bank Limited

Bank reference:

 RedwoodBank.

THIS DEED is made on

30 June

2023

BETWEEN

- (1) **HANOVER SOCIAL HOUSING LIMITED**, a company incorporated in England and Wales with registered number 14038234 whose registered office is at 13 Riverside Studios, Amethyst Road, Newcastle Business Park, Newcastle Upon Tyne NE4 7YL (the “**Chargor**”); and
- (2) **REDWOOD BANK LIMITED**, a company incorporated in England and Wales with registered number 09872265 whose registered office is at Suite 101 The Nexus Building, Broadway, Letchworth Garden City, SG6 3TA (the “**Lender**”).

BACKGROUND

- (A) The Lender provides facilities to the Chargor.
- (B) It is a condition of the Lender making the facilities available to the Chargor that the Chargor enter into this Deed in favour of the Lender.

OPERATIVE PROVISIONS

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this Deed, unless otherwise provided:

Business Day	means a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in London;
Certificate of Title	any report on or certificate of title relating to the Real Property supplied to the Lender by the Chargor (or on its behalf);
Event of Default	means an Event of Default as defined in the Facility Agreement;
Environment	the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media;
Environmental Law	all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or

	tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment;
Environmental Licence	any authorisation, permit or licence necessary under Environmental Law in respect of any of the Secured Assets.
Facility Agreement	means the facility letter (incorporating the Lender's standard terms and conditions) dated on or around the date of this Deed between the Chargor as borrower and the Lender as lender and as the same may be supplemented, varied, amended and/or restated from time to time;
Financial Collateral	has the meaning given to that expression in the Financial Collateral Regulations;
Financial Collateral Regulations	the Financial Collateral Arrangements (No 2) Regulations 2003 (<i>SI 2003/3226</i>);
Insurance Policies	means each of the insurance policies now or in the future held by or otherwise benefiting the Chargor in relation to the Real Property and any insurance policies that are effected to renew, substitute or replace any such insurance policies and 'Insurance Policy' means any one of them;
Leases	means the leases (if any) specified in Part B to Schedule 1 (Real Property) and 'Lease' means any one of them;
Legal Reservations	means: <ul style="list-style-type: none"> (a) the principle that the granting or not of equitable remedies is at the discretion of a court; (b) the time barring of claims under any limitation acts in any relevant jurisdiction; and (c) any other principles of law applicable to companies generally;
LPA 1925	means the Law of Property Act 1925;
Real Property	means: <ul style="list-style-type: none"> (a) all or any of the freehold and/or leasehold properties specified in Schedule 1 (Real Property); and (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of any of such properties;

Receiver	means any receiver appointed under this Deed or pursuant to any applicable law, whether alone or jointly, and includes a receiver and/or manager;
Rental Income	all amounts paid or payable to or for the account of the Chargor in connection with the letting, licence or grant of other rights of use or occupation of all or any part of the Real Property;
Secured Assets	means all of the present and future assets of the Chargor which from time to time are the subject of any Security Interest created, or purported to be created, by or pursuant to this Deed;
Secured Obligations	means all present and future obligations and liabilities (whether actual or contingent, whether incurred alone, jointly or severally, whether as principal or surety and/or in any other capacity whatsoever and regardless of how they arise) owed by the Chargor to the Lender together with all losses, costs, charges, expenses and liabilities including interest incurred by the Lender on them in connection with the protection, preservation or enforcement of its rights under any document evidencing or securing any such liabilities;
Security Financial Collateral Arrangement	has the meaning given to that expression in the Financial Collateral Regulations;
Security Interest	means any charge, pledge, mortgage, lien or other security interest securing any obligations of any person or any other arrangement of any type whatsoever having the effect of conferring security or a similar effect; and
Security Period	means the period beginning on the date of this Deed and ending on the date on which the Lender is satisfied that the Secured Obligations have been unconditionally and irrevocably discharged in full and that no further Secured Obligations are capable of being outstanding.
Valuation	any valuation relating to the Property supplied to the Lender by the Chargor (or on its behalf).
VAT	value added tax or any equivalent tax chargeable in the UK or elsewhere.

1.2. Interpretation

1.2.1. In this Deed, unless the context otherwise requires:

- 1.2.1.1. words in the singular include the plural and vice versa;
- 1.2.1.2. including means including without limitation;
- 1.2.1.3. where an act is required to be performed promptly, it must be performed as soon as reasonably possible from the moment when the act could reasonably have been performed, having regard to all of the circumstances;
- 1.2.1.4. a time of day is a reference to London time;
- 1.2.1.5. a reference to any party shall be construed as including, where relevant, successors in title to that party, and that party's permitted assigns and transferees (if any);
- 1.2.1.6. a reference to a person includes individuals, unincorporated bodies, government entities, companies, limited liability partnerships, partnerships, joint ventures and corporations (whether or not having separate legal personality);
- 1.2.1.7. a reference to a Clause or a Schedule is to a clause of, or schedule to, this Deed;
- 1.2.1.8. a reference to this Deed or any other agreement is a reference to that document as amended, novated, supplemented, restated or replaced from time to time in accordance with its terms; and
- 1.2.1.9. references to legislation include any modification or re-enactment of such legislation or any part of it.

1.2.2. A reference to this Deed includes its Schedules. The Schedules form part of this Deed and shall have effect as if set out in full in the body of this Deed.

1.2.3. The table of contents and any Clause title, Schedule title or other headings in this Deed are included for convenience only and shall have no effect on the interpretation of this Deed.

1.2.4. An Event of Default is 'continuing' if it has not been waived in writing by the Lender.

1.3. Incorporation of Facility Agreement definitions

Unless defined otherwise in this Deed, or the context requires otherwise, all words or expressions defined in the Facility Agreement have the same meaning in this Deed.

1.4. Contract for the disposition of Real Property

The terms of any agreement or side letter entered into between the parties in relation to this Deed or the Secured Obligations are incorporated into this Deed to the extent required for any purported disposition of any Real Property contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.5. Third party rights

1.5.1. Except as expressly provided for in this Deed, a person who is not a party (other than a Receiver or any of its delegates or sub-delegates) shall not have any rights under the Contracts (Rights of Third parties) Act 1999 to enforce any of the provisions of this Deed.

1.5.2. The parties may terminate or rescind this Deed, or agree to any variation, waiver or settlement in connection with it, without the consent of any third party, whether or not it extinguishes or alters any entitlement they may have to enforce any of the provisions of this Deed.

1.6. Perpetuities

If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

2. **COVENANT TO PAY**

The Chargor covenants with the Lender that it shall, on demand by the Lender, pay and discharge the Secured Obligations when they become due, (together with all interest, fees, costs and expenses charged by or incurred by the Lender in connection with the Chargor's obligations to pay and discharge the Secured Obligations).

3. **SECURITY**

As continuing security for the payment and discharge of the Secured Obligations, the Chargor, with full title guarantee:

3.1. charges to the Lender by way of first legal mortgage, all of the Real Property.

3.2. charges to the Lender by way of first fixed charge:

3.2.1. all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy to the extent not effectively assigned under Clause 3.3;

3.2.2. the Rental Income and the benefit of any guarantee or security in respect of the Rental Income to the extent not effectively assigned under Clause 3.3;

3.2.3. the benefit of all other contracts, guarantees, appointments and warranties relating to the Secured Assets and other documents to which the Chargor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of the Secured Assets or otherwise relating to the Secured Assets (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at

law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them); and

3.2.4. all authorisations (statutory or otherwise) held or required in connection with the Chargor's business carried on at any Real Property or the use of any Secured Assets, and all rights in connection with them.

3.3. assigns to the Lender absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Obligations to the satisfaction of the Lender:

3.3.1. the benefit of each of the present and future agreements, licences, options, contracts, guarantees, warranties, easements, agreements for lease, and any other document, in each case, entered into by the Chargor relating to the use, acquisition, exploitation, disposal of or dealings with any of the Real Property;

3.3.2. all of the Chargor's rights and claims from time to time arising in relation to each of the Insurance Policies including the benefit of all claims arising and all money payable under the Insurance Policies; and

3.3.3. the Rental Income and the benefit of any guarantee or security in respect of the Rental Income,

provided that nothing in this Clause 3.3 shall constitute the Lender as mortgagee in possession.

4. REPRESENTATIONS AND WARRANTIES

4.1. The Chargor makes the representations and warranties set out in Schedule 2 (Representations and Warranties) to and for the benefit of the Lender on the date of this Deed and acknowledges that the Lender makes financing available to the Chargor in reliance on such representations and warranties.

4.2. The representations and warranties set out in Schedule 2 (Representations and Warranties) are deemed to be repeated by the Chargor by reference to the facts and circumstances then existing on each day during the Security Period.

5. UNDERTAKINGS

The Chargor confirms that the undertakings given in Schedule 3 (Undertakings) shall remain in effect throughout the Security Period.

6. PERFECTION OF SECURITY

6.1. Title documents

The Chargor must:

- 6.1.1. immediately upon the execution of this Deed, deposit with the Lender, all deeds, title documents, certificates and other documents constituting or evidencing title to each of the Secured Assets; and
- 6.1.2. at any time after the execution of this Deed, deposit with the Lender any further deeds, title documents, certificates and other documents constituting or evidencing title to the Secured Assets, promptly upon coming into possession of any of them.

6.2. Document delivery and other steps to perfect security

- 6.2.1. The Chargor must execute and deliver to the Lender (at the Chargor's expense) in such form and substance as the Lender may reasonably require:

- 6.2.1.1. immediately upon execution of this Deed, all documents required to perfect the Security Interests created, or purported to be created, by or pursuant to this Deed (including any documents required in connection with any registration formalities); and
- 6.2.1.2. any notices to any third party of any of the charges or assignments as directed by the Lender in accordance with Clause 6.3.

- 6.2.2. The Chargor must take all such other action as is available to it as may be necessary or as may reasonably be requested by the Lender to create, perfect, protect or maintain any of the Security Interests created, or purported to be created, by or pursuant to this Deed or to vest title to any Secured Asset in the Lender or its nominee or any purchaser, or to facilitate the realisation of any Secured Asset under this Deed or the exercise of any of the rights, powers and remedies of the Lender provided by or pursuant to this Deed or by law, including:

- 6.2.2.1. making all filings and registrations with and paying all taxes and duties to the appropriate authorities (including Companies House and HM Land Registry); and
- 6.2.2.2. making an application to HM Land Registry for the following restriction in Form P to be placed on the Proprietorship Register against its title to each of the Chargor's Real Property so that no disposition of any such Real Property by the Chargor is to be registered without the prior written consent of the Lender:
"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor

for the time being of the charge dated [DATE] in favour Redwood Bank Limited referred to in the charges register or their conveyancer."

6.2.3. If the title to any Real Property is not registered at the Land Registry, the Chargor shall ensure that no person (other than itself) shall be registered under the Land Registration Act 2002 as the proprietor of all or any part of that Real Property, without the prior written consent of the Lender.

6.2.4. Whether or not title to the Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Chargor's title to the Property, the Chargor shall immediately provide the Lender with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this Deed, the Chargor shall immediately, and at its own expense, take such steps as the Lender may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

6.3. Notices of assignment

The Chargor must, at the request and direction of the Lender, give notices of assignment or charge in relation to each Secured Asset which is subject to an assignment or charge pursuant to Clause 3, in each case to each of the relevant counterparties.

7. FURTHER ASSURANCE

Further assurance

7.1. The Chargor must, if requested by the Lender, execute in favour of the Lender (or as the Lender directs) such further legal or other assignments or mortgages of, or charges on, the Secured Assets as the Lender requires to secure the continuing payment and discharge of the Secured Obligations.

7.2. The assignments, mortgages or charges shall be prepared by or on behalf of the Lender at the cost of the Chargor, and shall contain such provisions as the Lender may require.

8. ENFORCEMENT

8.1. When security becomes enforceable

The Security Interests created by or pursuant to this Deed shall become immediately enforceable:

8.1.1. if an Event of Default Occurs; or

8.1.2. any facility or commitment available to the Chargor is withdrawn, suspended or cancelled because of any default (however described).

8.2. Secured Obligations deemed due

For the purposes of all powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed.

8.3. Lender's discretion

After the Security Interests created by or pursuant to this Deed have become enforceable, the Lender may at its absolute discretion enforce all or any part of this Deed in any manner it sees fit.

9. **RIGHT OF APPROPRIATION**

9.1. Financial Collateral Regulations

To the extent that the provisions of the Financial Collateral Regulations apply such that:

9.1.1. a Secured Asset constitutes Financial Collateral; and

9.1.2. this Deed and the obligations of the Chargor under it constitute a Security Financial Collateral Arrangement,

the Lender shall have the right to appropriate all or any part of that Secured Asset in or towards the payment or discharge of the Secured Obligations in any order that the Lender may, in its absolute discretion, determine.

9.2. Valuation

For this purpose, the Parties agree that a commercially reasonable method of valuing a Secured Asset shall be:

9.2.1. in the case of cash, the amount standing to the credit of each of the Chargor's accounts with any bank, financial institution or other person, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and

9.2.2. in the case of any other Secured Asset, its market value at the time the right of appropriation is exercised determined by the Lender by reference to a public index, independent valuation or by such other method that the Lender may select.

10. **APPOINTMENT OF A RECEIVER**

10.1. Appointment of a Receiver

At any time:

10.1.1. after the Security Interests created by or pursuant to this Deed have become enforceable; or

10.1.2. if so requested by the Chargor,

the Lender may, without further notice, appoint in writing any person to be a Receiver of all or any part of the Secured Assets.

10.2. Part A1 of the Insolvency Act 1986

The Lender may not appoint a Receiver solely as a result of the obtaining of a moratorium (or as a result of anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency

Act 1986 other than in respect of a floating charge referred to in section A52(4) of Part A1 of the Insolvency Act 1986.

10.3. Powers of Receivers joint and several

Where more than one Receiver is appointed, they shall have power to act separately and exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver unless the Lender in the appointment specifies to the contrary.

10.4. Remuneration of Receiver

The Lender may from time to time determine the remuneration of the Receiver and the remuneration of the Receiver shall be a debt secured by this Deed, to the extent not otherwise discharged.

10.5. Power of the Lender to remove Receiver

The Lender may, subject to section 45 of the Insolvency Act 1986, remove the Receiver from the assets of which it is Receiver.

10.6. Further appointment

The appointment of a Receiver shall not preclude:

10.6.1. the Lender from making any subsequent appointment of a Receiver over all or any of the Secured Assets over which a Receiver has not previously been appointed or has ceased to act; or

10.6.2. a Receiver, while continuing to act, consenting to the appointment of an additional Receiver to act with it.

10.7. Status of Receiver as agent

A Receiver shall be the agent of the Chargor and the Chargor shall be solely liable for the Receiver's contracts, engagements remuneration acts, omissions, defaults, losses and remuneration, and for liabilities incurred by that Receiver, unless and until the Chargor goes into liquidation, after which the Receiver shall act as principal and shall not become the agent of the Lender.

10.8. Limitation on Lender's liability

Neither the Lender nor any Receiver shall be liable:

10.8.1. for any loss, however caused, arising out of:

10.8.1.1. any sale or other disposal of any of the Secured Assets and whether or not a better price could or might have been obtained by deferring or advancing the date of such sale or other disposal; or

10.8.1.2. the exercise of or failure to exercise any of the Lender's powers under this Deed; or

10.8.2. to account as mortgagee in possession for any of the Secured Assets.

10.9. Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

10.10. Relinquishing possession of a Secured Asset

If the Lender, any Receiver or delegate enters into or takes possession of the Secured Asset, it or they may at any time relinquish possession.

10.11. Conclusive discharge

The receipt of the Lender or any Receiver or its delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Asset or in making any acquisition in the exercise of their respective powers, the Lender, every Receiver and delegate may do so for any consideration, in any manner and on any terms that it or they think fit.

11. POWERS OF RECEIVER

A Receiver shall have and be entitled to exercise in relation to the Chargor all the powers set out in Schedule I to the Insolvency Act 1986, and in particular, by way of addition and without limiting such powers, and without prejudice to the powers of the Lender, a Receiver shall have power either in its own name or in the name of the Chargor, to:

- 11.1. in connection with any sale or other disposition of the Secured Assets, receive the consideration for the sale in a lump sum or in instalments and to receive shares by way of consideration;
- 11.2. grant options and licences over all or any part of the Secured Assets, grant any other interest or right over, sell, exchange, surrender, assign or lease (or concur in granting options and licences over all or any part of the Secured Assets, granting any other interest or right over, selling, exchanging, surrendering, assigning or leasing) all or any of the Secured Assets in respect of which they are appointed for such consideration and in such manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions that they think fit;
- 11.3. undertake or complete any works of repair, alteration, building or development on the Real Property and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same;
- 11.4. sever and sell separately any fixtures or fittings from the Real Property without the consent of the Chargor;
- 11.5. provide services and employ, or engage, any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms and subject to any conditions that they think fit (and discharge any such person or any such person appointed by the Chargor);
- 11.6. make, exercise or revoke any VAT option to tax that they think fit;

- 11.7. charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by them) that the Lender may prescribe or agree with them;
- 11.8. collect and get in the Secured Assets or any part of it in respect of which they are appointed and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights;
- 11.9. carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Chargor carried out at the Real Property;
- 11.10. give valid receipts for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets;
- 11.11. make any arrangement, settlement or compromise between the Chargor and any other person that they may think expedient;
- 11.12. bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets that they think fit;
- 11.13. effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Chargor under this Deed;
- 11.14. exercise all rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925 in the same way as if they had been duly appointed under the LPA 1925 and exercise all rights, powers and discretions provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986 whether it is an administrative receiver or not;
- 11.15. for any of the purposes authorised by this Clause 11 or otherwise by this Deed, raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which they are appointed on any terms that they think fit (including, if the Lender consents, terms under which that Security Interest ranks in priority to this Deed);
- 11.16. form a subsidiary of the Chargor and transfer to that subsidiary any Secured Asset;
- 11.17. redeem any prior Security Interest and settle and pass the accounts to which the Security Interest relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver;
- 11.18. make calls conditionally or unconditionally on the members of the Chargor in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Chargor on its directors in respect of calls authorised to be made by them;
- 11.19. delegate their powers in accordance with this Deed;

- 11.20. in relation to any of the Secured Assets, exercise all powers, authorisations and rights they would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of all or any part of the Secured Assets;
- 11.21. do all other acts and things which they may consider desirable or necessary for realising any Secured Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed; and
- 11.22. exercise in relation to any of the Secured Assets all the powers, authorities and things which it would be capable of exercising if they were the absolute beneficial owner of the Secured Asset.

12. OTHER POWERS EXERCISABLE BY THE LENDER

12.1. Lender may exercise Receiver's powers

All powers of a Receiver conferred by this Deed may be exercised by the Lender after the Security Interests created by or pursuant to this Deed have become enforceable, whether as attorney of the Chargor or otherwise, and whether or not a Receiver has been appointed.

12.2. Lender empowered to receive receivables

The Lender or any manager or officer of the Lender is irrevocably empowered to receive all receivables and claims that may be assigned to the Lender under this Deed, on payment to give an effectual discharge for them, on non-payment to take and institute if the Lender in its sole discretion so decides all steps and proceedings either in the name of the Chargor or in the name of the Lender for their recovery, and to agree accounts and to make allowances and to give time to any surety. The Chargor undertakes to ratify and confirm whatever the Lender or any manager or officer of the Lender shall do or purport to do under this Clause 12.

12.3. Lender may redeem prior security

The Lender may:

- 12.3.1. redeem that Security Interest or any other prior Security Interest;
- 12.3.2. procure the transfer of that Security Interest to itself; and
- 12.3.3. settle and pass any account of the holder of any prior Security Interest.

12.4. Lender not obliged to take action relating to receivables

The Lender shall not be obliged to:

- 12.4.1. make any enquiry as to the nature or sufficiency of any sums received by it in respect of any receivables or claims assigned to it under this Deed or pursuant to any of the Secured Assets;
- 12.4.2. make any claim or take any other action under this Deed; or
- 12.4.3. collect any money or enforce any of its other rights under this Deed.

12.5. Lender has no obligation under the Insurance Policies

The Lender shall have no obligation under the Insurance Policies and shall have no liability in the event of failure by the Chargor to perform its obligations under the Insurance Policies.

12.6. Further advances

The Lender covenants with the Chargor that it shall perform its obligations to make advances to the Chargor under the Facility Agreement (including any obligation to make available further advances).

13. POWERS OF SALE, LEASING, ACCEPTING SURRENDERS AND SEVERANCE

13.1. Statutory power of sale to arise on execution

13.1.1. Section 103 of the LPA 1925 shall not apply to this Deed.

13.1.2. The statutory power of sale shall arise on, and be exercisable at any time after, the execution of this Deed.

13.1.3. The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall be immediately exercisable at any time after the Security Interests created by or pursuant to this Deed become enforceable, provided that this provision shall not affect a purchaser or require a purchaser to ask whether a demand or appointment has been made.

13.2. Power of the Lender to grant leases

13.2.1. The statutory powers of sale, leasing and accepting surrenders exercisable by the Lender by virtue of this Deed shall be extended so as to authorise the Lender (whether in its own name or that of the Chargor) after the Security Interests created by or pursuant to this Deed have become enforceable, to grant leases of any of the Real Property on such terms and conditions as the Lender shall think fit.

13.2.2. The Chargor must not, in connection with the Real Property, exercise any of the powers of leasing or accepting surrenders of leases conferred by sections 99 and 100 of the LPA 1925 or by common law without the Lender's prior written consent.

13.3. Lender may sever fixtures

The statutory power of sale exercisable by the Lender is extended so as to authorise the Lender to sever any fixtures from any Real Property and sell them separately.

14. POWER OF ATTORNEY

14.1. Power of attorney

The Chargor, by way of security, irrevocably appoints the Lender (whether or not a Receiver has been appointed) and any Receiver separately, to be the attorney of the Chargor with full power to appoint substitutes and to delegate (on such terms that it thinks fit), for the Chargor in its name and on its behalf, and as its act and deed or otherwise, to execute, deliver and otherwise perfect any document, or perform any act:

14.1.1. that the Chargor is required to do under this Deed; or

- 14.1.2. that may be deemed by the attorney necessary or desirable for any purpose of this Deed (including, after the Security Interests created by or pursuant to this Deed have become enforceable, to transfer legal ownership of any of the Secured Assets).

14.2. Ratification

Without prejudice to the generality of Clause 14.1, the Chargor covenants with the Lender and separately with any Receiver to ratify:

- 14.2.1. all transactions entered into by any attorney in the proper exercise of its powers in accordance with this Deed; and
- 14.2.2. all transactions entered into by any attorney in signing, sealing or delivering any deed, assurance or document, perfecting any Security Interest or performing any act, in each case in the proper exercise of its powers in accordance with this Deed.

15. PROTECTION OF THIRD PARTIES

No person (including a purchaser) dealing with the Lender or any Receiver or any of their respective nominees or agents, shall be concerned to enquire:

- 15.1. whether the Security Interests created by or pursuant to this Deed have become enforceable;
- 15.2. whether any Receiver is validly appointed or acting within its powers;
- 15.3. whether any power exercised or purported to be exercised has become exercisable;
- 15.4. whether any of the Secured Obligations remain due;
- 15.5. as to the necessity or expediency of any stipulations or conditions subject to which the sale of any Secured Asset is made, or otherwise as to the propriety or regularity of the sale of any Secured Asset; or
- 15.6. how any money paid to the Lender or a Receiver, or their respective nominees or agents, is applied.

16. CONSOLIDATION OF MORTGAGES

The restrictions on consolidation of mortgages contained in section 93 of the LPA 1925 shall not apply to this Deed.

17. RIGHTS OF LENDER OR RECEIVER TO REMEDY BREACH

If the Chargor defaults in its performance of any of the undertakings under Clause 5 or any of its other obligations in this Deed, the Lender or any Receiver may (but shall not be obliged to) do whatever may be necessary to rectify the default or protect the Lender's interest under this Deed (including, if applicable, entering the Real Property without becoming liable as mortgagee in possession) at the expense of the Chargor (on a full indemnity basis).

18. APPLICATION OF MONEY RECEIVED BY THE LENDER OR A RECEIVER

18.1. Application of recoveries

Any money received under this Deed shall, subject to the discharge of any prior-ranking claims, be paid or applied in the following order of priority:

- 18.1.1. in payment of the remuneration of the Receiver and the costs of realisation incurred by the Lender and/or the Receiver including all costs, charges and expenses of or incidental to any exercise of any power conferred by this Deed;
- 18.1.2. in or towards satisfaction of the Secured Obligations in such order as the Lender determines, in its absolute discretion; and
- 18.1.3. as to the surplus, if any, to the Chargor or to any other person or persons entitled to it,

and neither the Lender, any Receiver nor any delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Obligations.

18.2. Credit to a suspense account

The Lender may, at its absolute discretion on or at any time or times after demand and pending payment to the Lender of the whole of the Secured Obligations, place and keep to the credit of an interest-bearing separate or suspense account any money received, recovered or realised by the Lender under or in connection with this Deed for so long and in such manner as the Lender may determine without any intermediate obligation on its part to apply the same or any part of such money in or towards the discharge of any of the Secured Obligations.

19. DEFAULT INTEREST

19.1. Default interest

If the Chargor fails to make any payment due under this Deed on its due date, interest on the unpaid amount shall accrue daily, from the date of non-payment (or, if earlier, the date on which the relevant damages, losses, costs or expenses arose in respect of which the demand has been made) to the date of actual payment (both before and after judgment) at a rate specified in the Facility Agreement and the Chargor undertakes to pay any such interest to the Lender immediately on demand by the Lender.

19.2. Calculation of default interest

Interest under Clause 19.1 shall accrue on a day-to-day basis and be calculated by the Lender on such terms as the Lender may from time to time determine and shall be compounded on the last Business Day of each month.

20. COSTS, EXPENSES AND INDEMNITY

The Chargor must, within 3 (three) Business Days of demand by the Lender, pay to, or reimburse, the Lender, on a full indemnity basis, all costs, charges, losses and liabilities (including legal fees) together with all taxes (including VAT) thereon incurred by or on behalf of the Lender arising at any time as a result of or in connection with:

- 20.1. the negotiation, preparation, execution or perfection of this Deed (or the Security Interests created by it) including pursuant to Clauses 6 and 7;
- 20.2. any stamping or registration of this Deed;
- 20.3. responding to, considering or implementing any request for an amendment, extension, consent, amendment or waiver (or any proposal for any of these) under or in connection with this Deed;
- 20.4. the occurrence of an Event of Default;
- 20.5. the preservation and/or enforcement of any of the rights of the Lender under this Deed; and/or
- 20.6. any discharge or release of this Deed.

21. PAYMENTS

- 21.1. No deduction or set off

All sums payable by the Chargor under this Deed must be paid in Sterling in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law) and in cleared funds no later than 11:00 am on the day in question to such account as the Lender may have specified for this purpose.

- 21.2. Timing for payments

Where the day on or by which any payment is to be made is not a Business Day, that payment must be made on or by the following Business Day.

22. CURRENCY INDEMNITY

- 22.1. Currency Indemnity

The Chargor must, as an independent obligation, indemnify the Lender against any loss or liability which the Lender incurs as a consequence of:

- 22.1.1. the Lender receiving an amount in respect of the Chargor's liability under this Deed;
or
- 22.1.2. that liability being converted into a claim, proof, judgment or order,
in a currency other than Sterling.

- 22.2. Sterling

Unless otherwise required by law, the Chargor waives any right it may have in any jurisdiction to pay any amount under this Deed in a currency other than Sterling.

- 22.3. Currency conversion

For the purpose of, or pending, the discharge of any of the Secured Obligations, the Lender may convert any monies received, recovered or realised by it under this Deed from their existing currencies of denomination into any other currencies of denomination that the Lender may think fit, at the cost of the Chargor.

23. SET-OFF

23.1. Retention and set-off

The Lender may retain any money standing to the credit of any of the Chargor's bank accounts with the Lender (in any currency) as cover for any of the Secured Obligations and/or may at any time, without notice to the Chargor, combine or consolidate all or any of such money with all or such part of the Secured Obligations as the Lender may select, whether presently payable or not, and the Lender may purchase with any such money any other currency required to effect such combination.

23.2. Power to sign documents

The Chargor irrevocably authorises the Lender in its name and at its expense to perform such acts and sign such documents as may be required to give effect to any set-off or transfer pursuant to Clause 23.1, including the purchase with the money standing to the credit of any such bank account of such other currencies as may be necessary to effect such set-off or transfer.

23.3. No security

This Clause 23 gives to the Lender a contractual right of set-off only, and does not create any equitable charge or other Security Interest over any credit balance of the Chargor.

24. INFORMATION

The Lender may from time to time seek from any other creditor or provider of finance to the Chargor such information about the Chargor and its affairs as the Lender may think fit and the Chargor directs such third party to provide such information to the Lender.

25. TRANSFERS

25.1. Right of Lender to transfer

The Lender is entitled at any time to assign its rights or otherwise transfer all or any part of its rights or obligations under this Deed to any party to whom it has assigned its rights or otherwise transferred its rights or obligations under any financing agreement or arrangement.

25.2. No right of Chargor to transfer

The Chargor is not entitled to assign its rights or otherwise transfer all or any part of its rights or obligations under this Deed or enter into any transaction which would result in any of those rights or obligations passing to another person.

25.3. Disclosure

The Chargor irrevocably authorises the Lender to disclose any information concerning the Chargor, this Deed or the Secured Obligations to:

- 25.3.1. any prospective assignee or transferee referred to in Clause 25.1 and any other person considered by the Lender to be concerned in the prospective assignment or transfer; and
- 25.3.2. any person who, as part of the arrangements made in connection with any transaction referred to in Clause 25.1, requires such information after the transaction has been effected.

26. NOTICES

26.1. Notices

Every notice, request, demand, or other communication under this guarantee shall be in writing addressed to the addresses specified above or such address as may at the relevant time have been notified pursuant to this Clause to the Party giving the notice and may be delivered personally or sent by pre-paid first-class letter.

26.2. Receipt by Chargor

Any notice or other communication given by the Lender shall be deemed to have been received:

- 26.2.1. if given by hand, on the day of actual delivery; and
- 26.2.2. if posted, on the second Business Day following the day on which it was dispatched by pre-paid first-class post,

provided that a notice given as described in Clause 26.2.1. on a day which is not a Business Day (or after normal business hours in the place of receipt) shall be deemed to have been received on the next Business Day.

26.3. Receipt by Lender

Any notice or other communication given to the Lender shall be deemed to have been given only on actual receipt by the Lender.

27. AMENDMENTS

No amendment, waiver or variation of any of the terms of this Deed will be valid or effective unless made in writing and executed by or on behalf of the parties.

28. REMEDIES AND WAIVERS

- 28.1. No failure, delay or omission by the Lender in exercising any right, power or remedy provided by law or under this Deed shall operate as a waiver of that right, power or remedy, nor shall it preclude or restrict any future exercise of that or any other right, power or remedy.

- 28.2. No single or partial exercise of any right, power or remedy provided by law or under this Deed shall prevent any future exercise of it or the exercise of any other right, power or remedy.
- 28.3. The Lender's rights, powers and remedies under this Deed are cumulative and they do not exclude any rights or remedies that arise by law.
- 28.4. Any release, waiver or discharge of the whole or any part of the Secured Obligations or any consent, approval or waiver given by the Lender in relation to this Deed shall only be effective for that specific purpose and for the terms and conditions upon which it was granted.

29. CONTINUING AND ADDITIONAL SECURITY

29.1. Continuing Security

This Deed is a continuing security for the Secured Obligations in favour of the Lender and shall extend to cover the ultimate balance due at any time from the Chargor to the Lender, notwithstanding any intermediate payment or settlement of account (whether in whole or in part) or any other matter whatever.

29.2. Additional Security

The Security Interests constituted by this Deed are in addition to and do not prejudice, nor are they in any way prejudiced by, any other Security Interest, guarantee or right of set-off, combination or other rights exercisable by the Lender against the Chargor or any Security Interest, guarantee, indemnity and/or negotiable instrument now or in the future held by the Lender.

30. OPENING OF NEW ACCOUNTS

If the Lender receives notice (whether actual or constructive) that the Chargor has created a Security Interest over any of the Secured Assets, the Lender may open one or more new accounts with the Chargor. If the Lender does not open any such new account or accounts, it shall nevertheless be treated as if it had done so at the time when it received such notice and, from that time, all payments made by the Chargor to the Lender shall be treated as having been credited to such new account or accounts and shall not operate to reduce the Secured Obligations.

31. NO PREJUDICE

31.1. No prejudice

The Security Interests created, or intended to be created, by or pursuant to this Deed shall not be prejudiced by any unenforceability or invalidity of any other agreement or document.

31.2. Time, indulgence etc

The Lender may in its discretion grant time or other indulgence or make any other arrangement, variation or release with any person who is not a party without prejudicing, affecting or impairing

the Security Interests created by or pursuant to it, or any of the powers, rights or remedies of the Lender under this Deed or the exercise of any one of them or other obligation or liability of the Chargor to the Lender.

32. LIABILITY OF THE CHARGOR

32.1. Liability not discharged

The Chargor's liability under this Deed in respect of any of the Secured Obligations shall not be discharged, prejudiced or affected by:

- 32.1.1. any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 32.1.2. the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- 32.1.3. any other act or omission that, but for this Clause 32.1, might have discharged, or otherwise prejudiced or affected, the liability of the Chargor.

32.2. Immediate Recourse

The Lender may enforce this Deed without first:

- 32.2.1. having recourse to any other Security Interest, guarantee or rights of set-off;
- 32.2.2. making or filing any claim or proof in a winding-up, dissolution or bankruptcy of any other person; or
- 32.2.3. taking any steps or proceedings against any other person.

The Chargor waives any right it may have to require or request the Lender to take any steps set out in Clause 32.2.1, 32.2.2 or 32.2.3 prior to enforcing this Deed.

33. NO MERGER

Nothing contained in this Deed shall operate so as to merge or otherwise prejudice, affect or exclude any other Security Interest which the Lender may for the time being hold for the Secured Obligations or would have but for this Deed.

34. EVIDENCE OF DEBT

34.1. Lender determination

A copy of any entry in the Lender's accounts shall in any legal proceedings arising out of or in connection with this Deed be prima facie evidence of the matters, transactions and accounts to which it relates.

34.2. Certificates

Any certificate determination or notification by the Lender as to rate or any sum payable to it under this Deed shall, in the absence of manifest error, be conclusive evidence of the matters, transactions and accounts to which it relates.

35. **REDEMPTION OF SECURITY AND RELEASES**

Subject to and without prejudice to Clause 36, on the irrevocable and unconditional payment and discharge in full of the Secured Obligations, the Lender shall, at the request and cost of the Chargor:

- 35.1. take whatever action is necessary to release and cancel the Security Interests created by or pursuant to this Deed;
 - 35.2. procure the reassignment to the Chargor of the property and assets assigned to the Lender pursuant to this Deed; and
 - 35.3. return all deeds and other documents of title delivered to the Lender under this Deed,
- in each case without recourse to, or any representation or warranty by, the Lender or any of its nominees.

36. **CONDITIONAL DISCHARGE**

36.1. Release Conditional

Any release, settlement or discharge between the Lender and the Chargor will be conditional upon no security, disposition or payment to the Lender by the Chargor or any other person in respect of the Secured Obligations being avoided, set aside, reduced or ordered to be refunded by virtue of any statutory provision relating to insolvency or liquidation or for any reason whatsoever.

36.2. Reinstatement

If any such release, settlement or discharge is so avoided, set aside, reduced or ordered to be refunded, the liability of the Chargor under this Deed shall continue or be reinstated and the Lender shall be entitled to recover the value or amount of any such security, disposition or payment from the Chargor as if the release, settlement or discharge had not occurred.

36.3. Retention

Subject to Clauses 36.1 and 36.2, the Lender shall be entitled to retain this Deed after as well as before payment of all the Secured Obligations for such period as the Lender may determine.

36.4. Indemnity

The Chargor shall, notwithstanding any release or discharge of all or any part of this Deed, indemnify the Lender against any action, proceeding, claim, loss, liability and cost which it may sustain in connection with or otherwise relating to this Deed.

37. PARTIAL INVALIDITY

37.1. Partial Invalidity

If, at any time, any provision of this Deed (or part of any provision of this Deed) is or becomes illegal, invalid or unenforceable, the legality, validity and enforceability of any other provision of this Deed (or other part of that provision of this Deed) in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired..

37.2. Modification

If any provision of this Deed (or part of any provision of this Deed) is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, but would be legal, valid or enforceable if some part of it was deleted or modified, the provision or part-provision in question shall apply with such deletions or modifications as may be necessary to make the provision legal, valid and enforceable.

38. COUNTERPARTS

38.1. Counterparts

This Deed may be executed in any number of separate counterparts and this has the same effect as if the signatures on those counterparts were on a single copy of this Deed.

38.2. Effect as deed

This document is intended to take effect as a deed notwithstanding that the Lender may have executed it under hand.

39. GOVERNING LAW AND JURISDICTION

39.1. Governing Law

This Deed and any dispute or claim arising out of, or in connection with it, its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of England and Wales.

39.2. Jurisdiction

39.2.1. Subject to Clause 39.2.2, the parties irrevocably agree, for the sole benefit of the Lender, that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, this Deed, its subject matter or formation (including non-contractual disputes or claims).

39.2.2. Notwithstanding Clause 39.2.1, the parties irrevocably agree that the Lender shall have the right to take, and shall not be prevented from taking, proceedings against the Chargor to settle any dispute or claim arising out of, or in connection with, this

Deed, its subject matter or formation (including non-contractual disputes or claims) in any other court of competent jurisdiction and that the Lender may take such proceedings in any number of jurisdictions, whether concurrently or not, to the extent permitted by law.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE 1
Real Property

Part 1 – The freehold Real Property (if any)

Description of Property	Freehold/Leasehold	Title number
1 to 31 (inclusive) Hanover Point, Stockton-On-Tees TS20 1RA	Freehold	TES1532

Part 2 The leasehold Real Property (if any)

Description of Property	Date of lease	parties

SCHEDULE 2
Representations and Warranties

1. General:

- 1.1 it is a limited company or limited liability partnership (as applicable) duly incorporated and validly existing under the laws of England and Wales;
- 1.2 it has the corporate power to carry on its business as it is now being conducted and own its assets;
- 1.3 subject to the Legal Reservations, its obligations under this Deed are legal, valid, binding and enforceable;
- 1.4 the entry into, delivery and performance by it of this Deed, will not involve or result in a contravention of:
 - 1.4.1 its constitutional documents or, if applicable, the partnership agreement;
 - 1.4.2 any law or regulation applicable to it; or
 - 1.4.3 any contractual or other obligation or restriction that is binding on it or any of its assets;
- 1.5 It has taken the necessary corporate action to allow it to enter into, deliver and perform its obligations under this Deed and it does not exceed any limit on its powers in so doing;
- 1.6 all authorisations, consents and licences necessary to enable it to enter into, deliver and perform its obligations under this Deed and to enable it to conduct its business in its current form have been obtained;
- 1.7 no Event of Default has occurred;
- 1.8 subject to the Legal Reservations, this Deed creates the Security Interests that it purports to create and each such Security Interest constitutes a legal, valid and effective Security Interest with first ranking priority;
- 1.9 no Security Interest subsists over any of the Secured Assets except for the Security Interests created by or pursuant to this Deed and no person holds an interest in any of the Secured Assets other than the Lender under this Deed;
- 1.10 it is the sole legal and beneficial owner of all of the Secured Assets and has good and marketable title to them;
- 1.11 no third party consents are required to ensure the effective creation of the Security Interests envisaged by this Deed;
- 1.12 its payment obligations under this Deed rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally; and
- 1.13 no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, would have or might reasonably be expected to have a Material Adverse Effect in relation to it or any of the Secured Assets have been started or are

pending or (to the best of its knowledge and belief, having made due and careful enquiry) threatened against it.

2. Real Property:

- 2.1 no breach of any law (including Environmental Law), regulation or covenant or the terms of any planning permission has occurred and is continuing which has or would be reasonably likely to have a material adverse effect on the value or use of its Real Property or any part of it;
- 2.2 no covenants, agreements, stipulations, reservations, conditions, interest, rights or other matters whatsoever affect any of its Real Property which have or would be reasonably likely to have a material adverse effect on the value or use of its Real Property or any part of it;
- 2.3 nothing has arisen or has been created or is subsisting which would be an overriding interest or an unregistered interest over any of its Real Property which would have or be reasonably likely to have a material adverse effect on the value or use of its Real Property or any part of it;
- 2.4 it has all facilities (including access) necessary for the enjoyment and use of all of its Real Property where the lack of those facilities would have or be reasonably likely to have a material adverse effect on the value or use of its Real Property or any part of it;
- 2.5 no facility necessary for the enjoyment and use of any of its Real Property is on terms entitling any person to terminate or curtail its use;
- 2.6 it has received no notice of any adverse claims by any person in respect of any of its Real Property which, if adversely determined, would or would be reasonably likely to have a material adverse effect on the value or use of its Real Property or any part of it; and
- 2.7 no hazardous or toxic materials, substances, pollutants, contaminants or wastes have at any time been released into the environment or deposited, discharged, displaced or disposed of at its Real Property.

3. Environmental compliance

- 3.1 it has, at all times, complied in all respects with all applicable Environmental Law and Environmental Licences.

4. Information for Valuations and Certificates of Title

- 4.1 all written information supplied by it or on its behalf for the purpose of each Valuation and Certificate of Title was true and accurate in all material respects at its date or at the date (if any) on which it was stated to be given;
- 4.2 the information referred to in paragraph 4.1 above was, at its date or at the date (if any) on which it was stated to be given, complete and the Chargor did not omit to supply any information that, if disclosed, would adversely affect the Valuation or Certificate of Title; and
- 4.3 in the case of the first Valuation and Certificate of Title only, nothing has occurred since the date the information referred to in paragraph 4.1 above was supplied and the date of this Deed that would adversely affect such Valuation or Certificate of Title.

5. Insurance:

- 5.1 the Insurance Policies have not been amended, modified or cancelled and remain in full force and effect;
- 5.2 it has not done or omitted to do anything and no event or circumstance has occurred which has made or could make any Insurance Policy void, voidable, treated as if it had been entered into on different terms or subject to any suspension, restriction, limitation or an increased premium or which could entitle the insurer to reduce the amount to be paid on a claim or prevent the Lender from receiving any money payable under any Insurance Policy; and
- 5.3 it has not received any notification from its insurers that their liability under the Insurance Policies has been suspended, reduced, discharged or avoided.

SCHEDULE 3
Undertakings

1. General

1.1 The Chargor must:

- 1.1.1 ensure that it has all authorisations, consents and licences necessary to enable it to enter into, deliver and perform its obligations under this Deed and to enable it to conduct its business in its current form;
 - 1.1.2 comply in all material respects with all laws and regulations applicable to it;
 - 1.1.3 maintain, preserve, protect and keep good and marketable title to all of the Secured Assets;
 - 1.1.4 maintain and preserve the Security Interests created by or pursuant to this Deed and the first-ranking priority of such Security Interests;
 - 1.1.5 provide the Lender with any notices, reports, accounts, circulars and other documents relating to the Secured Assets promptly when they are received;
 - 1.1.6 promptly on becoming aware of the same, notify the Lender of:
 - 1.1.6.1 the occurrence of an Event of Default together with the steps being taken to remedy it (if applicable);
 - 1.1.6.2 any representation or warranty set out in this Deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
 - 1.1.6.3 any breach of any covenant set out in this Deed;
 - 1.1.7 use its best endeavours to:
 - 1.1.7.1 procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Chargor and forming part of the Secured Assets of the covenants and other obligations imposed on such counterparty; and
 - 1.1.7.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets that the Lender may require from time to time; and
 - 1.1.8 give the Lender such information concerning the location, condition, use and operation of the Secured Assets as the Lender may require.
- 1.2 The Chargor must not without the prior written consent of the Lender:**
- 1.2.1 create, purport to create or permit to subsist any Security Interest over any of the Secured Assets other than the Security Interests created by or pursuant to this Deed;

- 1.2.2 either in a single transaction or in a series of transactions sell, transfer, licence, lease, grant any option in respect of or otherwise dispose of all or any part of the Secured Assets or agree or attempt to do so;
- 1.2.3 do, or permit to be done, any act or thing that would or might deprecate, jeopardise or otherwise prejudice the security held by the Lender or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this Deed;
- 1.2.4 use or permit the Secured Assets to be used in any way contrary to law; or
- 1.2.5 create, purport to create or permit to subsist any floating charge over any of its other assets or undertakings, including the Secured Assets.

2. Real Property

2.1 The Chargor must:

- 2.1.1 keep all buildings, plant, machinery, fixtures, fittings and other effects charged under this Deed in good and substantial repair and in good working order (except only for fair wear and tear) and renew and replace them when they become obsolete, worn out or destroyed;
- 2.1.2 punctually pay or cause to be paid and keep the Lender indemnified against, all present and future rents, rates, taxes, levies, charges, duties, assessments, impositions and other outgoings assessed, charged or imposed upon or in respect of its Real Property and, when required, produce to the Lender proof of such payment;
- 2.1.3 ensure compliance with all laws, statutes, statutory instruments, regulations and by-laws for the time being in force and all notices, orders and requirements of any competent authority, and all directives and codes of practice affecting its Real Property and give effect to all arrangements which any such authority may direct or recommend;
- 2.1.4 complete (with reasonable expedition and in compliance with all planning and by-law consents or agreements entered into with a competent authority) any building operations commenced at any time by it on its Real Property to the satisfaction of the Lender all of which building operations shall have been previously approved by the Lender;
- 2.1.5 observe and perform all agreements, assignments, contracts, conveyances, grants and other deeds and documents for the time being binding on it or affecting its Real Property or its use or enjoyment, and the Chargor must not take or omit to take any action of any kind whereby its interest or estate in its Real Property may be forfeited or otherwise adversely affected;

- 2.1.6 carry on its trade and business on those parts (if any) of the Real Property as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in such trade or business;
- 2.1.7 if the Chargor receives any notice served under section 146 of the LPA 1925 or any proceedings are commenced for forfeiture of any Lease or any superior lease or the landlord or any superior landlord attempts to re-enter under the provisions of such lease:
 - 2.1.7.1 immediately notify the Lender in writing, and
 - 2.1.7.2 take such steps as the Lender requires (at the Chargor's own expense);
- 2.1.8 permit the Lender to enter any of its Real Property, without prejudice to the powers conferred by this Deed and without becoming a mortgagee in possession, for any reasonable purpose and to view the state of the same;
- 2.1.9 punctually pay the rents and perform any other obligations contained in any Lease, agreement for lease, tenancy agreement or licence to occupy its Real Property and enforce the observance and performance by the landlord or licensor of their respective obligations under any such document;
- 2.1.10 supply to the Lender, within 5 Business Days of receipt, copies of any notice, order or proposal received by the Chargor from any competent authority or from any landlord or tenant affecting any of the Real Property in any material respect, and, at the cost of the Chargor, either punctually comply with the notice or order or, if so requested by the Lender, make or join with the Lender in making such objections or representations or taking such other steps as the Lender may think fit, and any compensation received by the Chargor as a result shall be charged to the Lender and paid to it and applied in or towards the discharge of the Secured Obligations;
- 2.1.11 promptly on receipt, provide to the Lender a copy of each professional valuation report it obtains in relation to any of the Real Property; and
- 2.1.12 notify the Lender, promptly on receipt, of any claim, notice or other communication received by it alleging non-compliance by it in relation to any matter referred to in this Paragraph 2.1.
- 2.2 The Chargor must not without the prior written consent of the Lender:
 - 2.2.1 create any legal or equitable estate or interest (including any license or sub-license, or grant any interest or right relating to the use, occupation or possession) in or over the whole or any part of its Real Property (or purport to do so) or part with possession or ownership or allow any third-party access to or the right to use any of its Real Property;

- 2.2.2 exercise any power of leasing its Real Property or grant any licence to assign or underlet;
- 2.2.3 in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Real Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of the Real Property), or let any person into occupation of or share occupation of the whole or any part of the Real Property;
- 2.2.4
 - 2.2.4.1 construct any building or make any structural alteration or apply for any planning consent for the development or change of use of any of its Real Property, or, except in the ordinary course of repair, replacement or improvement, at any time sever, remove or dispose of any fixture on it;
 - 2.2.4.2 enter into onerous or restrictive obligations affecting its Real Property or create or permit to arise any overriding interest or any easement or right in or over it; or
 - 2.2.4.3 alter, pull down, remove or dispose of any of the buildings, plant, machinery, fixtures, fittings on its Real Property except in the ordinary course of repair, maintenance or improvement or
- 2.2.5 exercise any VAT option to tax in relation to the Real Property or revoke any VAT option to tax exercised, and disclosed to the Lender in writing, before the date of this Deed.

3. Insurance

3.1 The Chargor must:

- 3.1.1 insure and keep insured all of the Real Property against loss or damage by fire and other usual risks and such other risks as the Lender may require to its full replacement value from time to time with such insurers as the Lender may from time to time approve in writing;
- 3.1.2 to the extent not provided to the Lender on or prior to the date of this Deed, provide the Lender with copies of the Insurance Policies promptly upon coming into possession of any of them;
- 3.1.3 comply with the terms of the Insurance Policies;
- 3.1.4 promptly, and in any event no later than their due date, pay all premiums required for keeping up the Insurance Policies and deliver to the Lender within 5 Business Days after they become due the receipts for all such premiums;
- 3.1.5 provide the Lender with copies of all correspondence given to or received from any insurer under any Insurance Policy promptly after they are given or received;

- 3.1.6 renew each Insurance Policy in good time prior to its expiry date;
- 3.1.7 if any of the Insurance Policies becomes void or voidable, immediately at its own cost, effect a new Insurance Policy of the same value as the void or voidable Insurance Policy;
- 3.1.8 if any of the Insurance Policies is suspended, immediately at its own cost, effect a new Insurance Policy of the same value as the suspended Insurance Policy for the duration of the suspension;
- 3.1.9 procure the noting of this Deed and the Lender's interest on each Insurance Policy and procure that the Lender is first loss payee under each Insurance Policy;
- 3.1.10 procure that each insurer in respect of each Insurance Policy undertakes in writing to the Lender that it will:
 - 3.1.10.1 immediately inform the Lender if the Chargor defaults in the payment of any premium or fails to renew any Insurance Policy and, pending receipt of instructions from the Lender, keep the Lender's interest in each Insurance Policy in full force and effect for the full amount insured and for the same risks, subject to any premium for any such period of extended cover being payable by the Lender on behalf of the Chargor;
 - 3.1.10.2 not, as against the Lender, avoid any Insurance Policy or refuse any claims (with or without returning any premium paid), treat any Insurance Policy as if it had been entered into on different terms, reduce the amount to be paid on a claim or suspend its liability under any Insurance Policy, as a result of any non-disclosure, misrepresentation or breach of any policy term or condition on the part of any other insured party;
 - 3.1.10.3 advise the Lender of any proposed cancellation of any Insurance Policy at least 30 days before the cancellation is due to take effect; and
 - 3.1.10.4 if, in relation to any Insurance Policy, the insurance cover is to be reduced or any insured risks are to be restricted, advise the Lender at least 30 days before the reduction or restriction is due to take effect;
- 3.1.11 ensure that all proceeds of any of the Insurance Policies will be paid to the Lender and applied towards making good the loss or damage in respect of which the money was received or, at the option of the Lender after the Security Interests created by or pursuant to this Deed become enforceable, towards the discharge of the Secured Obligations; and

3.1.12 pay all money it may receive in respect of any Insurance Policy to the Lender immediately upon receipt and, pending such payment, hold all money so received upon trust for the Lender.

3.2 The Chargor must not do, or omit to do, any act or commit any default by which any Insurance Policy may become void, voidable, treated as if it had been entered into on different terms or subject to any suspension, restriction, limitation or an increased premium or which could entitle the insurer to reduce the amount to be paid on a claim or prevent the Lender from receiving any money payable under any Insurance Policy.

4. Rental Income

4.1 The Chargor shall not deal with the Rental Income except by getting it in and realising it in the ordinary and usual course of its business and, following the occurrence of an Event of Default shall immediately on receipt pay all Rental Income into such account as the Lender may direct from time to time. The Chargor shall, pending that payment into such account, hold all Rental Income on trust for the Lender (provided that the receipt by the Lender of any such monies shall not constitute the Lender as mortgagee in possession of the Real Property).

4.2 The Chargor shall, promptly following the occurrence of an Event of Default, give notice to the relevant tenant, guarantor or surety of the assignment under Clause 3.3 of the Chargor's rights and interest to the Rental Income and each guarantee or security in respect of the Rental Income and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Lender.

EXECUTION PAGES

EXECUTED as a DEED by

HANOVER SOCIAL HOUSING LIMITED

acting by a director

...
Director

in the presence of

Witness' signature:

Name (in block capitals):

TIMOTHY ROMAN GRAY

Address:

SIGNED by the

LENDER

.....

redwoodbank.co.uk

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Redwood Bank Limited is registered in England and Wales under company no. 06872065 at Stair 10, The Nexus Building, Broadway, Letchworth Garden City, Hertfordshire, SG6 3TA.
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 715204.

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