

MR01

Particulars of a charge



Companies House

059510/13

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online.
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

This form **must be delivered to the Registrar for registration within
21 days** beginning with the day after the date of creation of the charge.
Delivered outside of the 21 days it will be rejected unless it is accompanied
by a court order extending the time for delivery



You **must** enclose a certified copy of the instrument with this form. This
must be scanned and placed on the public record. **Do not send the original**

WEDNESDAY



A3K11YZ5

A05

05/11/2014

#83

COMPANIES HOUSE

1 Company details

Company number 0 7 7 8 0 2 2 9

Company name in full ☒ ANA WORKS LIMITED

2 Filing in this form

Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 2 4 7 0 2 0 1 4

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name ☒ PORTSMOUTH CITY COUNCIL

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

MR01

Particulars of a charge

4	Brief description	
Brief description ✓	Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument	Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument" Please limit the description to the available space
	The freehold property known as 69 Seagrove Road, Portsmouth, PO2 8AY which is registered with title absolute under title number HP267226	
5	Other charge or fixed security	
✓	Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
6	Floating charge	
✓	Is the instrument expressed to contain a floating charge? Please tick the appropriate box <input type="checkbox"/> Yes Continue <input checked="" type="checkbox"/> No Go to Section 7	
	Is the floating charge expressed to cover all the property and undertaking of the company? <input type="checkbox"/> Yes	
7	Negative Pledge	
	Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
8	Trustee statement ^①	
	You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge <input type="checkbox"/>	① This statement may be filed after the registration of the charge (use form MR06)
9	Signature	
Signature	Please sign the form here Signature X <i>hax and Crit</i> X	
	This form must be signed by a person with an interest in the charge	

MR01

Particulars of a charge

**Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Michael Rowland**

Company name **Large & Gibson Solicitors**

Address **49 Kent Road, Southsea**

Post town **Portsmouth**

County/Region **Hampshire**

Postcode **P O 5 3 E J**

Country **United Kingdom**

DX **DX 2248 PORTSMOUTH 1**

Telephone **02392 296296**

**Certificate**

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.

**Checklist**

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☒ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☒ You have entered the date on which the charge was created
- ☒ You have shown the names of persons entitled to the charge
- ☒ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☒ You have given a description in Section 4, if appropriate
- ☒ You have signed the form
- ☒ You have enclosed the correct fee
- ☒ Please do not send the original instrument, it must be a certified copy

**Important information**

Please note that all information on this form will appear on the public record.

**How to pay**

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'

**Where to send**

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

**Further information**

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7780229

Charge code: 0778 0229 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th October 2014 and created by ANA WORKS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th November 2014.

Dx

Given at Companies House, Cardiff on 10th November 2014



Companies House



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

DATED 24th October 2014

2014

PORTSMOUTH CITY COUNCIL

- and -

ANA WORKS LIMITED

We hereby certify this to be a true
and exact copy of the original



Quality Solicitors
Large & Gibson

Kent House / 49 Kent Road / Portsmouth
Hampshire / PO5 3EJ / DX2248 Portsmouth 1
E reception@largeandgibson.co.uk
W www.qualitysolicitors.com/largeandgibson

MORTGAGE DEED

- of -

69, Seagrove Road, Portsmouth, PO2 8AY

Legal Services
Portsmouth City
Council

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SCHEDULE

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We hereby certify this to be a true
and exact copy of the original

THIS DEED is dated 24th October 2014

 **QualitySolicitors
Large & Gibson**

Kent House / 49 Kent Road / Portsmouth
Hampshire / PO5 3E1 / DX2248 Portsmouth 1
E reception@largeandgibson.co.uk
W: www.qualitysolicitors.com/largeandgibson

PARTIES

- (1) ANA WORKS LIMITED incorporated and registered in England and Wales with company number 7780229 whose registered office is at Fleming House, Waterworks Road, Farlington, Portsmouth PO6 1NJ (**Borrower**)
- (2) PORTSMOUTH CITY COUNCIL Civic Offices Guildhall Square Portsmouth PO1 2AL (**Council**)

BACKGROUND

- (A) The Council has agreed, under the Grant Agreement, to provide the Borrower with a Grant on a secured basis
- (B) The Borrower owns the Property
- (C) This deed provides security which the Borrower has agreed to give the Council for the Grant made or to be made available under the Grant Agreement

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Grant Agreement shall, unless otherwise defined in this deed, have the same meaning in this deed. In addition, the following definitions apply in this deed

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business

Certificate of Title: any report on or certificate of title relating to the Property supplied to the Council by the Borrower (or on its behalf)

Charged Property: all the assets, property and undertaking for the time being subject to any Security created by this deed (and references to the Charged Property shall include references to any part of it)

Delegate: any person appointed by the Council or any Receiver under clause 14 and any person appointed as attorney of the Council, Receiver or Delegate

Disposal: a disposition within the meaning of section 27(2) of the Land Registration Act 2002 of the whole or any part or parts of the Property other than a grant of a legal charge

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 Charged Property

Event of Default: any event or circumstance listed in clause 12 of the Grant Agreement, any material breach of the obligations on the part of the Borrower contained in the Grant Agreement and any material breach of the terms of this deed which in either case is not remedied by the Borrower within 30 days of receiving written notice detailing the breach

Grant Agreement: the Grant agreement dated 13th August 2014 between the Borrower and the Council for the provision of the Grant secured by this deed a copy of which is attached at Schedule 2 and "Grant" has the meaning given to it in the Grant Agreement

Insurance Policy: each policy of insurance effected or maintained by the Borrower from time to time in respect of the Property

LPA 1925: the Law of Property Act 1925

Market Value: means an estimated amount for which the Property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion, Market Value is understood as the value of the Property estimated without regard to costs of sale or purchase, and without offset of any associated taxes, as defined by RICS Valuation Professional Standards January 2014 (Red Book)

Net Proceeds of Sale the total gross consideration received by the Borrower for the Sale less Sale Costs

Property: the freehold property (whether registered or unregistered) owned by the Borrower described in Schedule 1

Qualifying Licence: has the meaning given to it in Clause 8.7 of this deed

Repayment Sum: the Net Proceeds of Sale of the Property or if the Disposal is not a Sale such sum as the Council and the Borrower shall

agree to represent the Market Value of the interest in the Property which is comprised in the Disposal less estimated Sale Costs (where appropriate)

Receiver: a receiver or a receiver and manager of any or all of the Charged Property

Sale: the sale of the entire freehold interest in the Property to a purchaser unconnected with the Borrower on an arm's length basis for the best price reasonably obtainable.

Sale Costs: VAT agent fees, advertising fees, solicitors fees, Energy Performance Certificate Costs, valuation fees and any such other costs reasonably and properly incurred in respect of the Disposal of the Property

Secured Liabilities: all present and future monies, obligations and liabilities of the Borrower to the Council, whether actual or contingent, under or in connection with the Grant Agreement or this deed (including, without limitation, those arising under clause 26 3(b)) together with all interest (including, without limitation, default interest) accruing in respect of those monies, obligations or liabilities

Security: any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect

Security Period: the period starting on the date of this deed and ending on the date on which the Council is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding

Valuation: any valuation relating to the Property supplied to the Council by the Borrower (or on its behalf)

VAT: value added tax

1 2 Interpretation

In this deed

- (a) clause, Schedule and paragraph headings shall not affect the interpretation of this deed,
- (b) a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that

person's personal representatives, successors, permitted assigns and permitted transferees,

- (c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular,
- (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders,
- (e) a reference to a party shall include that party's successors, permitted assigns and permitted transferees,
- (f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time,
- (g) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision,
- (h) a reference to **writing** or **written** includes fax but not e-mail,
- (i) an obligation on a party not to do something includes an obligation not to allow that thing to be done,
- (j) a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time,
- (k) unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and a reference to a paragraph is to a paragraph of the relevant Schedule,
- (l) any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms,
- (m) a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amended** shall be construed accordingly),

- (n) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description,
- (o) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution,
- (p) a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived,
- (q) a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it, and
- (r) a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation

1 3 Nature of security over real property

A reference in this deed to a **charge or mortgage of or over the Property** includes

- (a) all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of the Property at any time,
- (b) the proceeds of the sale of any part of the Property and any other monies paid or payable in respect of or in connection with the Property,
- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the Borrower in respect of the Property and any monies paid or payable in respect of those covenants, and
- (d) all rights under any licence, agreement for sale or agreement for lease in respect of the Property

1 4 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Grant Agreement and of any side letters between any parties in relation to the Grant Agreement are incorporated into this deed

1 5 Perpetuity period

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)

1 6 Schedules

The Schedules form part of this deed and shall have effect as if set out in full in the body of this deed. Any reference to this deed includes the Schedules

2. COVENANT TO PAY

The Borrower shall pay to the Council and discharge the Secured Liabilities in accordance with the Grant Agreement or the terms of this Charge subject to Clause 3 4

3. GRANT OF SECURITY

3 1 Legal mortgage and fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Council

- (a) by way of first legal mortgage, the Property, and
- (b) by way of first fixed charge
 - (i) 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,
 - (ii) the benefit of all other contracts, guarantees, appointments and warranties relating to the Charged Property and other documents to which the Borrower 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 Charged Property or otherwise relating to the

Charged Property (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

- (iii) all authorisations (statutory or otherwise) held or required in connection with the Borrower's business carried on at the Property or the use of any Charged Property, and all rights in connection with them

3 2 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee assigns to the Lender absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities 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 provided that nothing in this clause 3 2 shall constitute the Lender as mortgagee in possession

3 3 Enforceability

The security created by this deed shall become immediately enforceable if (and only if) an Event of Default occurs or the Borrower becomes liable under the Grant Agreement to repay the Grant or that part of it which relates to this Property and fails to repay the Grant or the relevant part of it within 7 days of a written demand from the Council to do so

3 4 Repayment on Sale or Other Disposition

The security created by this deed is intended to secure repayment of the Grant pursuant to the Grant Agreement, but the Council agrees that provided the Grant has not become repayable pursuant to the terms of the Grant Agreement, the Council will accept the Repayment Sum to release the security created by this deed if the Borrower disposes of the Property at any time following completion of the Project as defined in the Grant Agreement. In these circumstances the Borrower shall not be liable to pay any shortfall between the Repayment Sum and the amount of the Grant that is attributable to the Property, but also the

Council may retain any surplus of the Repayment Sum over the amount of the Grant attributable to the Property without accounting to the Borrower for it

4. PERFECTION OF SECURITY

4 1 Registration of legal mortgage at the Land Registry

The Borrower consents to an application being made by the Council to the Land Registrar for the following restriction in Form P to be registered against its title to the Property

"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 24th October 2014 in favour of Portsmouth City Council referred to in the charges register "

4 2 Further advances

The Council covenants with the Borrower that it shall perform its obligations to make advances under the Grant Agreement (including any obligation to make available further advances)

4 3 First registration

If the title to the Property is not registered at the Land Registry, the Borrower 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 the Property, without the prior written consent of the Council

4 4 Cautions against first registration and notices

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 Borrower's title to the Property, the Borrower shall immediately provide the Council 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 Borrower shall immediately, and at its own expense, take such steps as the Council may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled

5. LIABILITY OF THE BORROWER

5 1 Liability not discharged

The Borrower's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Council that is, or becomes, wholly or partially illegal, void or unenforceable on any ground,
- (b) the Council renewing, determining, varying or increasing any Grant 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
- (c) any other act or omission that, but for this clause 5 1, might have discharged, or otherwise prejudiced or affected, the liability of the Borrower

5 2 Immediate recourse

The Borrower waives any right it may have to require the Council to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Borrower

6. REPRESENTATIONS AND WARRANTIES

6 1 Times for making representations and warranties

The Borrower makes the representations and warranties set out in this clause 6 to the Council on the date of this deed and the representations and warranties contained in clause 16 of the Grant Agreement are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition but so that in each case the liability of the Borrower in relation to such Warranties shall be limited to a maximum of the aggregate of that part of the Grant that has been paid for the acquisition and refurbishment of the Property and any costs and expenses properly recoverable in relation to the enforcement of this deed

6 2 Ownership of Charged Property

The Borrower is the legal and beneficial owner of the Charged Property and has good and marketable title to the Property

6 3 No Security

The Charged Property is free from any Security other than the Security created by this deed

6 4 No adverse claims

The Borrower has not received, or acknowledged notice of, any adverse claim by any person in respect of the Charged Property or any interest in it

6 5 No adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever that materially and adversely affect the Charged Property

6 6 No breach of laws

There is no breach of any law or regulation that materially and adversely affects the Charged Property

6 7 No interference in enjoyment

No facility necessary for the enjoyment and use of the Charged Property is subject to terms entitling any person to terminate or curtail its use

6 8 No overriding interests

Nothing has arisen, has been created or is subsisting that would be an overriding interest in the Property

6 9 No prohibitions or breaches

There is no prohibition on the Borrower assigning its rights in any of the Charged Property referred to in clause 3 2 and the entry into of this deed by the Borrower does not and will not constitute a breach of any policy, agreement, document, instrument or obligation binding on the Borrower or its assets

6 10 Environmental compliance

The Borrower has, at all times, complied in all material respects with all applicable Environmental Law and Environmental Licences

6 11 Information for Valuations and Certificates of Title

- (a) All written information supplied by the Borrower 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
- (b) The information referred to in clause 6 11(a) was, at its date or at the date (if any) on which it was stated to be given, complete and the Borrower did not omit to supply any information that, if disclosed, would adversely affect the Valuation or Certificate of Title
- (c) In the case of the first Valuation and Certificate of Title only, nothing has occurred since the date the information referred to in clause 6 11(a) was supplied and the date of this deed which would adversely affect such Valuation or Certificate of Title

6 12 Avoidance of security

No Security expressed to be created under this deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Borrower or otherwise

6 13 Enforceable security

This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Borrower and is and will continue to be effective security over all and every part of the Charged Property in accordance with its terms

7. GENERAL COVENANTS

7 1 Negative pledge and disposal restrictions

The Borrower shall not at any time, except with the prior written consent of the Council which will not be withheld or delayed unreasonably

- (a) create, purport to create or permit to subsist any Security on, or in relation to, any Charged Property other than any Security created by this deed,
- (b) sell, assign, transfer, part with possession of or otherwise Dispose of in any manner (or purport to do so) any part or parts of , or any interest in, the Charged Property (except for the grant of a Qualifying Licence),
- (c) create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party (except for the grant of a Qualifying Licence), or
- (d) dispose of the whole of the Charged Property, subject to the repayment of the Repayment Sum on the date of any Disposal provided that the Borrower may transfer the Property to another organisation with equivalent objects to the Borrower which intends to continue to use the Property for the purposes specified in the Grant Agreement and enters into on completion of the Disposal a grant agreement in terms equivalent to the Grant Agreement and a registered legal charge over the Property in terms equivalent to this deed (changing only what needs to be changed)

7 2 Preservation of Charged Property

The Borrower shall not knowingly do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Council or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this deed

7 3 Compliance with laws and regulations

- (a) The Borrower shall not, without the Council's prior written consent, use or permit the Charged Property to be used in any way contrary to law
- (b) The Borrower shall
 - (i) comply with the requirements of any law or regulation relating to or affecting the Charged Property or the use of it or any part of it,
 - (ii) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Charged Property or

its use or that are necessary to preserve, maintain or renew any Charged Property, and

- (iii) promptly effect any maintenance, modifications, alterations or repairs to be effected on or in connection with the Charged Property that are required to be made by it under any law or regulation

7 4 Enforcement of rights

The Borrower shall use its best endeavours to

- (a) procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Borrower and forming part of the Charged Property of the covenants and other obligations imposed on such counterparty, and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property that the Council may require from time to time

7 5 Notice of misrepresentations and breaches

The Borrower shall, promptly on becoming aware of any of the same, give the Council notice in writing of

- (a) 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
- (b) any breach of any covenant set out in this deed

7 6 Title documents

The Borrower shall, on the execution of this deed, deposit with the Council and the Council shall, for the duration of this deed, be entitled to hold

- (a) all deeds and documents of title relating to the Charged Property that are in the possession or control of the Borrower (and if these are not within the possession and/or control of the Borrower, the Borrower undertakes to obtain possession of all these deeds and documents of title), and
- (b) each Insurance Policy

7 7 Notices to be given by the Borrower

- (a) The Borrower shall within five days of the execution of this deed

give notice to the relevant insurers of the assignment of the Borrower's rights and interest in and under each Insurance Policy (including the proceeds of any claims under that Insurance Policy) under clause 0 and procure that each addressee of such notice promptly provides an acknowledgement of that notice to the Council,

- (b) The Borrower shall obtain the Council's prior approval of the form of any notice or acknowledgement to be used under this clause 7 7

7 8 Borrower's waiver of set-off

The Borrower waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Borrower under this deed)

8. PROPERTY COVENANTS

8 1 Repair and maintenance

- (a) The Borrower shall keep all premises, and fixtures and fittings on the Property, in

(i) good and substantial repair and condition and shall keep all premises adequately and properly painted and decorated and replace any fixtures and fittings which have become worn out or otherwise unfit for use with others of a like nature and equal value, and

(ii) such repair and condition as to enable the Property to be let or occupied in accordance with all applicable laws and regulations

- (b) For the purpose of clause 8 1(a)(ii), a law or regulation is applicable if it is either in force or it is expected to come into force and a prudent property owner in the same business as the Borrower would ensure that the premises, and fixtures and fittings on the Property, were in such repair and condition in anticipation of that law or regulation coming into force

8 2 No alterations

- (a) The Borrower shall not, without the prior written consent of the Lender which will not be withheld or delayed unreasonably
 - (i) pull down or remove the whole or any part of any building forming part of the Property nor permit the same to occur, or
 - (ii) make or permit to be made any material alterations to the Property or sever or remove or permit to be severed or removed any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with clause 8 1) provided that the refurbishment of the Property in the manner set out in or approved by the Council pursuant to the Grant Agreement shall not require further consent under this deed
- (b) The Borrower shall promptly give notice to the Lender if the premises or fixtures or fittings forming part of the Property are destroyed or damaged

8 3 Insurance

- (a) The Borrower shall insure and keep insured the Charged Property against
 - (i) loss or damage by fire or terrorist acts (if such cover is available at normal market rates),
 - (ii) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business or activity as the Borrower having regard to the state and occupation of the Property, and
 - (iii) any other risk, perils and contingencies as the Council may reasonably require
- (b) Any such insurance must be with an insurance company or underwriters and on such terms as are reasonably acceptable to the Council and must be for not less than the replacement value of the relevant Charged Property (meaning in the case of any premises on the Property, the total cost of entirely rebuilding, reinstating or replacing the premises in the event of their being destroyed, together with architects', surveyors', engineers' and other professional fees and charges for demolition and reinstatement)

- (c) The Borrower shall, if requested by the Council, produce to the Council each policy, certificate or cover note relating to any insurance required by clause 8 3(a)
- (d) The Borrower shall, if requested by the Council, procure that a note of the Council's interest is endorsed upon each Insurance Policy maintained by it or any person on its behalf in accordance with clause 8 3(a) and the Council is named as first loss payee (if permitted by the policy) and that the terms of each such Insurance Policy require the insurer not to invalidate the policy as against the Council by reason of the act or default of any other joint or named insured and not to cancel it without giving at least 30 days' prior written notice to the Council

8 4 Insurance premiums

The Borrower shall

- (a) promptly pay all premiums in respect of each Insurance Policy and do all other things necessary to keep that policy in full force and effect, and
- (b) (if the Council so requires) give to the Council copies of the receipts for all premiums and other payments necessary for effecting and keeping up each Insurance Policy

8 5 No invalidation of insurance

The Borrower shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any Insurance Policy

8 6 Proceeds from Insurance Policies

All monies payable under any Insurance Policy at any time (whether or not the security constituted by this deed has become enforceable) shall

- (a) be paid immediately to the Council,
- (b) if they are not paid directly to the Council by the insurers, be held, pending such payment, by the Borrower as trustee of the same for the benefit of the Council, and
be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or, after the security constituted by this deed has become

enforceable and, if the Lender so directs, in, or towards, discharge or reduction of the Secured Liabilities

8 7 Leases and licences affecting the Property

The Borrower shall not (save for licences granted to persons occupying the Property in accordance with the purposes set out in Schedule 1 of the Grant Agreement for a term not exceeding one year and to whom care and support is being provided by the Borrower or persons acting on behalf of or engaged by the Borrower and which are documented by a written licence in a form approved in advance by the Council which will not be withheld or delayed unreasonably (a "Qualifying Licence")), without the prior written consent of the Council (which consent, in the case of clause 8 7(d), is not to be unreasonably withheld or delayed in circumstances in which the Borrower may not unreasonably withhold or delay its consent)

- (a) grant any licence or tenancy (other than a Qualifying Licence) affecting the whole or any part of the Property, or exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925),
- (b) 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 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 Property),
- (c) let any person into occupation of or share occupation of the whole or any part of the Property except under a Qualifying Licence, or
- (d) grant any consent or licence under any lease or licence affecting the Property (apart from a Qualifying Licence)

No restrictive obligations

The Borrower shall not, without the prior written consent of the Council, enter into any onerous or restrictive obligations affecting the whole or any part of the Property or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of the Property

8 9 Proprietary rights

The Borrower shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of the Property except pursuant to a Qualifying Licence, without the prior written consent of the Council

8 10 Compliance with and enforcement of covenants

The Borrower shall

- (a) observe and perform all covenants, stipulations and conditions to which the Property, or the use of it, is or may be subject and (if the Council so requires) produce to the Council evidence sufficient to satisfy the Council that those covenants, stipulations and conditions have been observed and performed, and
- (b) diligently enforce all covenants, stipulations and conditions benefiting the Property and shall not (and shall not agree to) waive, release or vary any of the same

8 11 Notices or claims relating to the Property

- (a) The Borrower shall
 - (i) give full particulars to the Council of any notice, order, direction, designation, resolution, application, requirement or proposal given or made by any public or local body or authority (a **Notice**) that specifically applies to the Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Notice, and
 - (ii) (if the Council so requires) immediately, and at the cost of the Borrower, take all reasonable and necessary steps to comply with any Notice, and make, or join with the Council in making, any objections or representations in respect of that Notice that the Council thinks fit
- (b) The Borrower shall give full particulars to the Council of any claim, notice or other communication served on it in respect of any modification, suspension or revocation of any Environmental Licence or any alleged breach of any Environmental Law, in each case relating to the Property

8 12 Payment of outgoings

The Borrower shall pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed upon the Property or on its occupier

8 13 Environment

The Borrower shall in respect of the Property

- (a) comply with all the requirements of Environmental Law, and
- (b) obtain and comply with all Environmental Licences

8 14 Conduct of business on Property

The Borrower shall carry on its trade and business on those parts (if any) of the 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

8 15 Inspection

The Borrower shall permit the Council and any Receiver and any person appointed by either of them to enter on and inspect the Property on reasonable prior notice and shall provide on request complete and accurate copies of all Qualifying Licences for occupiers of the Property

9. POWERS OF THE COUNCIL

9 1 Power to remedy

- (a) The Council shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Borrower of any of its obligations contained in this deed
- (b) The Borrower irrevocably authorises the Council and its agents to do all things that are necessary or desirable for that purpose
- (c) Any monies expended by the Council in remedying a breach by the Borrower of its obligations contained in this deed shall be reimbursed by the Borrower to the Council on a full indemnity basis and shall carry interest in accordance with clause 16 1.
- (d) In remedying any breach in accordance with this clause 9 1, the Council, its agents and their respective officers, agents and

employees shall be entitled to enter onto the Property and to take any action as the Council may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development

9 2 Exercise of rights

The rights of the Council under clause 9 1 are without prejudice to any other rights of the Council under this deed. The exercise of any rights of the Council under this deed shall not make the Council liable to account as a mortgagee in possession

9 3 Council has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this deed on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Council in relation to any of the Charged Property whether or not it has taken possession of any Charged Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver

9 4 Indulgence

The Council may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this deed (whether or not any person is jointly liable with the Borrower) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this deed or to the liability of the Borrower for the Secured Liabilities

10. WHEN SECURITY BECOMES ENFORCEABLE OR REPAYABLE

10 1 Security becomes enforceable and repayable upon the Event of Default or Disposal of the Property

The Council acknowledges that the intention is that the amounts secured by this deed shall only be repaid when, the Property is subject to a Disposal or if an Event of Default occurs and the sums payable on a Disposal shall be as set out in Clause 3 4

10 2 Discretion

After the security constituted by this deed has become enforceable, the Council may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Charged Property

11. ENFORCEMENT OF SECURITY

11 1 Enforcement powers

- (a) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall, as between the Council and a purchaser from the Council, arise on and be exercisable at any time after the execution of this deed, but the Council shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable under clause 10 1
- (b) Section 103 of the LPA 1925 does not apply to the security constituted by this deed

11 2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Council and any Receiver, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of the Borrower, to

- (a) grant a lease or agreement for lease,
- (b) accept surrenders of leases, or
- (c) grant any option in respect of the whole or any part of the Property with whatever rights relating to other parts of it.

whether or not at a premium and containing such covenants on the part of the Borrower and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Council or Receiver thinks fit, without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925

11 3 Prior Security

- (a) At any time after the security constituted by this deed has become enforceable, or after any powers conferred by any Security having priority to this deed shall have become exercisable, the Council may
 - (i) redeem that or any other prior Security,
 - (ii) procure the transfer of that Security to itself, and
 - (iii) settle any account of the holder of any prior Security
- (b) The settlement of any such account shall be, in the absence of any manifest error, conclusive and binding on the Borrower. All monies paid by the Council to an encumbrancer in settlement of such an account shall be, as from its payment by the Council, due from the Borrower to the Council on current account and shall bear interest at the default rate of interest specified in the Grant Agreement and be secured as part of the Secured Liabilities

11 4 Protection of third parties

No purchaser, mortgagee or other person dealing with the Council, any Receiver or Delegate shall be concerned to enquire

- (a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged,
- (b) whether any power the Council, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable, or
- (c) how any money paid to the Council, any Receiver or any Delegate is to be applied

11 5 Privileges

Each Receiver and the Council is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers

11 6 No liability as mortgagee in possession

Neither the Council, any Receiver nor any Delegate shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Property for which a mortgagee in possession might be liable as such

11 7 Relinquishing possession

If the Council, any Receiver or Delegate enters into or takes possession of the Charged Property, it or he may at any time relinquish possession

11 8 Conclusive discharge to purchasers

The receipt of the Council or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Charged Property or in making any acquisition in the exercise of their respective powers, the Council, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit

12. RECEIVERS

12 1 Appointment

At any time after the security constituted by this deed has become enforceable, or at the request of the Borrower, the Council may, without further notice, appoint by way of deed, or otherwise in writing, any one or more person or persons to be a Receiver of all or any part of the Charged Property

12 2 Removal

The Council may, without further notice (subject to section 45 of the Insolvency Act 1986), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated

12 3 Remuneration

The Council may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925 and

the remuneration of the Receiver shall be a debt secured by this deed, to the extent not otherwise discharged

12 4 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 Council 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

12 5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Council despite any prior appointment in respect of all or any part of the Charged Property

12 6 Agent of the Borrower

Any Receiver appointed by the Council under this deed shall be the agent of the Borrower and the Borrower shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Borrower goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Council

13. POWERS OF RECEIVER

13 1 Powers additional to statutory powers

- (a) Any Receiver appointed by the Council under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 13 2 to clause 13 20
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver
- (c) Any exercise by a Receiver of any of the powers given by clause 13 may be on behalf of the Borrower, the directors of the Borrower or himself

13 2 Repair and develop the Property

A Receiver may undertake or complete any works of repair, alteration, building or development on the 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

13 3 Grant or accept surrenders of leases

A Receiver may grant, or accept, surrenders of any leases or tenancies or Qualifying Licences affecting the Property on any terms and subject to any conditions that he thinks fit

13 4 Employ personnel and advisers

A Receiver may 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 he thinks fit A Receiver may discharge any such person or any such person appointed by the Borrower

13 5 Make and revoke VAT options to tax

A Receiver may exercise or revoke any VAT option to tax that he thinks fit

13 6 Charge for remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Council may prescribe or agree with him

13 7 Realise Charged Property

A Receiver may collect and get in the Charged Property or any part of it in respect of which he is appointed and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Charged Property with like rights

13 8 Manage or reconstruct the Borrower's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing,

reconstructing, amalgamating or diversifying the business of the Borrower carried out at the Property

13 9 Dispose of Charged Property

A Receiver may grant options and licences over all or any part of the Charged Property, grant any other interest or right over, sell, assign or lease (or concur in granting options and licences over all or any part of the Charged Property, granting any other interest or right over, selling, assigning or leasing) all or any of the Charged Property in respect of which he is 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 he thinks fit. A Receiver may promote, or concur in promoting, a company to purchase the Charged Property to be disposed of by him.

13 10 Sever fixtures and fittings

A Receiver may sever and sell separately any fixtures or fittings from the Property without the consent of the Borrower.

13 11 Give valid receipts

A Receiver may give valid receipts for all monies and execute all assurances and things that may be proper or desirable for realising any of the Charged Property.

13 12 Make settlements

A Receiver may make any arrangement, settlement or compromise between the Borrower and any other person that he may think expedient.

13 13 Bring proceedings

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Charged Property that he thinks fit.

13 14 Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 16 2, 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 Borrower under this deed.

13 15 Powers under LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925 and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986

13 16 Borrow

A Receiver may, for any of the purposes authorised by this clause 13, raise money by borrowing from the Council (or from any other person) either unsecured or on the security of all or any of the Charged Property in respect of which he is appointed on any terms that he thinks fit (including, if the Council consents, terms under which that Security ranks in priority to this deed)

13 17 Redeem prior Security

A Receiver may redeem any prior Security and settle the accounts to which the Security relates. Any accounts so settled shall be, in the absence of any manifest error, conclusive and binding on the Borrower, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver

13 18 Delegation

A Receiver may delegate his powers in accordance with this deed

13 19 Absolute beneficial owner

A Receiver may, in relation to any of the Charged Property, exercise all powers, authorisations and rights he 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 the Charged Property or any part of the Charged Property

13 20 Incidental powers

A Receiver may do any other acts and things

- (a) that he may consider desirable or necessary for realising any of the Charged Property,
- (b) that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law, or

(c) that he lawfully may or can do as agent for the Borrower

14. DELEGATION

14 1 Delegation

The Council or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 18 1)

14 2 Terms

The Council and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit

14 3 Liability

Neither the Council nor any Receiver shall be in any way liable or responsible to the Borrower for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate

15. APPLICATION OF PROCEEDS

15 1 Order of application of proceeds

All monies received by the Council, a Receiver or a Delegate under this deed after the security constituted by this deed has become enforceable (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority

- (a) in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Council (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed and of all remuneration due to any Receiver under or in connection with this deed,
- (b) in or towards payment of or provision for the Secured Liabilities in any order and manner that the Council determines, and
- (c) in payment of the surplus (if any) to the Borrower or other person entitled to it

15 2 Appropriation

Neither the Council, 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 Liabilities

15 3 Suspense account

All monies received by the Council, a Receiver or a Delegate under this deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities)

- (a) may, at the discretion of the Council, Receiver or Delegate, be credited to any suspense or securities realised account,
- (b) shall bear interest, if any, at the rate agreed in writing between the Council and the Borrower, and
- (c) may be held in that account for so long as the Council, Receiver or Delegate thinks fit

16. COSTS AND INDEMNITY

16 1 Costs

The Borrower shall, within five Business Days of demand, pay to, or reimburse, the Council and any Receiver, all reasonable and proper costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Council, any Receiver or any Delegate in connection with

- (a) this deed or the Charged Property,
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Council's, a Receiver's or a Delegate's rights under this deed, or
- (c) taking proceedings for, or recovering, any of the Secured Liabilities

16 2 Indemnity

- (a) The Borrower shall indemnify the Council, each Receiver and each Delegate, and their respective employees and agents

against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other proper professional costs and expenses) suffered or incurred by any of them arising out of or in connection with

- (i) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Charged Property,
 - (ii) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed, or
 - (iii) any default or delay by the Borrower in performing any of its obligations under this deed
- (b) Any past or present employee or agent may enforce the terms of this clause 16.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999

17. FURTHER ASSURANCE

The Borrower shall, at its own expense, take whatever action the Council or any Receiver may reasonably require for

- (a) creating, perfecting or protecting the security intended to be created by this deed,
- (b) facilitating the realisation of any of the Charged Property, or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Council or any Receiver in respect of any of the Charged Property,

including, without limitation (if the Council or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Charged Property (whether to the Council or to its nominee) and the giving of any notice, order or direction and the making of any registration

18. POWER OF ATTORNEY

18 1 Appointment of attorneys

By way of security, the Borrower irrevocably appoints the Council, every Receiver and every Delegate separately to be the attorney of the Borrower and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that

- (a) the Borrower is required to execute and do under this deed, or
- (b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Council, any Receiver or any Delegate

18 2 Ratification of acts of attorneys

The Borrower ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 18 1.

19. RELEASE

Subject to clause 26 3, on the expiry of the Security Period or on payment of the Repayment Sum (as the case may be), the Council shall, at the request and cost of the Borrower, take whatever action is necessary to

- (a) release the Charged Property from the security constituted by this deed or give consent to a Disposal which is not a Sale or other transfer of the Property and release the Charged Property from the Security constituted by this deed to the extent necessary to allow the Disposal to take place, and
- (b) reassign the Charged Property to the Borrower

20. ASSIGNMENT AND TRANSFER

Neither the Council nor the Borrower may assign any of its rights, or transfer any of its rights or obligations, under this deed save with the written consent of the other party which will not be unreasonably withheld or delayed provided that the Council may without consent assign or transfer its obligations and its rights under the deed to any statutory body which shall become responsible for the administration of the Grant and the Grant Agreement

21. SET-OFF

21 1 Council's right of set-off

The Council may at any time set off any liability of the Borrower to the Council against any liability of the Council to the Borrower, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the Council may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Council of its rights under this clause 21 1 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

21 2 No obligation to set off

The Council is not obliged to exercise its rights under clause 21 1. If, however, it does exercise those rights it must promptly notify the Borrower of the set-off that has been made.

22. AMENDMENTS, WAIVERS AND CONSENTS

22 1 Amendments

No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

22 2 Waivers and consents

- (a) A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- (b) A failure to exercise or a delay in exercising any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Council shall be effective unless it is in writing.

22 3 Rights and remedies

The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law

23. SEVERANCE

If any provision (or part of a provision) of this deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this deed

24. COUNTERPARTS

- (a) This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed
- (b) No counterpart shall be effective until each party has executed and delivered at least one counterpart

25. THIRD PARTY RIGHTS

- (a) Except as expressly provided elsewhere in this deed, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act
- (b) The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person

26. FURTHER PROVISIONS

26 1 Independent security

The security constituted by this deed shall be in addition to, and independent of, any other security or guarantee that the Council may hold for any of the Secured Liabilities at any time. No prior security held

by the Council over the whole or any part of the Charged Property shall merge in the security created by this deed

26 2 Continuing security

The security constituted by this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Council discharges this deed in writing

26 3 Discharge conditional

Any release, discharge or settlement between the Borrower and the Council shall be deemed conditional on no payment or security received by the Council in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded under any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement

- (a) the Council or its nominee may retain this deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Charged Property, for any period that the Council deems necessary to provide the Council with security against any such avoidance, reduction or order for refund, and
- (b) the Council may recover the value or amount of such security or payment from the Borrower subsequently as if the release, discharge or settlement had not occurred

26 4 Certificates

A certificate or determination by the Council as to any amount for the time being due to it from the Borrower under this deed and the Grant Agreement shall be, in the absence of any manifest error, conclusive evidence of the amount due

26 5 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this deed

27. NOTICES

27 1 Delivery

Any notice or other communication given to a party under or in connection with this deed shall be

- (a) in writing,
- (b) delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax, and
- (c) sent to
 - (i) the Borrower at
Fleming House, Waterworks Road, Farlington,
Portsmouth PO6 1NJ
Fax [NUMBER] n/a
Attention Richard Johnson
 - (ii) the Council at
Portsmouth City Council, c/o Legal Services, Civic
Offices, Guildhall Square, Portsmouth, PO1 2AL
Fax 02392834076
Attention Sarah Martin / Razana Begum

or to any other address or fax number as is notified in writing by one party to the other from time to time

27 2 Receipt by Borrower

Any notice or other communication that the Council gives to the Borrower shall be deemed to have been received

- (a) if delivered by hand, at the time it is left at the relevant address;
- (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting, and
- (c) if sent by fax, when received in legible form

A notice or other communication given as described in clause 27 2(a) or clause 27 2(c) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day

27 3 Receipt by Council

Any notice or other communication given to the Council shall be deemed to have been received only on actual receipt

27 4 Service of proceedings

This clause 27 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution

27 5 No notice by e-mail

A notice or other communication given under or in connection with this deed is not valid if sent by e-mail

28. GOVERNING LAW AND JURISDICTION

28 1 Governing law

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

28 2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this deed or its subject matter or formation (including non-contractual disputes or claims) Nothing in this clause shall limit the right of the Council to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction

28 3 Other service

The Borrower irrevocably consents to any process in any legal action or proceedings under clause 28 2 being served on it in accordance with the provisions of this deed relating to service of notices Nothing contained in this deed shall affect the right to serve process in any other manner 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 Property

The freehold property known as 69, Seagrove Road, Portsmouth, PO2 8AY
which is registered with title absolute under title number HP 267226

DATED

August 2014

GRANT AGREEMENT

between

PORTSMOUTH CITY COUNCIL

and

ANA WORKS LIMITED

RELATING TO THE PURCHASE OF THREE FREEHOLD PROPERTIES AND REFURBISHMENT

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SCHEDULE

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SCHEDULE 8	EMAIL DATED 4 TH APRIL 2014

THIS DEED is dated

13th August

2014

PARTIES

- (1) PORTSMOUTH CITY COUNCIL, whose principal address is at Office of the Civic Offices, Guildhall Square, Portsmouth, PO1 2PX (**Funder**).
- (2) ANA WORKS LIMITED, A PRIVATE LIMITED COMPANY (company number 07780229) whose principal address is at Fleming House, Waterworks Road, Farlington, Portsmouth, PO6 1NJ (**Recipient**)

BACKGROUND

- (A) Subject to the Conditions being satisfied the Funder has agreed to pay the Grant to the Recipient to enable it to carry out the Project
- (B) This Agreement sets out the terms and conditions on which the Grant is made by the Funder to the Recipient.
- (C) These terms and conditions are intended to ensure that the Grant is used for the purpose for which it is awarded.

AGREED TERMS

1. DEFINITIONS

In this Agreement the following terms shall have the following meanings

Additional Grant Conditions: the conditions as set out in Schedule 6 of this Agreement

Bribery Act: the Bribery Act 2010 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation

Conditions: the conditions contained in clause 4 hereof and the Additional Conditions

Elements: means each or all of the Refurbishment Element and the Purchase Element as the context may require.

Governing Body: the governing body of the Recipient including its directors or trustees

Grant: the sum of £600,000 to be paid to the Recipient in accordance with this Agreement

Grant Period: the period from the date hereof ending on and including 31st October 2015 or such later date agreed by the Council acting in its complete discretion

Intellectual Property Rights: all patents, copyrights and design rights (whether registered or not) and all applications for any of the foregoing and all rights of

confidence and Know-How however arising for their full term and any renewals and extensions

Know-How: information, data, know-how or experience whether patentable or not and including but not limited to any technical and commercial information relating to research, design, development, manufacture, use or sale

Premises: means the three freehold properties to be purchased using the Grant pursuant to this Agreement for the purposes of providing supported accommodation for people recovering from drug and alcohol addiction such houses to each be detached and comprising 4 bedrooms and "Premises" shall mean each or all of the Premises as the context may require

Prohibited Act: means

- (a) offering, giving or agreeing to give to any servant of the Funder any gift or consideration of any kind as an *inducement or reward* for.
 - (i) doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Agreement or any other contract with the Funder, or
 - (ii) showing or not showing favour or disfavour to any person in relation to this Agreement or any other contract with the Funder;
- (b) entering into this Agreement or any other contract with the Funder where a commission has been paid or has been agreed to be paid by the Recipient or on its behalf, or to its knowledge, unless before the relevant contract is entered into particulars of any such commission and of the terms and conditions of any such contract for the payment thereof have been disclosed in writing to the Funder,
- (c) committing any offence
 - (i) under the Bribery Act,
 - (ii) under legislation creating offences in respect of fraudulent acts, or
 - (iii) at common law in respect of fraudulent acts in relation to this Agreement or any other contract with the Funder, or
- (d) defrauding or attempting to defraud or conspiring to defraud the Funder

Project: the project described in Schedule 1 and comprising the Elements and reference in this Agreement to the "Project" means the purchase refurbishment and furnishing of the three properties to be used to provide the services referred to in Schedule 1 but does not include the provision of the services from the Premises and "completion of the Project" means the completion of the acquisition and refurbishment of the Premises in accordance with the scheme approved by the Funder so that they are ready for occupation and use

Project Manager: the individual who has been nominated to represent the Funder for the purposes of this Agreement

Public Sector Financial Assistance: means any funding receive or receivable by the Recipient from public sector bodies including for this purpose funding from the European Commission; government bodies (whether national or local) or bodies in receipt of lottery funds from the National Lotteries Act 1993 and 1998

Purchase Element the purchase of the freehold interests in the Premises by the Recipient and the payment of legal expenses disbursements and stamp duty land tax (if any) relating to such purchases

Refurbishment Element the refurbishment repair and furnishing of the Premises to facilitate use of the Premises for supported accommodation in accordance with the Project

Schedules: means the schedules attached to this Agreement which form an integral part of this Agreement and reference to this Agreement includes reference to the Schedules

State Aid Law: means any European Union State aid laws (including without limitation under any Articles 86 to 89 inclusive of the Treaty of Rome (as amended) and/ or any applicable judgment, court order, statute, statutory instrument, regulation, directive or decision

2. PURPOSE OF GRANT AND THE RECIPIENT'S OBLIGATIONS

- 2.1 The Recipient shall use the Grant only for the delivery of the Project and in accordance with the terms and conditions set out in this Agreement. The Grant shall not be used for any other purpose without the prior written agreement of the Funder.
- 2.2 The Recipient shall not make any significant change to the Project without the Funder's prior written agreement which will not be unreasonably withheld or delayed
- 2.3 Where the Recipient intends to apply to a third party for other funding for the Project, it will notify the Funder in advance of its intention to do so and, where such funding is obtained, it will provide the Funder with details of the amount and purpose of that funding. The Recipient agrees and accepts that it shall not apply for duplicate funding in respect of any part of the Project or any related administration costs that the Funder is funding in full under this Agreement
- 2.4 The Recipient will act in good faith to comply with this Agreement and shall use all reasonable endeavours to comply with the Conditions as soon as possible such that payment of the parts of the Grant for the Elements is requested at the relevant times shown in Schedule 2 and shall comply with the Additional Grant Conditions or shall provide such information as the Funder reasonably requires to comply with the obligations imposed upon it by the Additional Grant Conditions

- 2 5 The Recipient will notify the Funder in writing -
- (a) as soon as reasonably practicable of any material change in the information on costs related to payment of the Grant (whether actual or estimated) for carrying out the Refurbishment Element or Purchase Element or any event which materially affects the accuracy of such information,
 - (b) as soon as reasonably practicable of any event which might adversely affect the carrying out and completion of the Project or any part thereof, and
 - (c) as soon as reasonably practicable of the receipt of any other Public Sector Financial Assistance or guarantees, or the offer of the same, in respect of the works
- 2 6 If the Recipient notifies the Funder under 2 5 (a) or 2.5 (b), it will provide, with notification, a proposal for resolution or mitigation of the change in or the effects of the event as relevant and will take into account all representations of the Funder on such proposals and will then promptly implement such proposal.
- 2.7 At any time upon written request of the Funder, the Recipient will promptly execute and deliver or procure the execution and delivery of any and all such further instruments and documents as may be necessary for the purpose of obtaining for the Funder the full benefit of this Agreement and of the rights and powers granted in it
- 3. PAYMENT OF GRANT**
- 3 1 Subject to clause 12, the Funder shall pay the Grant to the Recipient in accordance with Schedule 2, subject to the necessary funds being available when payment falls due. The Recipient agrees and accepts that payments of the Grant can only be made to the extent that the Funder has available funds.
- 3 2 No Grant shall be paid unless and until the Funder is satisfied that such payment will be used for proper expenditure in the delivery of the Project.
- 3 3 The Funder will not be required to pay the Grant to the Recipient unless it is satisfied that terms of this Agreement have been satisfied and the Conditions met in full
- 3 4 The Funder may, in its absolute discretion, and on such terms as it may specify, agree to pay the Grant to the Recipient before the terms of this Agreement have been satisfied, but if the Funder does so, this will not prejudice its right to refuse to pay any further Grant until the terms of this Agreement are met or to exercise its right to require repayment of any Grant paid to the Recipient.
- 3 5 If there is a material breach of the terms of this Agreement which the Recipient fails to remedy having received notice under Clause 12 1(1) the Funder may by notice to

the Recipient determine this Agreement and the Recipient will immediately pay to the Funder all or any part of the Grant that has been paid to the Recipient

- 3 6 The Funder shall not be obliged to pay any part of the Grant to the Recipient after the Grant Period has expired.
- 3 7 The amount of the Grant shall not be increased in the event of any overspend by the Recipient in its delivery of the Project
- 3 8 In so far as the Grant relates to the Refurbishment Element such part of the Grant shall be paid into a separate bank account in the name of the Recipient which must be an ordinary business bank account All cheques from the bank account must be signed by at least two individual representatives of the Recipient.
- 3 9 The Recipient shall not transfer any part of the Grant to bank accounts which are not ordinary business accounts within the clearing bank system, without the prior written consent of the Funder.
- 3.10 The Recipient shall promptly repay to the Funder any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where either an incorrect sum of money has been paid or where Grant monies have been paid in error before all conditions attaching to the Grant have been complied with by the Recipient
- 3 11 Subject to Clause 19, the Funder reserves the right not to pay Grant monies to the Recipient after the 31st October 2015. Any Grant monies paid to the Recipient after 31st October 2015 shall be at the sole discretion of the Funder

4. CONDITIONS ON USE OF GRANT

- 4 1 The amount of the Grant to be used by the Recipient for the delivery of each Element and parts of each Element shall not exceed the agreed budget set out in Schedule 3 without the approval of the Funder. For the avoidance of doubt, the amount of the Grant that the Recipient may spend on any item of expenditure listed in column 1 of Schedule 3 shall not exceed the corresponding sum of money listed in column 2 without the prior written agreement of the Funder, such agreement shall not be unreasonably withheld or delayed
- 4 2 Where the Recipient has obtained funding from a third party in relation to its delivery of the Project (including without limitation funding for associated administration and staffing costs), the amount of such funding shall be included in the budget in Schedule 3 together with a clear description of what that funding shall be used for

- 4.3 The Recipient shall not use the Grant to pay for any expenditure commitments of the Recipient entered into before the date of this Agreement unless this has been approved in writing by the Funder.
- 4.4 The Recipient shall not spend any part of the Grant on the delivery of the Project after the expiry of the Grant Period
- 4.5 Should any part of the Grant remain unspent at the end of the Grant Period, the Recipient shall ensure that any unspent monies are returned to the Funder or, if agreed in writing by the Funder, shall be entitled to retain the unspent monies to use for charitable purposes as agreed between the parties.
- 4.6 Any liabilities arising at the end of the Project including any redundancy liabilities for staff employed by the Recipient to deliver the Project must be managed and paid for by the Recipient using the Grant or other resources of the Recipient. There will be no additional funding available from the Funder for this purpose
- 4.7 Payment of the part of the Grant to be used towards the Purchase Element shall be conditional upon the Recipient complying with the following provisions:
- (a) the Recipient shall obtain the prior approval of the Funder to the identity of the Premises to be purchased which approval shall be in the complete discretion of the Funder to give, and
 - (b) the Recipient's solicitor who is acting for the Recipient in connection with the purchase of the Premises providing a written undertaking to the solicitor for the Council in the form annexed at Schedule 4 with such amendments as the Funder may agree and the Recipient's solicitor complying with such undertaking; and
 - (c) the Recipient entering into a transfer of the whole of the freehold title of the Premises and entering into a first legal charge in the form of legal charge annexed at Schedule 4 securing the repayment of the Grant upon the Premises
- 4.8 Payment of the part of the Grant to be used towards the Refurbishment Element shall be conditional upon and subject to the Recipient complying with the following provisions
- (a) prior approval of the specification and timetable relating to such works and expenditure

- (b) the Recipient shall ensure that the procurement of works, equipment, goods and services in relation to the Premises shall be based on value for money. In determining how this requirement should be met, the Recipient shall (and shall procure that the contractor shall) take account of public sector accountability and probity and shall document the decision making process
- (c) the Recipient shall take all reasonable steps to satisfy that the contractor engaged to carry out the refurbishment works is suitable and competent in all respects to allow the proper performance of all necessary work or tasks in relation to the refurbishment works
- (d) the Recipient will commence the Refurbishment Element for each of the Premises within 3 months of the date of completion of the transfer to the Recipient of each of the Premises. The Recipient shall ensure completion of the Refurbishment Element in respect of each of the Premises within 6 months after the date of completion of the relevant transfer

4.9 The Recipient shall continue to comply with the Additional Grant Conditions throughout and after the Grant Period and during the period in which the Premises are subject to the first legal charge in the Funder's favour secured on the Premises

4.10 The Recipient undertakes to use the Premises solely in accordance with the Statement of Objects as set in in the Articles of Association attached at Schedule 7 for Company No 7780229 known as ANA Works Limited (as amended from time to time with the approval of the Funder which shall not be unreasonably withheld or delayed).

5. ACCOUNTS AND RECORDS

5.1 The Grant shall be shown in the Recipient's accounts as a restricted fund and shall not be included under general funds

5.2 The Recipient shall keep separate, accurate and up-to-date accounts and records of the receipt and expenditure of the Grant monies received by it

5.3 The Recipient shall keep all invoices, receipts, and accounts and any other relevant documents relating to the expenditure of the Grant for a period of at least six years following receipt of any Grant monies to which they relate. The Funder shall have the right to review, at the Funder's reasonable request, the Recipient's accounts and records that relate to the expenditure of the Grant and shall have the right to take copies of such accounts and records. In any event, the Recipient shall provide copies of all such invoices, receipts and accounts relating to expenditure of the Grant to the Funder every three months during the Grant Period and within one month after the expiry of the Grant Period

5.4 The Recipient shall provide the Funder with a copy of its annual accounts within six months (or such lesser period as the Funder may reasonably require) of the end of the relevant financial year in respect of each year in which the Grant is paid.

- 5 5 The Recipient shall comply and facilitate the Funder's compliance with all statutory requirements as regards accounts, audit or examination of accounts, annual reports and annual returns applicable to itself and the Funder.
- 5.6 The parties to this Agreement understand that the Grant paid by the Funder under this Agreement is not consideration for any supply for Value Added Tax ("VAT") purposes whether by the Recipient or otherwise
- 5 7 If, notwithstanding the Agreement and understanding of the parties as set out in Clause 5.6 above, it is determined that the Grant is consideration for a supply for VAT purposes, the Grant shall be treated as inclusive of any VAT
- 5 8 All sums or other consideration payable to or provided by the Recipient to the Funder at any time shall be deemed to be exclusive of all VAT payable and where any such sums become payable or due or other consideration is provided the Recipient shall at the same time or as the case may be on demand by the Funder in addition to the such sums or other consideration pay to the Funder all VAT so payable upon receipt of a valid VAT notice.
- 6. MONITORING AND REPORTING**
- 6 1 The Recipient shall closely monitor the delivery and success of the Project throughout the Grant Period to ensure that the aims and objectives of the Project are being met and that this Agreement is being adhered to.
- 6 2 The Recipient shall provide the Funder with a financial report and an operational report on its use of the Grant and delivery of the Project every quarter and in such formats as the Funder may reasonably require The Recipient shall provide the Funder with each report within three months of the last day of the quarter to which it relates
- 6 3 Where the Recipient has obtained funding from a third party for its delivery of part of the Project, the Recipient shall include the amount of such funding in its financial reports together with details of what that funding has been used for
- 6 4 Along with its first quarterly financial report, the Recipient shall provide the Funder with a risk register and insurance review in the format provided by the Funder. The Recipient shall address the health and safety of its staff in the risk register [Format to be provided]
- 6 5 The Recipient shall on request provide the Funder with such further information, explanations and documents as the Funder may reasonably require in order for it to establish that the Grant has been used properly in accordance with this Agreement.

Following completion of the Project the Recipient shall provide a report to the Funder with details of how many residents are in occupation at the Premises every six months from the date of this Agreement to ensure continued use for the purposes of the provision of the services (as set out in Schedule 1) at the Premises that have been acquired and refurbished as part of the Project

6 6 The Recipient shall permit any person authorised by the Funder such reasonable access (including access to the Premises) to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Recipient's fulfilment of the conditions of this Agreement and shall, if so required, provide appropriate oral or written explanations from them. Requests to access the Premises by the Funder shall be made on providing reasonable notice and by prior appointment to the Recipient. Access shall only be during daytime hours and the Funder shall not access the Premises without a member of staff of the Recipient in attendance.

6 7 The Recipient shall permit any person authorised by the Funder for the purpose to visit the Recipient once every quarter to monitor the delivery of the Project. Where, in its reasonable opinion, the Funder considers that additional visits are necessary to monitor the Project, it shall be entitled to authorise any person to make such visits on its behalf

6 8 The Recipient shall provide the Funder with a final report on completion of the Grant Period which shall confirm whether the Project has been successfully and properly completed.

7. ACKNOWLEDGMENT AND PUBLICITY

7 1 The Recipient shall acknowledge the Grant in its annual report and accounts, including an acknowledgement of the Funder as the source of the Grant

7 2 The Recipient shall not publish any material referring to the Project or the Funder without the prior written agreement of the Funder which will not be withheld or delayed unreasonably. The Recipient shall acknowledge the support of the Funder in any materials that refer to the Project and in any written or spoken public presentations about the Project. Such acknowledgements (where appropriate or as requested by the Funder) shall include the Funder's name and logo (or any future name or logo adopted by the Funder) using the templates provided by the Funder from time to time

7 3 In using the Funder's name and logo, the Recipient shall comply with all reasonable branding guidelines issued by the Funder from time to time.

- 7.4 The Recipient agrees to participate in and co-operate with promotional activities that are approved in advance by the Recipient relating to the Project that may be instigated and/or organised by the Funder
- 7.5 The Funder may acknowledge the Recipient's involvement in the Project as appropriate without prior notice
- 7.6 The Recipient shall comply with all reasonable requests from the Funder to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Funder in its promotional and fundraising activities relating to the Project.

8. INTELLECTUAL PROPERTY RIGHTS

- 8.1 The Funder and the Recipient agree that all rights, title and interest in or to any information, data, reports, documents, procedures, forecasts, technology, Know-How and any other Intellectual Property Rights whatsoever owned by either the Funder or the Recipient before the Commencement Date or developed by either party during the Grant Period, shall remain the property of that party
- 8.2 Where the Funder has provided the Recipient with any of its Intellectual Property Rights for use in connection with the Project (including without limitation its name and logo), the Recipient shall, on termination of this Agreement, cease to use such Intellectual Property Rights immediately and shall either return or destroy such Intellectual Property Rights as requested by the Funder.

9. CONFIDENTIALITY

- 9.1 Subject to clause 10 (Freedom of Information), each party shall during the term of this Agreement and thereafter keep secret and confidential all Intellectual Property Rights or Know-How or other business, technical or commercial information disclosed to it as a result of the Agreement and shall not disclose the same to any person save to the extent necessary to perform its obligations in accordance with the terms of this Agreement or save as expressly authorised in writing by the other party.
- 9.2 The obligation of confidentiality contained in this clause shall not apply or shall cease to apply to any Intellectual Property Rights, Know-How or other business, technical or commercial information which
- (a) at the time of its disclosure by the disclosing party is already in the public domain or which subsequently enters the public domain other than by breach of the terms of this Agreement by the receiving party;
 - (b) is already known to the receiving party as evidenced by written records at the time of its disclosure by the disclosing party and was not otherwise

acquired by the receiving party from the disclosing party under any obligations of confidence, or

- (c) is at any time after the date of this Agreement acquired by the receiving party from a third party having the right to disclose the same to the receiving party without breach of the obligations owed by that party to the disclosing party.

10. FREEDOM OF INFORMATION

10.1 The Recipient acknowledges that the Funder is subject to the requirements of the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 and shall assist and co-operate with the Funder (at the Recipient's expense) to enable the Funder to comply with these information disclosure requirements.

10.2 The Recipient shall

- (a) transfer the request for information to the Funder as soon as practicable after receipt and in any event within two Working Days of receiving a request for information,
- (b) provide the Funder with a copy of all information in its possession or power in the form that the Funder requires within five working days (or such other period as the Funder may specify) of the Funder requesting that information, and
- (c) provide all necessary assistance as reasonably requested by the Funder to enable the Funder to respond to a request for information within the time for compliance set out in section 10 of the FOIA or regulation 5 of the Environmental Information Regulations 2004

10.3 The Funder shall be responsible for determining at its absolute discretion whether the information

- (a) is exempt from disclosure in accordance with the provisions of the FOIA or the Environmental Information Regulations 2004;
- (b) is to be disclosed in response to a request for information, and in no event shall the Recipient respond directly to a request for information unless expressly authorised to do so by the Funder

10.4 In no event shall the Recipient respond directly to a request for information unless expressly authorised to do so by the Funder.

10.5 The Recipient acknowledges that the Funder may, acting in accordance with the Secretary of State for Constitutional Affairs' Code of Practice on the discharge of public authorities' functions under Part 1 of FOIA (issued under section 45 of the

FOIA, November 2004), be obliged under the FOIA or the Environmental Information Regulations 2004 to disclose information

- (a) without consulting with the Recipient, or
- (b) following consultation with the Recipient and having taken its views into account,

provided always that where clause 10.5(b) applies the Funder shall, in accordance with any recommendations of the Code, take reasonable steps, where appropriate, to give the Recipient advanced notice, or failing that, to draw the disclosure to the Recipient's attention after any such disclosure

- 10 6 The Recipient shall ensure that all information produced in the course of the Agreement or relating to the Agreement is retained for disclosure and shall permit the Funder to inspect such records as requested from time to time

11. DATA PROTECTION

The Recipient shall (and shall procure that any of its staff involved in connection with the activities under the Agreement shall) comply with any notification requirements under the Data Protection Act 1998 (DPA) and both Parties will duly observe all their obligations under the DPA, which arise in connection with the Agreement

12. WITHHOLDING, SUSPENDING AND REPAYMENT OF GRANT

- 12 1 The Funder's intention is that the Grant will be paid to the Recipient in full. However, without prejudice to the Funder's other rights and remedies, the Funder may at its discretion withhold or suspend payment of the Grant and/or require repayment of all or part of the Grant if

- (a) the Recipient uses the Grant for purposes other than those for which they have been awarded,
- (b) the timetable for completion of each of the Elements described in this Agreement and shown in Schedule 1 and Schedule 2 is not met and the Recipient has failed to provide the Funder with a reasonable explanation for the delay,
- (c) the Funder considers that the Recipient has not made satisfactory progress with the delivery of the Project,
- (d) the Recipient is, in the reasonable opinion of the Funder, delivering the Project in a negligent manner,
- (e) the Recipient obtains duplicate funding from a third party for the Project;
- (f) the Recipient obtains funding from a third party which, in the reasonable opinion of the Funder, undertakes activities that are likely to bring the reputation of the Project or the Funder into disrepute,

- (g) the Recipient provides the Funder with any materially misleading or inaccurate information;
- (h) the Recipient commits or committed a Prohibited Act,
- (i) any member of the governing body, employee or volunteer of the Recipient has (a) acted dishonestly or negligently at any time and directly or indirectly to the detriment of the Project or (b) taken any actions which, in the reasonable opinion of the Funder, bring or are likely to bring the Funder's name or reputation into disrepute,
- (j) the Recipient ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation),
- (k) the Recipient becomes insolvent, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due; or
- (l) the Recipient fails to comply with any of the terms and conditions of this Agreement and / or the Additional Grant Conditions set out in this Agreement and fails to rectify any such failure within 30 days of receiving written notice detailing the failure; or
- (m) the Funder is required to repay or recover due to a requirement under State Aid Law; and / or the Funder is otherwise required to repay or recover such Grant in whole or in part to or by the European Commission. Any Grant required to be repaid in accordance with this clause 12 (m) shall bear interest as required under State Aid Law

12 2 Wherever under the Agreement any sum of money is recoverable from or payable by the Recipient (including any sum that the Recipient is liable to pay to the Funder in respect of any breach of the Agreement), the Funder may unilaterally deduct that sum from any sum then due, or which at any later time may become due to the Recipient under the Agreement or under any other agreement or contract with the Funder

12 3 The Recipient shall make any payments due to the Funder without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise.

12 4 Should the Recipient be subject to financial or other difficulties which are capable of having a material impact on its effective delivery of the Project or compliance with this Agreement it will notify the Funder as soon as possible so that, if possible, and without creating any legal obligation, the Funder will have an opportunity to provide assistance in resolving the problem or to take action to protect the Funder and the Grant monies

13. ANTI-DISCRIMINATION

- 13.1 The Recipient shall not unlawfully discriminate within the meaning and scope of any law, enactment, order, or regulation relating to discrimination (whether in race, gender, religion, disability, sexual orientation, age or otherwise) in employment
- 13.2 The Recipient shall take all reasonable steps to secure the observance of clause 13.1 by all servants, employees or agents of the Recipient and all suppliers and sub-contractors engaged on the Project.

14. HUMAN RIGHTS

- 14.1 The Recipient shall (and shall use its reasonable endeavours to procure that its staff shall) at all times comply with the provisions of the Human Rights Act 1998 in the performance of this Agreement as if the Recipient were a public body (as defined in the Human Rights Act 1998)
- 14.2 The Recipient shall undertake, or refrain from undertaking, such acts as the Funder requests so as to enable the Funder to comply with its obligations under the Human Rights Act 1998

15. LIMITATION OF LIABILITY

- 15.1 The Funder accepts no liability for any consequences, whether direct or indirect, that may come about from the Recipient running the Project, the use of the Grant or from withdrawal of the Grant. The Recipient shall indemnify and hold harmless the Funder, its employees, agents, officers or sub-contractors with respect to all claims, demands, actions, costs, expenses, losses, damages and all other liabilities arising from or incurred by reason of the actions and/or omissions of the Recipient in relation to the Project, the non-fulfilment of obligations of the Recipient under this Agreement or its obligations to third parties
- 15.2 Subject to clause 15.1, the Funder's liability under this Agreement is limited to the payment of the Grant

16. WARRANTIES

The Recipient warrants, undertakes and agrees that

- (a) it has all necessary resources and expertise to deliver the Project (assuming due receipt of the Grant),
- (b) it has not committed, nor shall it commit, any Prohibited Act,
- (c) it shall at all times comply with all relevant legislation and all applicable codes of practice and other similar codes or recommendations, and shall

notify the Funder immediately of any significant departure from such legislation, codes or recommendations,

- (d) it shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to employees and other persons working on the Project,
- (e) it has and shall keep in place adequate procedures for dealing with any conflicts of interest,
- (f) it has and shall keep in place systems to deal with the prevention of fraud and/or administrative malfunction,
- (g) all financial and other information concerning the Recipient which has been disclosed to the Funder is to the best of its knowledge and belief, true and accurate,
- (h) it is not subject to any contractual or other restriction imposed by its own or any other organisation's rules or regulations or otherwise which may prevent or materially impede it from meeting its obligations in connection with the Grant;
- (i) it is not aware, after due enquiry, of anything which materially threatens the success of the Project
- (j) it is not aware of anything in its own affairs, which it has not disclosed to the Funder or any of the Funder's advisers, which might reasonably have influenced the decision of the Funder to make the Grant on the terms contained in this Agreement; and
- (k) since the date the submission of the bid there has been no material change in its financial position or prospects

17. INSURANCE

17 1 The Recipient shall effect and maintain with a reputable insurance company a policy or policies in respect of all risks insurable by the Recipient at reasonable commercial rates which may be incurred by the Recipient, arising out of the Recipient's performance of the Agreement, including death or personal injury, loss of or damage to property or any other loss (the **Required Insurances**).

17 2 The Required Insurances referred to above include (but are not limited to).

- (a) public liability insurance with a limit of indemnity of not less than ten million pounds (£10,000,000) in relation to any one claim or series of claims arising from the Project, and
- (b) employer's liability insurance with a limit of indemnity of not less than five million pounds (£5,000,000) in relation to any one claim or series of claims arising from the Project

The Recipient shall (on request) supply to the Funder a copy of such insurance policies and evidence that the relevant premiums have been paid

18. DURATION

18.1 Except where otherwise specified, the terms of this Agreement shall apply from the date of this Agreement until the anniversary of expiry of the Grant Period or for so long as any Grant monies remain unspent by the Recipient, whichever is longer

18.2 Any obligations under this Agreement that remain unfulfilled following the expiry or termination of the Agreement shall survive such expiry or termination and continue in full force and effect until they have been fulfilled.

19. TERMINATION

The Funder may terminate this Agreement and any Grant payments on giving the Recipient one months' written notice should it be required to do so by financial restraints or for any other reason. If the Funder terminates the Agreement in these circumstances or otherwise refuses to allow further drawdowns for reasons other than the default of the Recipient, the Funder shall settle any liabilities properly and reasonably incurred by the Recipient in carrying out the Project that were incurred prior to receipt of notice of termination provided that this shall not exceed the sums set out in the budget in Schedule 3.

20. ASSIGNMENT

The Recipient may not, without the prior written consent of the Funder, assign, transfer, sub-contract, or in any other way make over to any third party the benefit and/or the burden of this Agreement or, except as contemplated as part of the Project, transfer or pay to any other person any part of the Grant.

21. WAIVER

No failure or delay by either party to exercise any right or remedy under this Agreement shall be construed as a waiver of any other right or remedy.

22. NOTICES

All notices and other communications in relation to this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, or mailed (first class postage prepaid) to the address of the relevant party, as referred to above or otherwise notified in writing. If personally delivered all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any working day they shall be deemed received on

the next working day) and if mailed all such communications shall be deemed to have been given and received on the second working day following such mailing

23. DISPUTE RESOLUTION

23 1 In the event of any complaint or dispute (which does not relate to the Funder's right to withhold funds or terminate) arising between the parties to this Agreement in relation to this Agreement the matter should first be referred for resolution to the Project Manager or any other individual nominated by the Funder from time to time

23 2 Should the complaint or dispute remain unresolved within 14 days of the matter first being referred to the Project Manager or other nominated individual, as the case may be, either party may refer the matter to the City Solicitor of the Funder and of the Recipient with an instruction to attempt to resolve the dispute by agreement within 28 days, or such other period as may be mutually agreed by the Funder and the Recipient.

23 3 In the absence of agreement under clause 23 2, the parties may seek to resolve the matter through mediation under the CEDR Model Mediation Procedure (or such other appropriate dispute resolution model as is agreed by both parties) Unless otherwise agreed, the parties shall bear the costs and expenses of the mediation equally.

24. NO PARTNERSHIP OR AGENCY

This Agreement shall not create any partnership or joint venture between the Funder and the Recipient, nor any relationship of principal and agent, nor authorise any party to make or enter into any commitments for or on behalf of the other party.

25. JOINT AND SEVERAL LIABILITY

Where the Recipient is not a company nor an incorporated entity with a distinct legal personality of its own, the individuals who enter into and sign this Agreement on behalf of the Recipient shall be jointly and severally liable for the Recipient's obligations and liabilities arising under this Agreement.

26. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

This Agreement does not and is not intended to confer any contractual benefit on any person pursuant to the terms of the Contracts (Rights of Third Parties) Act 1999.

27. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the law of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts

Schedule 1 The Project



Public Health
England

Appendix 1: Provider expression of interest pro-forma

PHE capital programme (2013-14) to support adult community or residential based recovery oriented drug and alcohol treatment and recovery services

1. Scheme name: ANA Supported Dry Housing Service
2. Contact details: Richard Johnson, Director, ANA Works, Fleming House, Waterworks Road, Farlington, Portsmouth, Hampshire, PO7 5AH
Recipient of funding: ANA Works (Name of service provider to receive the capital investment)
3. Address: Fleming House, Waterworks Road, Farlington, Portsmouth, Hampshire, PO7 5AH
Telephone: 02392 373433 Email: rjohnson@anatrementcentres.com Lead contact: Richard Johnson Expression of Interest approved by (Chief executive): Yes
Lead local authority: (Please provide details of the Local Authority to receive the funding from PHE, acting as bankers on behalf of the service provider)
LA: Portsmouth City Council Address: Integrated Commissioning Service Great Western House Civic Offices Portsmouth PO1 2EP
Telephone: 02392 834688 Email: barry.dickinson@portsmouthcc.gov.uk Lead contact: Barry Dickinson, Senior Programme Manager Expression of Interest approved by (Director of Finance): Yes

4. Project outline

Summary of project:

The Service

The service will provide safe, drug and alcohol free supported accommodation for up to eighteen months to people in very recent recovery from drug and alcohol addiction. The ANA Works is a Not For Profit organisation operated in parallel with ANA Treatment Centres. The Supported Dry Housing Service will build upon the excellent work being done by ANA Treatment Centres by extending its care pathway to include supported housing for those early in recovery. It will be integrated into the services already provided by ANA Treatment Centres, Primary, Secondary, Third Stage Treatment and Aftercare.

The service will feature three four bedroom houses located in Portsmouth. These will be on major bus routes or walking distance from support services located in the areas of Southsea, Portsmouth or North End.

The service will support resident's reintegration into society, whilst insisting on a positive contribution from each resident. To this end, residents will be licensed rather than become tenants. This will allow for conditions of their residence to be listed, reviewed and required.

Conditions are linked to best practice in community reintegration, building recovery capital and the underpinning features of the drug strategy 2010,

Residents will be required to

- Live well, abstinent from drugs and alcohol
- Maintain their living environment and take pride in it
- Self-fund all utilities and bills with residents receiving support to get used to navigating the benefits system, plan, budget and pay bills
- Eat well with regard and due respect for their own health and nutrition
- Engage in part time employment/voluntary work and engage in back to work support OR
- Study an accredited course at a college or university
- Attend AA/NA/CA/SMART or similar mutual aid meetings more than twice a week
- Attend ANA Aftercare weekly in order to check in on progress, seek support from peers and staff where there is an existing bond of trust or received one to one counselling. The service also refers to other agencies in the Portsmouth recovery network, based on presenting client need
- Engage with support workers onsite for house and one to one reviews

Support will be provided in the form of a support officer who will be trained in drug and alcohol support, counselling or health and social care. Their role will be to support individuals and also confirm compliance with the terms of the licenses. The project will be managed by existing ANA staff.

Outcomes & benefits

Residents will live in a safe, clean and supported environment that balances independence with a safety net. The service will challenge residents to contribute through work or education, raising their recovery capital and ambition ready for full independence once the license has expired and clients move on to full independence. The service will support and help with this transition as well.

Residents will be able to access ANA aftercare for the rest of their lives on an unlimited basis and have access to the support worker for routine check-ins, training and review and timetabled events. Support will also be there in times of crisis.

Please provide amount of capital funding you are bidding for:

£600,000.00 for purchase of the three properties, refurbishment and furnishing

Please provide details of any match funding from other sources:

N/A

Please provide evidence of revenue sustainability (if appropriate):

The service will be funded through housing benefit payments and will be self-sustaining for property maintenance, furnishing and staffing from the beginning of year two onwards, utilising the income from clients rents.

Occupancy is all but guaranteed due to the huge gap in service provision for supported dry housing for vulnerable adults in early recovery in this geographical area and the over subscription for housing from other vulnerable and disadvantaged groups in the local area.

Please provide assurance that the host local authority will carry forward unspent funds into 2014-15, and that funds will remain committed for the agreed purpose:

This has been confirmed with Barry Dickinson, Senior Programme Manager, Integrated Commissioning Service, Portsmouth City Council and CCG.

5. Strategic approach to consultation, need and provision

Please provide evidence that the bid is needs-led and supported via service user consultation:

ANA Works has undertaken extensive consultation with current service users locally and those from across UK. We have also engaged with those in recovery, together with members of PUSH (Portsmouth User Self Help Group) who represent the growing and very strong recovery community in Portsmouth.

Feedback has been unanimous that, post treatment, appropriate housing, in line with Drug Strategy priorities, is the key factor to stability, community integration, and a life free from drugs and alcohol. The local recovery community are aware of and support those that are not in safe or suitable accommodation and advocate on their behalf. Clients currently in treatment comment that the requirements to work, volunteer or study are excellent and will build recovery capital. They also stated that to have the safety net support of a trained worker will reassure and bolster their

recovery, in preparation for full independence eighteen months later.

This proposal is fully supported by PUSH and also those currently in treatment and has been developed as a result of need and feedback over the past five to ten years

Please describe how the project will address gaps in local provision by supporting capital investment in adult community-based or residential drug or alcohol treatment and recovery services:

Whilst ANA offers therapy, life skills, medical support, accredited education programmes and aftercare for clients, the gap in service provision for us and other local agencies is housing

Four of the twelve beds will be ring fenced for local Portsmouth clients in need of the service. The need for safe, clean and dry supported housing is hugely oversubscribed locally with provision inundated with applications. Often ANA clients and others have to rely on the private market where properties are not secure and it is impossible to ensure others are not using drugs and alcohol. Clients wishing to relocate are required to have a local connection and priority is given to local people with similar needs. Again, this results in private rentals and little or no support and a very challenging environment for those in early recovery

Whilst small, this service will address some of the shortfall and greatly enhance and expedite recovery for many people, giving them tangible skills in life and employment that will carry them into fully independent living and making a sound contribution to society.

Please describe how the project will be embedded within the strategic commissioning arrangements and needs assessment of the local partnership:

The service will offer a minimum of four of the twelve beds to local Portsmouth people who have a need for supported recovery housing post treatment for addictions. Local needs assessment has highlighted supported recovery housing as a need for the local area with demand vastly outstripping supply

The proposed service fully supports the recommendations stemming from the local strategic needs assessment Portsmouth Commissioners have consistently experienced difficulties in accessing sufficient supported drug and alcohol free recovery housing for people completing episodes of treatment They are currently working with Portsmouth Housing Options to improve the pathway for those in recovery and previously provision has relied on Supporting People funding; a source that is diminishing not increasing This service will support the pathway and is fully endorsed by the Portsmouth City Council substance misuse commissioners.

Please describe how the project will fit within the wider recovery system, delivering recovery focused drug or alcohol treatment for adults in community-based or residential services:

The service will be accessed by people needing accommodation and coming from community or residential based services and beginning community reintegration

The chances of sustained recovery outcomes after achieving abstinence, either in a residential or

community setting, are greatly enhanced by supported dry accommodation. In order to boost the numbers overcoming dependence and not returning to the treatment system, supported, dry accommodation is requisite for many of the client group in the early stages of their recovery.

By supporting this bid, commissioners will be furthering the aim of the Drugs Strategy to build recovery in communities, with a proportion of spaces reserved for local residents.¹ The existence of a vibrant recovery community in the area means residents will be given the maximum chance of sustaining their recovery.

The proposal is fully in line with best practice outlined in the 'How to guide' issued by the Chartered Institute of Housing² and recommended by the Government.

6. Quality and monitoring

Please describe the type of service and confirm that, where appropriate, systems are in place to ensure compliance with NDTMS reporting:

The service is clean and dry supported housing.

Fully compliant and 100% accurate NDTMS and TOP reporting systems are in place at ANA and will be utilised for the new service.

Both will be utilised to confirm that residents are not returning to treatment and live independently.

7. Delivery timetable

Please briefly outline the delivery timetable for the project:

Funds awarded: 12th March 2014 (?)

Properties identified and purchased by: 31st October 2014

Refurbishment completed by: []

Licensees (residents) identified by: []

Service launch by []

8. Additional Information

Please use this space to provide any additional information you feel is appropriate:

Lack of suitable accommodation post-residential treatment has been consistently highlighted as a gap in the Portsmouth area. ANA have good links with the community services and the recovery community. Developing the proposed supported recovery houses would fit very well with the recovery system in Portsmouth. Lack of appropriate post treatment accommodation has in the past

contributed to relapse risk and resulted in delayed discharge from treatment, the proposed development would alleviate both of these issues and thus contribute to better use of existing resources as well as better outcomes for people.

9. Risks to delivery

Please provide details of any possible risks to delivery and actions to mitigate these risks

Risk in terms of relapse is present where ever residents are accommodated The risk is minimised in this service through the licensing terms detailed above, through the presence of a support officer and the additional support of AA/NA/CA/SMART, lifelong aftercare for residents and the very strong Portsmouth recovery community

Risks are financial in the longer term regarding the service relying on occupancy to fund it via housing benefit Current assessment of need in the recovery community and further across Portsmouth and Hampshire and UK indicates that the need for clean and dry supported housing will not decrease in the coming years, meaning that risk is minimal

Proposed changes to the present benefits system through the Universal Credits Scheme will still be compatible with the funding and sustainability model proposed here and we will continue to monitor developments to the Universal Credit Scheme to enable us to continue to support our residents through the transition and beyond

Schedule 2 Payment Schedule

Amount of Grant Payable	Date of Payment
£351,000	By 31 August 2014 (Payment subject to signed undertaking, as detailed in Schedule 4 being received by the Funder)
£197,000	By 31 st October 2014 (Payment subject to signed undertaking, as detailed in Schedule 4 being received by the Funder)
£52,000	By 30 November 2014 (Payment subject to signed undertaking as detailed in Schedule 4 being received by the Funder)

Schedule 3 Breakdown of Grant

Item of Expenditure	Budget (in UK Sterling)
Purchase Element (subject to signed undertaking as detailed in Schedule 4 being received by the Funder)	£548,000
Refurbishment Element (subject to signed undertaking as detailed in Schedule 4 being received by the Funder)	£52,000

SCHEDULE 4 - UNDERTAKING

Michael Rowland
Large & Gibson Solicitors
49 Kent Road
Portsmouth
Hampshire
PO5 3EJ

13th August 2014

Legal Services

Civic Offices
Guildhall Square
Portsmouth
PO1 2PX

Phone. 023 92
Fax 023 9283 4076
Email razana.begum@
portsmouthcc.gov.uk

Our Ref: [RBegum
Your Ref

Dear Sirs

PROPERTIES: 1 Crofton Road, Portsmouth
69 Seagrove Road, Portsmouth
150 Chichester Road, Portsmouth

BORROWER: ANA WORKS LIMITED (COMPANY NO 07780229)

LENDER: PORTSMOUTH CITY COUNCIL

We confirm our instructions for you to act for Portsmouth City Council in connection with the purchase of the properties by the Borrower for £548,000. Please would you provide a written undertaking that you will meet our requirements as set out in this letter before conducting any work on our behalf?

Undertaking

- 1 That you will comply with part 1 of the handbook of the Council of Mortgage Lenders current at the date of your undertaking and provide us with the certificate of title in the form referred to in IB(3.7) of the SRA Code of Conduct 2011, published by the Law Society as if the same were set out in full, subject to the limitations contained in it.
- 2 You will discharge any charges secured upon the properties and register our mortgage (in the form attached) as first legal charge against the Properties, at the Land Registry

3. You will act as agent of both us and the borrower and submit the SDLT1 form and any supplementary SDLT forms and duty payable to HM Revenue & Customs within two weeks of the date of completion.
4. Where the CML handbook Part 1 refers to "Part 2", the requirements that we would have registered as Part 2 if we were registered with the CML are set out on the attached list and should be considered to form part of our requirements

Please note that Portsmouth City Council do not issue a mortgage offer and you should refer to the terms of the grant agreement and draft mortgage deed attached subject to any further amendments negotiated with the Council's legal department.

On completion we will send the relevant amount of grant monies to you by electronic transfer. You may deduct your fees costs and disbursements from such grant monies provided they have been approved by us in advance and are shown on your completion statement relating to the purchase.

We will require you to hold this money to our order until you confirm that you are ready to complete and you should notify us of any anticipated delay in completion

Please note that we do not arrange insurance and the borrower must arrange their own insurance and you must comply with the provisions of 6.14 of the CML handbook to the extent that cover in these terms is available at normal commercial rates for property that is empty and subject to refurbishment

Following completion and registration please send to us all original documentation including the transfer and SDLT certificate and any other title deeds to the Properties

Any correspondence in this matter should be referred to Razana Begum of Legal Services, Portsmouth City Council

Yours faithfully,

Legal Services
Portsmouth City Council

CML Lenders' Handbook

Part 1: England and Wales

Last modified: 12/07/2013

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1. General

Part 1 - Instructions and Guidance

Those lenders who instruct using the CML Lenders' Handbook certify that these instructions have been prepared to comply with the requirements of the Solicitors' Code of Conduct 2011.

- 1.1** The CML Lenders' Handbook is issued by the Council of Mortgage Lenders. Your instructions from an individual lender will indicate if you are being instructed in accordance with the Lenders' Handbook. If you are, the general provisions in part 1 and any **lender specific requirements in part 2** must be followed.
- 1.2** References to "we", "us" and "our" mean the lender from whom you receive instructions.
- 1.3** The Lenders' Handbook does not affect any responsibilities you have to us under the general law or any practice rule or guidance issued by your professional body from time to time.
- 1.4** The standard of care which we expect of you is that of a reasonably competent solicitor or licensed conveyancer acting on behalf of a mortgagee.
- 1.5** The limitations contained in the Solicitors' Code of Conduct 2011 apply to the instructions contained in the Lenders' Handbook and any separate instructions. This does not apply to licensed conveyancers following clause 3.2.
- 1.6** You must also comply with any separate instructions you receive for an individual loan.

- 1.7 If the borrower and the mortgagor are not one and the same person, all references to "borrower" shall include the mortgagor. Check **part 2** to see if we lend in circumstances where the borrower and the mortgagor are not one and the same.
- 1.8 References to "borrower" (and, if applicable, "guarantor" or, expressly or impliedly, the mortgagor) are to each borrower (and guarantor or mortgagor) named in the mortgage instructions/offer (if sent to the conveyancer). This applies to references in the Lenders' Handbook and in the certificate of title
- 1.9 References to "mortgage offer" include any loan agreement, offer of mortgage or any other similar document
- 1.10 If you are instructed in connection with any additional loan (including a further advance) then you should treat references to "mortgage" and "mortgage offer" as applying to such "additional loan" and "additional loan offer" respectively
- 1.11 In any transaction during the lifetime of the mortgage when we instruct you, you must use our current standard documents in all cases and must not amend or generate them without our written consent. We will send you all the standard documents necessary to enable you to comply with our instructions, but please let us know if you need any other documents and we will send these to you. Check **part 2** to see who you should contact. If you consider that any of the documentation is inappropriate to the particular facts of a transaction, you should write to us (see **part 2**) with full details and any suggested amendments.
- 1.12 In order to act on our behalf your firm must be a member of our conveyancing panel. You must also comply with any terms and conditions of your panel appointment
- 1.12.1 Our instructions are personal to the firm to whom they are addressed and must be dealt with solely by that firm. You must not sub-contract or assign our instructions to another firm or body, nor may you accept instructions to act for us from another body, unless we confirm in writing otherwise
- 1.13 If you or a member of your immediate family (that is to say, a spouse, civil partner, co-habitee, parent, sibling, child, step-parent, step-child, grandparent, grandchild, parent-in-law, or child-in-law) is the borrower and you are the sole practitioner, you must not act for us
- 1.14 Your firm or company must not act for us if the partner or fee earner dealing with the transaction or a member of his immediate family is the seller, unless we say your firm may act (see **part 2**) and a separate fee earner of no less standing or a partner within the firm acts for us.
- 1.15 Your firm or company must not act for us if the partner or fee earner dealing with the transaction or a member of his immediate family is the borrower, unless we say your firm may act (see **part 2**) and a separate fee earner of no less standing or a partner within the firm acts for us
- 1.16 If there is any conflict of interest, you must not act for us and must return our instructions.
- 1.17 Nothing in these instructions lessens your duties to the borrower. This does not apply if acting in accordance with part 3 - Separate representation standard instructions
- 1.18 In addition to these definitions any reference to any regulation, legislation or legislative provision shall be construed as a reference to that regulation, legislation or legislative provision as amended, re-enacted or extended at the relevant time.

2. Communicating with the Lender

- 2.1** All communication between you and us should be in writing quoting the mortgage account or roll number, the surname and initials of the borrower and the property address. You should keep copies of all written communication on your file as evidence of notification and authorisation. If you use PC fax or e-mail, you should retain a copy in readable form.
- 2.2** If you require deeds or information from us in respect of a borrower or a property then you must first of all have the borrower's authority for such a request. If there is more than one borrower, you must have the authority of all the borrowers. This does not apply if acting in accordance with part 3 - Separate representation standard instructions.
- 2.3** If you need to report a matter to us, you must do so as soon as you become aware of it so as to avoid any delay. If you do not believe that a matter is adequately provided for in the Handbook, you should identify the relevant Handbook provision and the extent to which the issue is not covered by it. You should provide a concise summary of the legal risks and your recommendation on how we should protect our interest. After reporting a matter you should not complete the mortgage until you have received our further written instructions. We recommend that you report such matters before exchange of contracts because we may have to withdraw or change the mortgage offer.

3. Safeguards

3.1 Safeguards for solicitors

3.1.1 This sub-section relates to solicitors and those working in practices regulated by the Solicitors Regulation Authority only.

3.1.2 You must follow the guidance in the Law Society's mortgage fraud practice note.

3.1.3 You must follow the Law Society's guidance relating to money laundering and comply with the current money laundering regulations and the Proceeds of Crime Act 2002 to the extent that they apply.

3.1.4 If you are not familiar with the seller's solicitors or licensed conveyancers, you must verify that they appear in a legal directory or they are currently on record with the Solicitors Regulation Authority or Council for Licensed Conveyancers as practising at the address shown on their note paper. Check **part 2** to see whether we require you to notify us of the name and address of the solicitors firm or licensed conveyancers firm acting for the seller.

3.1.5 If the seller does not have legal representation you should check **part 2** to see whether or not we need to be notified so that a decision can be made as to whether or not we are prepared to proceed.

3.1.6 Unless you personally know the signatory of a document, you must ask the signatory to provide evidence of identity, which you must carefully check. You should check the signatory's identity against one of the documents from list A or two of the documents in list B.

List A

a valid full passport, or
a valid H M Forces identity card with the signatory's photograph; or
a valid UK Photo-card driving licence, or
any other document listed in the additional list A in **part 2**.

List B

a cheque guarantee card, credit card (bearing the Mastercard or Visa logo)
American Express or
Diners Club card, debit or multi-function card (bearing the Switch or Delta logo)
issued in the
United Kingdom with an original account statement less than three months old, or
a firearm and shot gun certificate, or
a receipted utility bill less than three months old; or
a council tax bill less than three months old; or
a council rent book showing the rent paid for the last three months, or
a mortgage statement from another lender for the mortgage accounting year just
ended; or
any other document listed in the additional list B in **part 2**

3.1.7 You should check that any document you use to verify a signatory's identity appears to be authentic and current, signed in the relevant place. You should take a copy of it and keep the copy on your file. You should also check that the signatory's signature on any document being used to verify identity matches the signatory's signature on the document we require the signatory to sign and that the address shown on any document used to verify identity is that of the signatory.

3.2 Safeguards for licensed conveyancers

3.2.1 This sub-section applies to licensed conveyancers practices only.

3.2.2 You must follow the professional guidance of the Council for Licensed Conveyancers relating to money laundering and comply with the current money laundering regulations and the Proceeds of Crime Act 2002 to the extent that they apply and you must follow all other relevant guidance issued by the Council for Licensed Conveyancers.

3.2.3 If you are not familiar with the seller's solicitors or licensed conveyancers, you must verify that they appear in a legal directory or they are currently on record with the Law Society or Council for Licensed Conveyancers as practising at the address shown on their note paper. Check **part 2** to see whether we require you to notify us of the name and address of the solicitors firm or licensed conveyancers firm acting for the seller

3.2.4 If the seller does not have legal representation you should check **part 2** to see whether or not we need to be notified so that a decision can be made as to whether or not we are prepared to proceed.

3.2.5 Unless you personally know the signatory of a document, you must ask the signatory to provide evidence of identity, which you must carefully check. You must satisfy yourself that the person signing the document is the borrower, mortgagor or guarantor (as appropriate). If you have any concerns about the identity of the signatory you should notify us immediately.

3.2.6 You should check that any document you use to verify a signatory's identity appears to be authentic and current, signed in the relevant place. You should take a copy of it and keep the copy on your file. You should also check that the signatory's signature on any document being used to verify identity matches the signatory's signature on the document we require the signatory to sign and that the address shown on any document used to verify identity is that of the signatory

4. Valuation of The Property

4.1 Check **part 2** to see whether we send you a copy of the valuation report or if you must get it from the borrower

4.2 You must take reasonable steps to verify that there are no discrepancies between the description of the property as valued and the title and other documents which a reasonably competent conveyancer should obtain, and, if there are, you must tell us immediately

- 4.3** You should take reasonable steps to verify that the assumptions stated by the valuer about the title (for example, its tenure, easements, boundaries and restrictions on its use) in the valuation and as stated in the mortgage offer are correct. If they are not, please let us know as soon as possible (see **part 2**) as it will be necessary for us to check with the valuer whether the valuation needs to be revised. We are not expecting you to assume the role of valuer. We are simply trying to ensure that the valuer has valued the property based on correct information.
- 4.4** We recommend that you should advise the borrower that there may be defects in the property which are not revealed by the inspection carried out by our valuer and there may be omissions or inaccuracies in the report which do not matter to us but which would matter to the borrower. We recommend that, if we send a copy of a valuation report that we have obtained, you should also advise the borrower that the borrower should not rely on the report in deciding whether to proceed with the purchase and that he obtains his own more detailed report on the condition and value of the property, based on a fuller inspection, to enable him to decide whether the property is suitable for his purposes.
- 4.5** Where the mortgage offer states that a final inspection is needed, you must ask for the final inspection at least 10 working days before the advance is required. Failure to do so may cause delay in the issue of the advance. Your certificate of title must be sent to us in the usual way.
- 5. Title**
- 5.1 Length of Ownership**
- 5.1.1** Please report to us immediately if the owner or registered proprietor has been registered for less than six months.
- 5.2 Seller Not The Owner or Registered Proprietor**
- 5.2.1** Please report to us immediately if the person selling to the borrower is not the owner or registered proprietor unless the seller is:
- a personal representative of the registered proprietor, or
 - an institutional mortgagee exercising its power of sale, or
 - a receiver, trustee-in-bankruptcy or liquidator, or
 - a developer or builder selling a property acquired under a part-exchange scheme; or
 - a Registered Housing Provider (Housing Association) exercising a power of sale
- 5.3 Conflict of Interest**
- 5.3.1** If any matter comes to your attention which you should reasonably expect us to consider important in deciding whether or not to lend to the borrower (such as whether the borrower has given misleading information to us or the information which you might reasonably expect to have been given to us is no longer true) and you are unable to disclose that information to us because of a conflict of interest, you must cease to act for us and return our instructions stating that you consider a conflict of interest has arisen. This does not apply if acting in accordance with part 3 - Separate representation standard instructions.
- 5.4 Searches and Reports**
- 5.4.1** In carrying out your investigation, you must ensure that all usual and necessary searches and enquiries have been carried out. You must report any adverse entry to us but we do not want to be sent the search itself. We must be named as the applicant in the Land Registry search.

5.4.2 In addition, you must ensure that any other searches which may be appropriate to the particular property, taking into account its locality and other features are carried out

5.4.3 All searches except where there is a priority period must not be more than six months old at completion

5.4.4 You must advise us of any contaminated land entries revealed in the local authority search. Check **part 2** to see if we want to receive environmental or contaminated land reports (as opposed to contaminated land entries revealed in the local authority search). If we do not, you do not need to make these enquiries on our behalf

5.4.5 Check **part 2** to see if we accept personal searches.

5.4.6 Check **part 2** to see if we accept search insurance

5.4.7 If we accept personal searches or search insurance you must ensure that - a suitably qualified search agent carries out the personal search and has indemnity insurance that adequately protects us; or the search insurance policy adequately protects us

5.4.8 You are satisfied that you will be able to certify that the title is good and marketable unless stated otherwise in our specific requirements listed in **part 2**.

5.5 Planning and Building Regulations

5.5.1 You must by making appropriate searches and enquiries take all reasonable steps (including any further enquiries to clarify any issues which may arise) to ensure the property has the benefit of any necessary planning consents (including listed building consent) and building regulation approval for its construction and any subsequent change to the property and its current use, and there is no evidence of any breach of the conditions of that or any other consent or certificate affecting the property; and that no matter is revealed which would preclude the property from being used as a residential property or that the property may be the subject of enforcement action

See our specific requirements listed in **part 2**.

5.5.2 If there is such evidence and all outstanding conditions will not be satisfied by completion, then this must be reported to us

5.5.3 Check **part 2** to see if copies of planning permissions, building regulations and other consents or certificates should be sent to us

5.5.4 If the property will be subject to any enforceable restrictions, for example under an agreement (such as an agreement under section 106 of the Town and Country Planning Act 1990) or in a planning permission, which, at the time of completion, might reasonably be expected materially to affect its value or its future marketability, you should report this to us (see **part 2**)

5.5.5 If different from 1.11, contact point if the property is subject to restrictions which may affect its value or marketability.

5.6 Good and Marketable Title

5.6.1 The title to the property must be good and marketable free of any restrictions, covenants, easements, charges or encumbrances which, at the time of completion, might reasonably be expected to materially adversely affect the value of the property or its future marketability (but excluding any matters covered by indemnity insurance) and which may be accepted by us for mortgage purposes. Our requirements in respect of indemnity insurance are set out in section 9. You must also take reasonable steps to ensure that, on completion, the property will be vested in the borrower.

5.6.2 Good **leasehold** title will be acceptable if

a marked abstract of the freehold and any intermediate leasehold title for the statutory period of 15 years before the grant of the lease is provided, or you are prepared to certify that the title is good and marketable when sending your certificate of title (because, for example, the landlord's title is generally accepted in the district where the property is situated); or you arrange indemnity insurance. Our requirements in respect of indemnity insurance are set out in section 9

5.6.3 A title based on **adverse possession** or **possessory title** will be acceptable if the seller is or on completion the borrower will be registered at the Land Registry as registered proprietor of a possessory title. In the case of lost title deeds, the statutory declaration must explain the loss satisfactorily,

5.6.4 We will also require **indemnity insurance** where there are buildings on the part in question or where the land is essential for access or services;

5.6.5 We may not need indemnity insurance in cases where such title affects land on which no buildings are erected or which is not essential for access or services. In such cases, you must send a plan of the whole of the land to be mortgaged to us identifying the area of land having possessory title. We will refer the matter to our valuer so that an assessment can be made of the proposed security. We will then notify you of any additional requirements or if a revised mortgage offer is to be made

5.7 Flying Freeholds and Freehold Flats

5.7.1 If any part of the property comprises or is affected by a flying freehold or the property is a freehold flat, check **part 2** to see if we will accept it as security

5.7.2 If we are prepared to accept a title falling within 5.7.1:

the property must have all necessary rights of support, protection, and entry for repair as well as a scheme of enforceable covenants that are also such that subsequent buyers are required to enter into covenants in identical form; and you must be able to certify that the title is good and marketable, and in the case of flying freeholds, you must send us a plan of the property clearly showing the part affected by the flying freehold. If our requirements in the first bullet under 5.7.2 are not satisfied, indemnity insurance must be in place at completion (see section 9)

5.8 Other Freehold Arrangements

5.8.1 Unless we indicate to the contrary (see **part 2**), we have no objection to a security which comprises a building converted into not more than four flats where the borrower occupies one of those flats and the borrower or another flat owner also owns the freehold of the building and the other flats are subject to long leases.

5.8.2 If the borrower occupying one of the flats also owns the freehold, we will require our security to be.

the freehold of the whole building subject to the long leases of the other flats, and any leasehold interest the borrower will have in the flat the borrower is to occupy

5.8.3 If another flat owner owns the freehold of the building, the borrower must have a leasehold interest in the flat the borrower is to occupy and our security must be the borrower's leasehold interest in such flat.

5.8.4 The leases of all the flats should contain appropriate covenants by the tenant of each flat to contribute towards the repair, maintenance and insurance of the building. The leases should also grant and reserve all necessary rights and easements. They should not contain any unduly onerous obligations on the landlord

5.8.5 Where the security will comprise:

one of a block of not more than four leasehold flats and the borrower will also own the freehold jointly with one or more of the other flat owners in the building, or

one of two leasehold flats in a building where the borrower also owns the freehold reversion of the other flat and the other leaseholder owns the freehold reversion in the borrower's flat, check **part 2** to see if we will accept it as security and if so, what our requirements will be

5.9 Commonhold

5.9.1 If any part of the property comprises of commonhold, check **part 2** to see if we will accept it as security.

5.9.2 If we are prepared to accept a title falling within 5.9.1, you must ensure that the commonhold association has obtained insurance for the common parts which complies with our requirements (see 6.14), obtain a commonhold unit information certificate and ensure that all of the commonhold assessment in respect of the property has been paid up to the date of completion;

ensure that the commonhold community statement does not include any material restrictions on occupation or use (see 5.6 and 5.10);

ensure that the commonhold community statement provides that in the event of a voluntary termination of the commonhold the termination statement provides that the unit holders will ensure that any mortgage secured on their unit is repaid on termination;

make a company search to verify that the commonhold association is in existence and remains registered, and that there is no registered indication that it is to be wound up;

and within 14 days of completion, send the notice of transfer of a commonhold unit and notice of the mortgage to the commonhold association.

5.10 Restrictions on Use and Occupation

5.10.1 You must check whether there are any material restrictions on the occupation of the property as a private residence or as specified by us (for example, because of the occupier's employment, age or report details to us (see **part 2**) We may accept a restriction, particularly if this relates to sheltered housing or to first-time buyers

5.11 Restrictive Covenants

5.11.1 You must enquire whether the property has been built, altered or is currently used in breach of a restrictive covenant. We rely on you to check that the covenant is not enforceable. If you are unable to provide an unqualified certificate of title as a result of the risk of enforceability you must ensure (subject to paragraph 5.11.2) that indemnity insurance is in place at completion of our mortgage (see section 9)

5.11.2 We will not insist on indemnity insurance if you are satisfied that there is no risk to our security; and the breach has continued for more than 20 years; and there is nothing to suggest that any action is being taken or is threatened in respect of the breach

5.12 First Legal Charge

5.12.1 On completion, we require a fully enforceable first charge by way of legal mortgage over the property executed by all owners of the legal estate. All existing charges must be redeemed on or before completion, unless we agree that an existing charge may be postponed to rank after our mortgage. Our standard deed or form of postponement must be used.

5.13 Balance of Purchase Price

5.13.1 You must ask the borrower how the balance of the purchase price is being provided. If you become aware that the borrower is not providing the balance of

the purchase price from his own funds or is proposing to give a second charge over the property, you must report this to us if the borrower agrees (see **part 2**), failing which you must return our instructions and explain that you are unable to continue to act for us as there is a conflict of interest. You should also have regard to 6.3.1 with regard to any implications on the purchase price.

5.14 Leasehold Property

5.14.1 Our requirements on the unexpired term of a lease offered as security are set out in **part 2**.

5.14.2 There must be no provision for forfeiture on the insolvency of the tenant or any superior tenant.

5.14.3 The only situations where we will accept a restriction on the mortgage or assignment (whether by a tenant or a mortgagee) of the lease is where the person whose consent needs to be obtained cannot unreasonably withhold giving consent. The necessary consent for the particular transaction must be obtained before completion. If the lease requires consent to an assignment or mortgage to be obtained, you must obtain these on or before completion (this is particularly important if the lease is a shared ownership lease). You must not complete without them.

5.14.4 You must take reasonable steps to check that:
there are satisfactory legal rights, particularly for access, services, support, shelter and protection; and
there are also adequate covenants and arrangements in respect of the following matters, buildings insurance, maintenance and repair of the structure, foundations, main walls, roof, common parts, common services and grounds (the "common services").

5.14.5 You should ensure that responsibility for the insurance, maintenance and repair of the common services is that of:

- the landlord; or
- one or more of the tenants in the building of which the property forms part; or
- the management company - see sub-section 5.15

5.14.6 Where the responsibility for the insurance, maintenance and repair of the common services is that of one or more of the tenants the lease must contain adequate provisions for the enforcement of these obligations by the landlord or management company at the request of the tenant.

5.14.7 In the absence of a provision in the lease that all leases of other flats in the block are in, or will be granted in, substantially similar form, you should take reasonable steps to check that the leases of the other flats are in similar form. If you are unable to do so, you should effect indemnity insurance (see section 9). This is not essential if the landlord is responsible for the maintenance and repair of the main structure.

5.14.8 We do not require enforceability covenants mutual or otherwise for other tenant covenants.

5.14.9 We have no objection to a lease which contains provision for a periodic increase of the ground rent provided that the amount of the increased ground rent is fixed or can be readily established and is reasonable. If you consider any increase in the ground rent may materially affect the value of the property, you must report this to us (see **part 2**).

5.14.10 You should enquire whether the landlord or managing agent foresees any significant increase in the level of the service charge in the reasonably foreseeable future and, if there is, you must report to us (see **part 2**).

5.14.11 If the terms of the lease are unsatisfactory, you must obtain a suitable deed of variation to remedy the defect. We may accept indemnity insurance (see section 9). See **part 2** for our requirements

5.14.12 You must obtain on completion a clear receipt or other appropriate written confirmation for the last payment of ground rent and service charge from the landlord or managing agents on behalf of the landlord. Check **part 2** to see if it must be sent to us after completion. If confirmation of payment from the landlord cannot be obtained, we are prepared to proceed provided that you are satisfied that the absence of the landlord is common practice in the district where the property is situated, the seller confirms there are no breaches of the terms of the lease, you are satisfied that our security will not be prejudiced by the absence of such a receipt and you provide us with a clear certificate of title

5.14.13 Notice of the mortgage must be served on the landlord and any management company immediately following completion, whether or not the lease requires it. If you cannot obtain receipt of the notice then, as a last resort, suitable evidence of the service of the notice on the landlord should be provided. Check **part 2** to see if a receipted copy of the notice or evidence of service must be sent to us after completion.

5.14.14 We will accept leases which require the property to be sold on the open market if re-building or reinstatement is frustrated provided the insurance proceeds and the proceeds of sale are shared between the landlord and tenant in proportion to their respective interests

5.14.15 You must report to us (see **part 2**) if it becomes apparent that the landlord is either absent or insolvent. If we are to lend, we may require indemnity insurance (see section 9). See **part 2** for our requirements

5.14.16 If the leasehold title is registered but the lease has been lost, we are prepared to proceed provided you have checked a Land Registry produced copy of the registered lease. Whilst this will not be an official copy of the lease you may accept it as sufficient evidence of the lease and its terms when approving the title for mortgage purposes provided it is, on its face, a complete copy

5.15 Management Company

5.15.1 In paragraphs 5.15.1 to 5.15.2 the following meanings shall apply
"management company" means the company formed to carry out the maintenance and repair of the common parts,

"common parts" means the structure, main walls, roof, foundations, services, grounds and any other common areas serving the building or estate of which the property forms part

If a management company is required to maintain or repair the common parts, the management company should have a legal right to enter the property; if the management company's right to so enter does not arise from a leasehold interest, then the tenants of the building should also be the members of the management company. If this is not the case, there should be a covenant by the landlord to carry out the obligations of the management company should it fail to do so. For leases granted before 1 September 2000, if the lease does not satisfy the requirements of paragraph 5.15.1 but you are nevertheless satisfied that the existing arrangements affecting the management company and the maintenance and repair of the common parts and you are able to provide a clear certificate of title, then we will rely on your professional judgement.

5.15.2 You should make a company search and verify that the company is in existence and registered at Companies House. You should also obtain the management company's last three years' published accounts (or the accounts from inception if the company has only been formed in the past three years)

Any apparent problems with the company should be reported to us (see **part 2**) If the borrower is required to be a shareholder in the management company, check **part 2** to see if you must arrange for the share certificate, a blank stock transfer form executed by the borrower and a copy of the memorandum and articles of association to be sent to us after completion (unless we tell you not to) If the management company is limited by guarantee, the borrower (or at least one of them if two or more) must become a member on or before completion.

5.16 Insolvency Considerations

5.16.1 You must obtain a clear bankruptcy search against each borrower (and each mortgagor or guarantor, if any) providing us with protection at the date of completion of the mortgage. You must fully investigate any entries revealed by your bankruptcy search against the borrower (or mortgagor or guarantor) to ensure that they do not relate to them

5.16.2 Where an entry is revealed against the name of the borrower (or the mortgagor or guarantor):

you must certify that the entry does not relate to the borrower (or the mortgagor or guarantor) if you are able to do so from your own knowledge or enquiries; or if, after obtaining office copy entries or making other enquiries of the Official Receiver, you are unable to certify that the entry does not relate to the borrower (or the mortgagor or guarantor) you must report this to us (see **part 2**) We may as a consequence need to withdraw our mortgage offer

5.16.3 If you are aware that the title to the property is subject to a deed of gift or a transaction at an apparent undervalue completed within five years of the proposed mortgage then you must be satisfied that we will acquire our interest in good faith and will be protected under the provisions of the Insolvency (No 2) Act 1994 against our security being set aside. If you are unable to give an unqualified certificate of title, you must arrange indemnity insurance (see section 9).

5.16.4 You must also obtain clear bankruptcy searches against all parties to any deed of gift or transaction at an apparent undervalue

5.17 Powers of Attorney

5.17.1 If any document is being executed under power of attorney, you must ensure that the power of attorney is, on its face, properly drawn up, that it appears to be properly executed by the donor and that the attorney knows of no reason why such power of attorney will not be subsisting at completion.

5.17.2 Where there are joint borrowers the power should comply with section 25 of the Trustee Act 1925, as amended by section 7 of the Trustee Delegation Act 1999, or with section 1 of the Trustee Delegation Act 1999 with the attorney making an appropriate statement under section 2 of the 1999 Act.

5.17.3 In the case of joint borrowers, neither borrower may appoint the other as their attorney.

5.17.4 A power of attorney must not be used in connection with a regulated loan under the Consumer Credit Act 1974.

5.17.5 Check **part 2** to see if.

the original or a certified copy of the power of attorney must be sent to us after completion, and

where the power of attorney is a general power of attorney and was completed more than 12 months before the completion of our mortgage, whether you must send us a statutory declaration confirming that it has not been revoked

5.18 The Guarantee

5.18.1 Whilst we recommend that a borrower should try to obtain a full title guarantee from the seller, we do not insist on this We, however, require the

borrower to give us a full title guarantee in the mortgage deed. The mortgage deed must not be amended

5.19 Affordable Housing: Shared Ownership and Shared Equity

5.19.1 Housing associations, other social landlords and developers sometimes provide schemes under which the borrower will not have 100% ownership of the property and a third party will also own a share or will be taking a charge over the title. In these cases you must check with us to see if we will lend and what our requirements are unless we have already provided these (see **part 2**)

5.20 Energy Technologies Installed on Residential Properties

5.20.1 Where a property is subject to a registered lease of roof space for solar PV panels we require you to check that the lease meets the CML minimum requirements. Where you consider it does not, check **part 2** to see whether you must report this to us and for details of any additional requirements.

5.20.2 If, after completion, the borrower informs you of an intention to enter into a lease of roof space relating to energy technologies, you should advise the borrower that they, or the energy technology provider on their behalf, will need to seek consent from us.

5.20.3 The CML has issued a set of minimum requirements where a provider/homeowner is seeking lender consent for a lease of roof space for solar PV panels. See **part 2** for our additional requirements relating to these leases.

5.20.4 Check **part 2** to see whether we require you to disclose the details of any existing Green Deal Plan(s) on a property

6. The Property

6.1 Mortgage Offer and Title Documents

6.1.1 The loan to the borrower will not be made until all relevant conditions of the mortgage offer which need to be satisfied before completion have been complied with and we have received your certificate of title.

6.1.2 You must check your instructions and ensure that there are no discrepancies between them and the title documents and other matters revealed by your investigations

6.1.3 You should tell us (see **part 2**) as soon as possible if you have been told that the borrower has decided not to take up the mortgage offer.

6.2 Boundaries

6.2.1 These must be clearly defined by reference to a suitable plan or description. They must also accord with the information given in the valuation report, if this is provided to you. You should check with the borrower that the plan or the description accords with the borrower's understanding of the extent of the property to be mortgaged to us. You must report to us (see **part 2**), if there are any discrepancies

6.3 Purchase Price

6.3.1 The purchase price for the property must be the same as set out in our instructions. If it is not, you must tell us (unless we say differently in **part 2**).

6.4 Incentives

6.4.1 You must obtain a completed copy of the CML Disclosure of Incentives Form from the conveyancer acting on behalf of the seller of any property that is yet to be occupied for the first time, or for the first time in its current form, for example, because of a renovation or conversion. You should only report incentives to the lender as instructed below

6.4.2 You will not be able to send a completed Certificate of Title to the lender unless you have received

the CML Disclosure of Incentives Form. When you send a completed Certificate of Title you are confirming you are in receipt of a completed CML Disclosure of Incentives Form from the developer/seller's conveyancer which complies with your instructions.

6.4.3 This does not override your duty to the lender via the instructions provided elsewhere in the Lenders' Handbook.

6.4.4 You must tell us (unless we say differently in **part 2**) if the contract provides for or you become aware of any arrangement in which there is a cashback to the buyer, or part of the price is being satisfied by a non-cash incentive to the buyer or any indirect incentive (cash or non cash) or rental guarantee. Any such arrangement may lead to the mortgage offer being withdrawn or amended.

6.4.5 You must report to us (see **part 2**) if you will not have control over the payment of all of the purchase money (for example, if it is proposed that the borrower pays money to the seller direct) other than a deposit held by an estate agent or a reservation fee of not more than £1,000 paid to a builder or developer.

6.5 Vacant Possession

6.5.1 Unless otherwise stated in your instructions, it is a term of the loan that vacant possession is obtained. The contract must provide for this. If you doubt that vacant possession will be given, you must not part with the advance and should report the position to us (see **part 2**).

6.6 Properties Let at Completion

6.6.1 Unless it is clear from the mortgage offer that the property is let or is to be let at completion then you must check with us whether we lend on "buy-to-let" properties and that the mortgage is for that purpose (see **part 2**).

6.6.2 Where the property, or part of it, is already let, or is to be let at completion, then the letting must comply with the details set out in the mortgage offer or any consent to let we issue. If no such details are mentioned, you must report the position to us (see **part 2**).

6.6.3 Check **part 2** for whether counterparts or certified copies of all tenancy agreements and leases in respect of existing tenancies must be sent to us after completion.

6.6.4 Where the property falls within the definition of a house in multiple occupation under the Housing Act 2004 see **part 2** as to whether we will accept this as security and if so what our requirements are.

6.7 New Properties - Building Standards Indemnity Schemes

6.7.1 If the property has been built or converted within the past ten years, or is to be occupied for the first time, you must ensure that it was built or converted under a scheme acceptable to us (see **part 2** for the list of schemes acceptable to us and our requirements).

6.7.2 Where the cover under a scheme referred to in clause 6.7.1 is not yet in place before you send us the certificate of title, you must obtain a copy of a new home warranty provider's cover note from the developer. The cover note must confirm that the property has received a satisfactory final inspection and that the new home warranty will be in place on or before legal completion. This does not apply to selfbuild schemes. Check **part 2** to see what new home warranty documentation should be sent to us after completion.

6.7.3 We do not insist that notice of assignment of the benefit of the new home warranty agreement be given to the builder in the case of a second and subsequent purchase(s) during the period of the insurance cover. Check **part 2** to

see if any assignments of building standards indemnity schemes which are available should be sent to us after completion

6.7.4 Where the property does not have the benefit of a scheme under 6.7.1 and has been built or converted within the past 6 years check **part 2** to see if we will proceed and, if so, whether you must satisfy yourself that the building work is being monitored (or where the work is completed was monitored) by a professional consultant. If we do accept monitoring you should ensure that the professional consultant has provided the lender's Professional Consultant's Certificate which forms an appendix to this Handbook or such other form as we may provide. The professional consultant should also confirm to you that he has appropriate experience in the design or monitoring of the construction or conversion of residential buildings and has one or more of the following qualifications

- fellow or member of the Royal Institution of Chartered Surveyors (FRICS or MRICS), or

- fellow or member of the Institution of Structural Engineers (F.I.Struct.E or M.I.Struct.E), or

- fellow or member of the Chartered Institute of Building (FCIOB or MCIOB), or fellow or member of the Architecture and Surveying Institute (FASI or MASI), or

- fellow or member of the Association of Building Engineers (FB.Eng or MB.Eng), or member of the Chartered Institute of Architectural Technologists (formally British Institute of Architectural Technologists) (MCIAT); or

- architect registered with the Architects Registration Board (ARB). An architect must be registered with the Architects Registration Board, even if also a member of another institution, for example the Royal Institute of British Architects (RIBA); or

- fellow or member of the Institution of Civil Engineers (FICE or MICE).

6.7.5 At the time he issues his certificate of practical completion, the consultant must have professional indemnity insurance in force for each claim for the greater of either.

- the value of the property once completed, or

- £250,000 if employed directly by the borrower or, in any other case,

- 500,000. If we require a collateral warranty from any professional adviser, this will be stated specifically in the mortgage instructions.

6.7.6 Check **part 2** to see if the consultant's certificate must be sent to us after completion

6.8 Roads and Sewers

6.8.1 If the roads or sewers immediately serving the property are not adopted or maintained at public expense, there must be an agreement and bond in existence or you must report to us (see **part 2** for who you should report to)

6.8.2 If there is any such agreement, it should be secured by bond or deposit as required by the appropriate authority to cover the cost of making up the roads and sewers to adoptable standards, maintaining them thereafter and procuring adoption

6.8.3 If there is an arrangement between the developer and the lender whereby the lender will not require a retention, you must obtain confirmation from the developer that the arrangement is still in force

6.8.4 Where roads and sewers are not adopted or to be adopted but are maintained by local residents or a management company this is acceptable

providing that in your reasonable opinion appropriate arrangements for maintenance repairs and costs are in place

6.9 Easements

6.9.1 You must take all reasonable steps to check that the property has the benefit of all easements necessary for its full use and enjoyment. All such rights must be enforceable by the borrower and the borrower's successors in title. If they are not check **part 2** for our requirements.

6.9.2 If the borrower owns adjoining land over which the borrower requires access to the property or in respect of which services are provided to the property, this land must also be mortgaged to us.

6.10 Release of Retentions

6.10.1 If we make a retention from an advance (for example, for repairs, improvements or road works) we are not obliged to release that retention, or any part of it, if the borrower is in breach of any of his obligations under the mortgage, or if a condition attached to the retention has not been met or if the loan has been repaid in full. You should, therefore not give an unqualified undertaking to pay the retention to a third party

6.10.2 Check **part 2** to see who we will release the retention to

6.11 Neighborhood Changes

6.11.1 The local search or the enquiries of the seller's conveyancer should not reveal that the property is in an area scheduled for redevelopment or in any way affected by road proposals. If it is please report to us (see **part 2**)

6.12 Rights of Pre-emption and Restriction on Resale

6.12.1 You must ensure that there are no rights of pre-emption, restrictions on resale, options or similar arrangements in existence at completion which will affect our security. If there are, please report this to us (see **part 2**)

6.13 Improvements and Repair Grants

6.13.1 Where the property is subject to an improvement or repair grant which will not be discharged or waived on completion, check **part 2** to see whether you must report the matter to us

6.14 Insurance

6.14.1 Where we do not arrange the insurance, you must.
report to us (see **part 2**) if the property is not insured in accordance with our requirements (one of our requirements, see **part 2**, will relate to whether the property is insured in the joint names of us and the borrower or whether our interest may be noted);
arrange that the insurance cover starts from no later than completion;
check that the amount of buildings insurance cover is at least the amount referred to in the mortgage offer. If the property is part of a larger building and there is a common insurance policy, the total sum insured for the building must be not less than the total number of flats multiplied by the amount set out in the mortgage offer for the property – check **part 2** for our requirements on this;
ensure that the buildings insurance cover is index linked,
ensure that the excess does not exceed the amount set out in **part 2**,

6.14.2 Check **part 2** to see if we require you to confirm that all the following risks are covered in the insurance policy

fire;
lightning,
aircraft,
explosion;
earthquake,

storm,
flood,
escape of water or oil,
riot,
malicious damage,
theft or attempted theft,
falling trees and branches and aerials;
subsidence,
heave,
landslip,
collision,
accidental damage to underground services,
professional fees, demolition and site clearance costs; and
public liability to anyone else

6.14.3 Check **part 2** to see if we require you to obtain before completion the insurer's confirmation that the insurer will notify us if the policy is not renewed or is cancelled or if you do not obtain this, report to us (see **part 2**)

6.14.4 Check **part 2** to see if we require you to send us a copy of the buildings insurance policy and the last premium receipt to us

7. Other Occupiers

7.1 Rights or interests of persons who are not a party to the mortgage and who are or will be in occupation of the property may affect our rights under the mortgage, for example as overriding interests.

7.2 If your instructions state the name of a person who is to live at the property, you should ask the borrower before completing the mortgage that the information given by us in our mortgage instructions or mortgage offer about occupants is correct and nobody else is to live at the property

7.3 Unless we state otherwise (see **part 2**), you must obtain a signed deed or form of consent from all occupants aged 17 or over of whom you are aware who are not a party to the mortgage before completion of the mortgage. If you are acting in accordance with part 3 - Separate Representation Standard Instructions you should refer to section 7 ('Other occupants') of part 3

7.4 We recognise that in some cases the information given to us or you by a borrower may be incorrect or misleading. If you have any reason to doubt the accuracy of any information disclosed, you should report it to us (see **part 2**) provided the borrower agrees, if the borrower does not agree, you should return our instructions

8. Circumstances Requiring Independent Legal Advice

8.1 Unless we otherwise state (see **part 2**), you must not advise.
any borrower who does not personally benefit from the loan; or
any guarantor, or

anyone intending to occupy the property who is to execute a consent to the mortgage and you must
arrange for them to seek independent legal advice.

If you are acting in accordance with part 3 - Separate Representation Standard Instructions you should refer to section 8 (Circumstances Requiring Independent Legal Advice) of part 3

8.2 If we do allow you to advise any of these people, you must only do so after recommending in the absence of any other person interested in the transaction that such person obtains independent legal advice. Any advice that you give any of these people must also be given in the absence of any other person interested in the transaction. You should be particularly careful if the matrimonial home or

family home is being charged to secure a business debt. Any consent should be signed by the person concerned. A power of attorney is not acceptable.

9. Indemnity Insurance

9.1 You must effect an indemnity insurance policy whenever the Lenders' Handbook identifies that this is an acceptable or required course to us to ensure that the property has a good and marketable title at completion. This paragraph does not relate to mortgage indemnity insurance. The draft policy should not be sent to us unless we ask for it. Check **part 2** to see if the policy must be sent to us after completion.

9.2 Where indemnity insurance is effected:
you must approve the terms of the policy on our behalf, and
the limit of indemnity must meet our requirements (see **part 2**), and
the policy must be effected without cost to us, and
you must disclose to the insurer all relevant information which you have obtained;
and the policy must not contain conditions which you know would make it void or prejudice our interests, and
you must provide a copy of the policy to the borrower and explain to the borrower why the policy was effected and that a further policy may be required if there is further lending against the security of the property, and
you must explain to the borrower that the borrower will need to comply with any conditions of the policy and that the borrower should notify us of any notice or potential claim in respect of the policy; and
the policy should always be for our benefit and, if possible, for the benefit of the borrower and any subsequent owner or mortgagee. If the borrower will not be covered by the policy, you must advise the borrower of this.

10. The Loan and Certificate of Title

10.1 You should not submit your certificate of title unless it is unqualified or we have authorised you in writing to proceed notwithstanding any issues you have raised with us.

10.2 We shall treat the submission by you of the certificate of title as a request for us to release the mortgage advance to you. Check **part 2** to see if the mortgage advance will be paid electronically or by cheque and the minimum number of days notice we require.

10.3 See **part 2** for any standard deductions which may be made from the mortgage advance.

10.4 You are only authorised to release the loan when you hold sufficient funds to complete the purchase of the property and pay all stamp duty land tax and registration fees to perfect the security as a first legal mortgage or, if you do not have them, you accept responsibility to pay them yourself. This does not apply if acting in accordance with part 3 - Separate representation standard instructions.

10.5 Before releasing the loan when the borrower is purchasing the property you must either hold a properly completed and executed stamp duty land tax form or you must hold an appropriate authority from the borrower allowing you to file the necessary stamp duty land tax return(s) on completion.

10.6 You must ensure that all stamp duty land tax returns are completed and submitted to allow registration
of the charge to take place in the priority period afforded by the search.

10.7 You must hold the loan on trust for us until completion. If completion is delayed, you must return it to us when and how we tell you (see **part 2**).

10.8 You should note that although your certificate of title will be addressed to us, we may at some time transfer our interest in the mortgage. In those circumstances,

our successors in title to the mortgage and persons deriving title under or through the mortgage will also rely on your certificate

- 10.9** If, after you have requested the mortgage advance, completion is delayed you must contact us immediately after you are aware of the delay and you must inform us of the new date for completion (see **part 2**)
- 10.10** See **part 2** for details of how long you can hold the mortgage advance before returning it to us. If completion is delayed for longer than that period, you must return the mortgage advance to us. If you do not, we reserve the right to require you to pay interest on the amount of the mortgage advance (see **part 2**)
- 10.11** If the mortgage advance is not returned within the period set out in **part 2**, we will assume that the mortgage has been completed, and we will charge the borrower interest under the mortgage

11. The Documentation

11.1 The Mortgage

11.1.1 The mortgage incorporates our current mortgage conditions and, where applicable, loan conditions. If the mortgage conditions booklet is supplied to you with your instructions you must give it to the borrower before completion of the mortgage.

11.1.2 You should explain to each borrower (and any other person signing or executing a document) his responsibilities and liabilities under the documents referred to in paragraph 11.1.1 and any documents he is required to sign.

11.2 Signing and Witnessing of Documents

11.2.1 It is considered good practice that the signature of a document that needs to be witnessed is witnessed by a solicitor, legal executive or licensed conveyancer. All documents required at completion must be dated with the date of completion of the loan.

12. Instalment Mortgages and Mortgage Advances Released in Instalments

12.1 Introduction

12.1.2 The borrower is expected to pay for as much work as possible from his own resources before applying to us for the first instalment. However, we may, if required, consider advancing a nominal sum on receipt of the certificate of title to enable the mortgage to be completed so long as the legal estate in the property is vested in the borrower.

12.1.3 The borrower is responsible for our valuer's fees for interim valuations as well as the first and final valuations.

12.2 Applications for Part of the Advance

12.2.1 As in the case of a normal mortgage account, funds for instalment mortgages may be sent to you. However, instalments (apart from the first which will be sent to you to enable you to complete the mortgage) can be sent directly to the borrower on request. We may make further payments and advances without reference to you.

12.3 Requests for Intermediate Funds

12.3.1 To allow time for a valuation to be carried out, your request should be sent to us (see **part 2**) at least 10 days before the funds are required.

12.4 Building Contract as Security

12.4.1 We will not lend on the security of a building contract unless we tell you to the contrary. As a result the mortgage must not be completed and no part of the advance released until the title to the legal estate in the property has been vested by the borrower.

13. Mortgage Indemnity Insurance or Higher Lending Charge

- 13.1** You are reminded to tell the borrower that we (and not the borrower) are the insured under any mortgage indemnity or similar form of insurance policy and that the insurer will have a subrogated right to claim against the borrower if it pays us under the policy. Different lenders call the various schemes of this type by different names. They may not involve an insurance policy.

14. After Completion

14.1 Registration

14.1.1 You must register our mortgage as a first legal charge at the Land Registry. You must save a copy of the results of the Official Search on your file together with certified copies of the transfer and mortgage deed and any discharges or releases received from a previous mortgagee.

14.1.2 Where the borrower or mortgagor is a company an application to register the charge must be lodged at Companies House within the required time period.

14.1.3 Our mortgage conditions and mortgage deed have been deposited at the Land Registry and it is therefore unnecessary to submit a copy of the mortgage conditions on an application for registration.

14.1.4 Where the loan is to be made in instalments or there is any deferred interest retention or stage release, check **part 2** to see whether you must apply to Land Registry on form CH2 for entry of a notice on the register that we are under an obligation to make further advances. If the mortgage deed states that it secures further advances, and that the lender is under an obligation to make them, there is no need to submit a form CH2 provided the mortgage deed also states that application is made to the Registrar for a note to be entered on the register to that effect and the mortgage deed bears a Land Registry MD reference at its foot.

14.1.5 The application for registration must be received by the Land Registry during the priority period afforded by the subsisting Land Registry or Land Charges search at the time of completion. Please check **part 2** to see if we require the original mortgage deed to be returned to us.

14.2 Title Deeds

14.2.1 All title deeds, official copies of the register (where these are issued by the Land Registry after registration), searches, enquiries, consents, requisitions and documents relating to the property in your possession must be held to our order and you must not create or exercise any lien over them. Check **part 2** for our requirements on what you should do with these documents following registration. If registration at the Land Registry has not been completed within three months from completion you must advise us in writing with a copy of any correspondence with the Land Registry explaining the delay.

14.2.2 You must only send us documents we tell you to (see **part 2**). You should obtain the borrower's instructions concerning the retention of documents we tell you not to send us.

14.3 Your Mortgage File

14.3.1 For evidential purposes you must keep your file for at least six years from the date of the mortgage before destroying it. Microfiche or data imaging is suitable compliance with this requirement. It is the practice of some fraudsters to demand the conveyancing file on completion in order to destroy evidence that may later be used against them. It is important to retain these documents to protect our interests.

14.3.2 Where you are processing personal data (as defined in the Data Protection Act 1998) on our behalf, you must,

take such security measures as are required to enable you to comply with obligations equivalent to those imposed on us by the seventh data protection principle in the 1998 Act, and process such personal data only in accordance with our instructions. In addition, you must allow us to conduct such reasonable audit of your information security measures as we require to ensure your compliance with your obligations in this paragraph.

14.3.3 Subject to any right of lien or any overriding duty of confidentiality, you should treat documents comprising your file as if they are jointly owned by the borrower and us and you should not part with them without the consent of both parties. You should on request supply certified copies of documents on the file or a certified copy of the microfiche to either the borrower or us, and may make a reasonable charge for copying and certification. This does not apply if acting in accordance with part 3 - Separate representation standard instructions

15. Legal Costs

15.1 Your charges and disbursements are payable by the borrower and should be collected from the borrower on or before completion. You must not allow non-payment of fees or disbursements to delay the payment of stamp duty land tax, the lodging of any stamp duty land tax return and registration of documents. For solicitors the Law Society recommends that your costs for acting on our behalf in connection with the mortgage should, in the interest of transparency, be separately identified to the borrower

16. Transactions During the Life of the Mortgage

16.1 Request for Title Documents

16.1.1 All requests for title documents should be made in writing and sent to us (see **part 2**). In making such a request you must have the consent of all of the borrowers to apply for the title documents

16.2 Further Advances

16.2.1 Our mortgage secures further advances. Consequently, when a further advance is required for alterations or improvements to the property we will not normally instruct a member of our conveyancing panel but if you are instructed the appropriate provisions of this Handbook will apply

16.3 Transfers of Equity

16.3.1 You must approve the transfer (which should be in the Land Registry's standard form) and, if we require, the deed of covenant on our behalf. Check **part 2** to see if we have standard forms of transfer and deed of covenant.

16.3.2 When drafting or approving a transfer, you should bear in mind that: although the transfer should state that it is subject to the mortgage (identified by date and parties), it need give no details of the terms of the mortgage, the transfer need not state the amount of the mortgage debt. If it does, the figure should include both principal and interest at the date of completion, which you must check (see **part 2** for where to obtain this), there should be no statement that all interest has been paid to date

16.3.3 You must ensure that every person who will be a borrower after the transfer covenants with us to pay the money secured by the mortgage, except in the case of:

an original party to the mortgage (unless the mortgage conditions are being varied); or a person who has previously covenanted to that effect

16.3.4 Any such covenant will either be in the transfer or in a separate deed of covenant. In a transfer,

the wording of the covenant should be as follows, or as close as circumstances permit: "The new borrower agrees to pay the lender all the money due under the mortgage and will keep to all the terms of the mortgage " If it is in the transfer, you must place a certified copy of the transfer with the deeds (unless we tell you not to in **part 2**)

16.3.5 If we have agreed to release a borrower or a guarantor and our standard transfer form (if any) includes no appropriate clause, you must add a simple form of release. The release clause should be as follows, or as close as circumstances permit: "The lender releases . from [his/her/their] obligations under the mortgage." You should check whether a guarantor who is to be released was a party to the mortgage or to a separate guarantee.

16.3.6 You must obtain the consent of every guarantor of whom you are aware to the release of a borrower or, as the case may be, any other guarantor.

16.3.7 You must only submit the transfer to us for execution if it releases a party. All other parties must execute the transfer before it is sent to us. See **part 2** for where the transfer should be sent for sealing. **Part 2** also gives our approved form of attestation clause.

16.4 Properties to be let after Completion (other than "Buy-to-Let")

16.4.1 If after completion the Borrower informs you of an intention to let the property you should advise the borrower that any letting of the property is prohibited without our prior consent. If the borrower wishes to let the property after completion then an application for consent should be made to us by the borrower (see **part 2**).

16.4.2 Check **part 2** to see whether it is necessary to send to us a copy of the proposed tenancy when making the application.

16.4.3 If the application for our consent is approved and we instruct you to act for us, you must approve the form of tenancy agreement on our behalf in accordance with our instructions.

16.4.4 Please also note that.

an administration fee may be payable for our consideration of the application whether or not consent is granted; and

the proposed rent should cover the borrower's gross mortgage payments at the time, and

you should draw the borrower's attention to the fact that, under the terms of the mortgage, we may reserve the right to charge a higher rate of interest to the borrower or change the terms of the mortgage.

16.5 Deeds of Variation etc

16.5.1 If we consent to any proposal for a deed of variation, rectification, easement or option agreement, we will rely on you to approve the documents on our behalf.

16.5.2 Our consent will usually be forthcoming provided that you first of all confirm in writing to us (see **part 2**) that our security will not be adversely affected in any way by entering into the deed. If you are able to provide this confirmation then we will not normally need to see a draft of the deed. If you cannot provide confirmation and we need to consider the matter in detail then an additional administration fee is likely to be charged.

16.5.3 Whether we are a party to the deed or give a separate deed or form of consent is a matter for your discretion. It should be sent to us (see **part 2**) for sealing or signing with a brief explanation of the reason for the document and its effect together with your confirmation that it will not adversely affect our security.

16.6 Deeds of Postponement or Substitution

16.6.1 If we agree to enter into an arrangement with other lenders concerning the order of priority of their mortgages, you will be supplied with our standard form of deed or form of postponement or substitution. We will normally not agree to any amendments to the form. In no cases will we postpone our first charge over the property.

17. Redemption

17.1 Redemption Statement

17.1.1 When requesting a redemption statement (see **part 2**) you should quote the expected repayment date and whether you are acting for the borrower or have the borrower's authority to request the redemption statement in addition to the information mentioned in paragraph 2.1. You should request this at least five working days before the expected redemption date. You must quote all the borrower's mortgage account or roll numbers of which you are aware when requesting the repayment figure. You must only request a redemption statement if you are acting for the borrower or have the borrower's written authority to request a redemption statement.

17.1.2 To guard against fraud please ensure that if payment is made by cheque then the redemption cheque is made payable to us and you quote the mortgage account number or roll number and name of the borrower.

17.2 Discharge

17.2.1 On the day of completion you should send the discharge and your remittance for the repayment to us (see **part 2**). Check **part 2** to see if we discharge via a DS1 form or direct notification to the Land Registry.

PART 2: Portsmouth City Council

1.7 Contact point if we lend in circumstances where the borrower and the mortgagor are not one and the same.

This is not applicable

1.11 Contact point for standard documents and/or if standard documents are inappropriate

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference: SM/RB/501265

1.14 May the Council act if the person dealing with the transaction or a member of his immediate family is the borrower

No the council will not act in these circumstances.

3.1.4 Does the council require you to notify us of the name and address of the solicitors firm or licensed conveyancers firm acting for the seller?

Yes. Please forward the above information to Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference. SM/RB/501265

3.1.5 Contact details if you need to notify us when the seller does not have legal representation

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX Reference: SM/RB/501265

3.1.6A What other documents are acceptable for verifying identity?

The Council will not accept any other form of document to verify identity other than those listed in Part 1 of the CML hand book.

4.1 Is there a valuation report and do you provide it?

The Property will be valued by the Council and details of the valuation will be provided to you

4.3 Contact point if assumption stated by the valuer are incorrect

This does not apply

5.4.4 Does the council want to receive environmental or contaminated land reports?

Yes

5.4.5 Do the council accept personal searches?

No.

5.4.6 Does the council accept search insurance?

No

5.4.8 Contact point if the property is subject to restrictions which may affect its value or marketability.

Razana Begum, Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference. SM/RB/501265

5.5.1 - Does the council have any specific requirements in relation to building and planning regulations other than those stated in Part 1.

No.

5.5.3 Do we require copies of planning permissions, building regulations and other consents or certificates to be sent to us.

Yes.

5.5.4 Contact point if the property will be subject to any enforceability restrictions

Razana Begum, Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference: SM/RB/501265

5.7.1 Do we lend on flying freeholds

No.

5.8.1 Do we lend on freehold flats.

This is not applicable in this case

5.8.5 Will we accept security in these circumstances and if so what are the requirements.

This is not applicable in this case

5.9.1 Do we accept security where the property comprises of commonhold

This is not applicable

5.10.1 Material restrictions to the use and occupation of the property

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square,
Portsmouth, PO1 2PX. Reference SM/RB/501265

5.13.1 Contact point for any issues relating to the purchase price

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square,
Portsmouth, PO1 2PX Reference. SM/RB/501265

5.14 Leasehold Property

This section is not applicable as the properties to be purchased will be freehold purchases only.

5.14 Management Company

This section is not applicable as the properties to be purchased will be freehold purchases only

5.16.2 Contact point for further information where a bankruptcy search is revealed against the name of the borrower

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square,
Portsmouth, PO1 2PX Reference SM/RB/501265.

5.17.5 Powers of Attorney

This is not applicable

5.19 Affordable housing requirements

This section is not applicable

5.20.3 Do we have any additional requirements with regards to consent for a lease of a roof space for solar PV panels

Yes Available on request

5.20.4 De we require disclosure of any existing details of Green Deal plan(s) for the property

Yes.

6.1.3 Contact point if borrow is not taking up the mortgage offer

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square,
Portsmouth, PO1 2PX Reference SM/RB/501265

6.2.1 Contact point if there are any discrepancies in the property's description

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference SM/RB/501265

6.3.1 Contact point if there are any issues relating to the purchase price

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference SM/RB/501265

6.4.4 Do I have to report incentives?

You should report details of all cash/financial incentives to the Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference: SM/RB/501265

6.4.5 Contact point if the borrower will not have control over the payment of all of the purchase monies

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference. SM/RB/501265

6.5.1 Contact point if vacant possession not being given

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference SM/RB/501265

6.6 Properties Let at Completion.

Property must not be let on completion, vacant possession is required

6.7 New Properties - Building Standards Indemnity Schemes

This section is not applicable

6.8.1 Contact point if no agreement and bond for an unadopted road or sewer

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference SM/RB/501265

6.9.1 Contact point if necessary easements for the full use and enjoyment of the property are absent

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX Reference SM/RB/501265

6.10.2 Who will the Council release any retentions (or instalments of the advance) to.

Details available on request

6.11.1 Contact point if the property is affected by redevelopment or road proposals

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference: SM/RB/501265

6.12.1 Contact point if pre-emption rights, resale restrictions, options etc will affect our security

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference: SM/RB/501265

6.13.1 Contact point if the property is affected by improvement/repair grant which will not be discharged

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference: SM/RB/501265

6.14.1 Contact point if property is not insured in accordance with council requirements

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference: SM/RB/501265

6.14.1 Does the council need the buildings insurance in joint names/ council's interest noted

We require the insurance to be in our joint names.

6.14.1 What are the council requirements if the total sum insured is less than the total number of flats multiplied by the amount set out in the mortgage offer

This is not applicable as this for a freehold purchase.

6.14.1 What is the maximum excess you will accept on buildings insurance policy

£1000.00

6.14.2 Does the council require confirmation that all insurance risks are included

The council requires that all the listed insurance risks are covered. If they are not covered you should contact Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference: SM/RB/501265

6.14.3 Does the council require the insurer's confirmation where the building insurance is not renewed or is cancelled

Yes

6.14.4 Does the council require a copy of the building insurance policy and the last premium receipt to be sent to us

Yes

7.3 Does the council require a consent to mortgage from all occupants aged 17 or over

No.

7.4 Contact point if doubts about the accuracy of the information disclosed

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX Reference. SM/RB/501265

8.1 Circumstances not requiring independent legal advice

This is not applicable

9.1 Does the council require a copy of the indemnity insurance

Yes.

9.2 Does the council have any additional requirements in respect of indemnity insurance

Please request at the time if necessary

10.2 How will the mortgage advance be paid

By CHAPS 5 working days notice is required

10.3 Standard deductions to the mortgage advance

3 %

10.7 Contact point if completion is delayed and when and how advance is to be returned.

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference: SM/RB/501265

10.10 Details of how long the mortgage advance can be held

This is not applicable

10.11 What if any interest do you charge, if return of the advance is delayed

This is not applicable

12.3.1 Contact point for requests for valuation

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX Reference. SM/RB/501265

14.1.4 Does the council require an application to be made to the Land Registry on from CH2 for entry of a notice where the council is under an obligation to make further advances

This is not applicable

14.1.5 Does the council require the original mortgage deed to be returned

Yes

14.2.1 Where should the title deed documents be sent?

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX

14.2.2 What documents must I send after completion?

Title Information Document

16.1.1 Contact point for requests for title documentation

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference SM/RB/501265

16.3.1 Does the council have a standard transfer or deed of covenant

No.

16.3.2 Contact point for finding out the debt amount.

This is not applicable

16.3.4 Does the council require a copy of a transfer of equity

Yes

16.3.7 Contact point for obtaining execution of transfer equity

This is not applicable.

16.3.7 What form of attestation clause does the council use?

THE COMMON SEAL of PORTSMOUTH

CITY COUNCIL was hereunto affixed in pursuance of a resolution of the Council passed at a meeting duly convened and held -

Authorised Signatory

16.4.1 Contact point for application of consent from the council to let the property

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference SM/RB/501265

16.4.2 Does the council require a copy of the proposed form of the tenancy

Yes

16.5.2 Contact point for application of consent from the council to let the property

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference: SM/RB/501265

16.5.3 Where documents should be sent for sealing or signing

Portsmouth City Council Legal Services, Mezzanine Floor, Core 1, Guildhall Square, Portsmouth, PO1 2PX. Reference: SM/RB/501265

17.1.1 Contact point for redemption statement

This is not applicable

17.2.1 Where does the borrower send the discharge and repayment remittance

This is not applicable

SCHEDULE 5 - COPY GRANT DETERMINATION



Public Health
England

CAPITAL FUNDING TO SUPPORT DRUG AND ALCOHOL RECOVERY CENTRES GRANT DETERMINATION (2013/14): [No: 31/2231]

The Under Secretary of State for Public Health ("the Minister of State"), in exercise of the powers conferred by section 31 of the Local Government Act 2003, makes the following determination:

Citation

1. This determination may be cited as Capital Funding to Support Drug and Alcohol Recovery Centres Grant Determination (2013/14). [No 31/2231]

Purpose of the grant

- 2 The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them.

Determination

3. The Minister of State determines as the authorities to which grant is to be paid and the amount of grant to be paid and the authorities selected.

Grant conditions

4. Pursuant to section 31(3) and 31(4) of the Local Government Act 2003, the Minister of State determines that the grant will be paid subject to the conditions contained at Annex A.

Treasury consent

5. Before making this determination in relation to local authorities in England, the Minister of State obtained the consent of the Treasury.

Signed by authority of the Under Secretary of State for Public Health.

... 2013

ANNEX A

Grant Conditions

- 1 Grant paid to a local authority under this determination may be used only for the purposes that a capital receipt may be used for in accordance with regulations made under Section 11 of the Local Government Act 2003
- 2 The Chief Executive and Chief Internal Auditor of each of the recipient authorities are required to sign and return to the team leader of the Drug and Alcohol Division of the Health and Wellbeing Directorate a declaration to be received no later than 30/04/2014 (and 30 days after any subsequent payment period thereafter), in the following terms
 - a "To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to the Capital Funding to Support Drug and Alcohol Recovery Centres Grant Determination No 31/2231 have been complied with".
- 3 If an authority fails to comply with any of the conditions and requirements of paragraphs 1 and 2, the Minister of State may
 - a Reduce, suspend or withhold grant, or
 - b By notification in writing to the authority, require the repayment of the whole or any part of the grant
- 4 Any sum notified by the Minister of State under paragraph 3(b) shall immediately become repayable to the Minister

**SCHEDULE 6 - GRANT AGREEMENT BETWEEN PUBLIC HEALTH ENGLAND
AND PORTSMOUTH CITY COUNCIL COMPRISING ADDITIONAL GRANT
CONDITIONS**

[6 PAGE DOCUMENT TO BE INSERTED]





Public Health
England

DATED

13th March 2014

GRANT AGREEMENT

between

PUBLIC HEALTH ENGLAND

and

PORTSMOUTH CITY COUNCIL

THIS Agreement is dated 13 March 2014

PARTIES

- (1) PUBLIC HEALTH ENGLAND, an executive agency of the Department of Health, whose principal address is at Wellington House, 133-155 Waterloo Road, London SE1 8UG (PHE).
- (2) Portsmouth Council, Local Authority whose principal address Office of the Integrated Commissioning Service, Great Western House, Civic Offices, Portsmouth, PO1 2EP (Recipient)

PROJECT TITLE: ANA Supported Dry Housing Project

PROJECT SUMMARY

The service will provide safe, drug and alcohol free supported accommodation for up to eighteen months to people in very recent recovery from drug and alcohol addiction. The ANA Works is a Not For Profit organisation operated in parallel with ANA Treatment Centres. The Supported Dry Housing Service will build upon the excellent work being done by ANA Treatment Centres by extending its care pathway to include supported housing for those early in recovery. It will be integrated into the services already provided by ANA Treatment Centres; Primary, Secondary, Third Stage Treatment and Aftercare.

The service will feature three four bedroom houses located in Portsmouth. These will be on major bus routes or walking distance from support services located in the areas of Southsea, Portsmouth or North End.

The service will support resident's reintegration into society, whilst insisting on a positive contribution from each resident. To this end, residents will be licensed rather than become tenants. This will allow for conditions of their residence to be listed, reviewed and required.

Conditions are linked to best practice in community reintegration, building recovery capital and the underpinning features of the drug strategy 2010;

Residents will be required to

- Live well, abstinent from drugs and alcohol
- Maintain their living environment and take pride in it
- Self-fund all utilities and bills with residents receiving support to get used to navigating the benefits system, plan, budget and pay bills
- Eat well with regard and due respect for their own health and nutrition
- Engage in part time employment/voluntary work and engage in back to work support OR
- Study an accredited course at a college or university
- Attend AA/NA/CA/SMART or similar mutual aid meetings more than twice a week
- Attend ANA Aftercare weekly in order to check in on progress, seek support from peers and staff where there is an existing bond of trust or received one to one counselling. The service also refers to other agencies in the Portsmouth recovery network, based on presenting client need
- Engage with support workers onsite for house and one to one reviews

Support will be provided in the form of a support officer who will be trained in drug and alcohol support, counselling or health and social care. Their role will be to support individuals and also

confirm compliance with the terms of the licenses. The project will be managed by existing ANA staff

Outcomes & benefits

Residents will live in a safe, clean and supported environment that balances independence with a safety net. The service will challenge residents to contribute through work or education, raising their recovery capital and ambition ready for full independence once the license has expired and clients move on to full independence. The service will support and help with this transition as well.

Residents will be able to access ANA aftercare for the rest of their lives on an unlimited basis and have access to the support worker for routine check-ins, training and review and timetabled events. Support will also be there in times of crisis..

VALUE OF GRANT: **£600,000.00**

TYPE OF GRANT : **Capital**

Grant Conditions

1. Grant paid to a local authority under this determination may be used only for the purposes that a capital receipt may be used for in accordance with regulations made under Section 11 of the Local Government Act 2003.
2. The Chief Executive and Chief Internal Auditor of the recipient authority are required to sign and return to the team leader of the Drug and Alcohol Division of the Health and Wellbeing Directorate a declaration to be received no later than 30/04/2014 (or 30 days after any subsequent payment period thereafter), in the following terms.
 - a. "To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to the Capital Funding to Support Drug and Alcohol Recovery Centres Grant Determination No 31/2231 have been complied with."
3. If an authority fails to comply with any of the conditions and requirements of paragraphs 1 and 2, the Secretary of State may:
 - a. Reduce, suspend or withhold grant, or
 - b. By notification in writing to the authority, require the repayment of the whole or any part of the grant
4. Any sum notified by the Secretary of State under paragraph 3(b) shall immediately become repayable to the Minister

"It has always been PHE's intention to enforce the Grant Conditions as originally laid out in the Grant Determination as approved by HM Treasury and the Department for Communities and Local Government.

However, as delays have been encountered at key stages, it is clear that expecting the money to be spent (in order to make the statement relevant within the deadline agreed of 30th April 2014) is unrealistic. Revising the wording would introduce significant delays and put the 13/14 fund at risk.

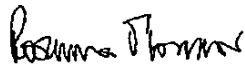
PHE reassure those signing the agreement, that it is to be signed in good faith and it is the intention that the Grant is being, or will be spent in accordance with the Grant Determination which is being declared

PHE therefore accept that by signing the agreement between 17th March and 21st March 2014, the requirement for the signed declaration statement as at 30th April 2014 will have been complied with

At the end of the project and at an interim period of 6 months, we will seek further clarity as laid out in the final paragraph of the notification letter accompanying the agreement.

PHE will issue the wording for these declarations at the appropriate time "

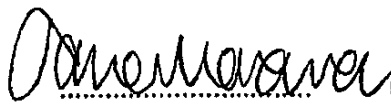
Signed by PUBLIC HEALTH ENGLAND,
an executive agency of the Department of
Health



MBrodi

.....
Authorised Signatory

Signed by Recipient
Director of Public Health
Janet Maxwell



Authorised Signatory

We hereby certify this to be a true
and exact copy of the original



 **Quality Solicitors
Large & Gibson**
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SCHEDULE 7 - ARTICLES OF ASSOCIATION

**[PART 2 OF STATEMENT OF OBJECTS OF ANA WORKS LTD
TO BE INSERTED HERE]**

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

OF

ANA Works Limited

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PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1 Defined terms

1.1 In these Articles, unless the context requires otherwise

appointor has the meaning given to that term in Article 25.1,

Articles means the Company's articles of association for the time being in force,

bankruptcy includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy,

CA 2006 means the Companies Act 2006,

chairman has the meaning given to that term in Article 14.2;

chairman of the meeting has the meaning given to that term in Article 36,

Clear Days means (in relation to the period of a notice) that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect,

Companies Acts means the Companies Acts (as defined in section 2 of CA 2006), in so far as they apply to the Company,

Conflict has the meaning given to that term in Article 17.2,

conflicted director means a director who has, or could have, a Conflict in a situation involving the Company and consequently whose vote is not to be counted in respect of any resolution to authorise such Conflict and who is not to be counted as participating in the quorum for the meeting (or part of the meeting) at which such resolution is to be voted upon,

corporate representative has the meaning given to that term in Article 44;

director means a director of the Company, and includes any person occupying the position of director, by whatever name called,

document includes, unless otherwise specified, any document sent or supplied in electronic form,

electronic form has the meaning given to that term in section 1168 of CA 2006,

hard copy form has the meaning given to that term in section 1168 of CA 2006,

instrument means a document in hard copy form,

member has the meaning given to that term in section 112 of CA 2006,

Model Articles means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2009/3229) as amended prior to the date of adoption of these Articles,

non-conflicted director means any director who is not a conflicted director,

ordinary resolution has the meaning given to that term in section 282 of CA 2006;

participate, in relation to a directors' meeting, has the meaning given to that term in Article 13,

proxy notice has the meaning given to that term in Article 42 2,

proxy notification address has the meaning given to that term in Article 43 1;

relevant officer has the meaning given to that term in Articles 51 3 2 or 52 2 1, as the case may be;

relevant loss has the meaning given to that term in Article 52 2 2,

special resolution has the meaning given to that term in section 283 of CA 2006,

subsidiary has the meaning given to that term in section 1159 of CA 2006,

United Kingdom means Great Britain and Northern Ireland; and

writing means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in CA 2006 as in force on the date when these Articles become binding on the Company shall have the same meanings in these Articles
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 4 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time and shall include any orders, regulations or subordinate legislation from time to time made under it and any amendment or re-enactment of it or any such orders, regulations or subordinate legislation for the time being in force
- 1 5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1 6 No regulations set out in any statute or in any statutory instrument or other subordinate legislation concerning companies, including but not limited to the Model Articles, shall apply to the Company, but the following shall be the articles of association of the Company

2 Liability of members

- 2 1 The liability of each member is limited to £1 00, being the amount that each member undertakes to contribute to the assets of the Company in the event of it being wound up while he is a member or within one year after he ceases to be a member, for
- 2 1.1 payment of the Company's debts and liabilities contracted before he ceases to be a member,
- 2 1 2 payment of the costs, charges and expenses of winding up, and
- 2 1 3 adjustment of the rights of the contributories among themselves

PART 2

STATEMENT OF OBJECTS

3 Objects

3.1 The objects for which the Company is established are

3.1.1 To provide treatment and accommodation
3.1.2 for those reliant ^{on} or addicted to
3.1.3 drugs and alcohol.

3.1.4 to enter into any arrangements with any government or authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges and concessions;

3.1.5 to pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same,

3.1.6 to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been directors of, or who are to have been employed by, or who are serving or have served the Company, and to the wives, widows, children and other relatives and dependents of such persons; to make payments towards insurance; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any such persons and of their wives, widows, children and other relatives and dependents, and

3.1.7 to do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, subcontractors or otherwise and either alone or in conjunction with others]

3.2 The objects set forth in each sub-Article of this Article 3 shall not be restrictively construed but the widest interpretation shall be given thereto, and they shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in each sub-Article or from the name of the Company. None of each sub-Articles or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-Article, but the Company shall have full power to exercise all or any of the objects conferred by and provided in each of the said sub-Articles as if each sub-Article contained the objects of a separate company. The word company in this Article, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.

3.3 The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in this Article 3 and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to members of the Company, provided that nothing herein shall prevent any payment in good faith by the Company:

3.3.1 of reasonable and proper remuneration to any member, officer or servant of the Company for any services rendered to the Company,

- 3 3 2 of any interest on money lent by any member of the Company or any director at a reasonable and proper rate,
- 3 3 3 of reasonable and proper rent for premises demised or let by any member of the Company or any director, and
- 3 3 4 to any director of out-of-pocket expenses
- 3 4 If upon the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid or distributed among the members of the Company, but shall be given or transferred to some other institution (charitable or otherwise) having objects similar to the objects of the Company and which shall prohibit the distribution of its or their income to its or their members, such institutions to be determined by the members of the Company at or before the time of dissolution

PART 3

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

- 4 **Directors' general authority**
Subject to the Articles and to the applicable provisions for the time being of the Companies Acts, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.
- 5 **Change of Company name**
Without prejudice to the generality of Article 4, the directors may resolve in accordance with Article 9 to change the Company's name
- 6 **Members' reserve power**
 - 6 1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action
 - 6 2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.
- 7 **Directors may delegate**
 - 7.1 Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles
 - 7 1.1 to such person or committee,
 - 7.1 2 by such means (including by a power of attorney);
 - 7 1 3 to such an extent,
 - 7 1 4 in relation to such matters or territories, and
 - 7 1 5 on such terms and conditions,
 as they think fit
 - 7 2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

7.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions

8 **Committees**

8.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by directors

8.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them

8.3 Where a provision of the Articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

DECISION-MAKING BY DIRECTORS

9 **Directors to take decisions collectively**

9.1 The general rule about decision-making by directors is that any decision of the directors must be taken as a majority decision at a meeting or as a directors' written resolution in accordance with Article 10 (Directors' written resolutions) or otherwise as a unanimous decision taken in accordance with Article 11 (Unanimous decisions).

9.2 If

9.2.1 the Company only has one director for the time being, and

9.2.2 no provision of the Articles requires it to have more than one director,

the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

9.3 Subject to the Articles, each director participating in a directors' meeting has one vote

10 **Directors' written resolutions**

10.1 Any director may propose a directors' written resolution by giving notice in writing of the proposed resolution to each of the other directors (including alternate directors)

10.2 If the company has appointed a company secretary, the company secretary must propose a directors' written resolution if a director so requests by giving notice in writing to each of the other directors (including alternate directors)

10.3 Notice of a proposed directors' written resolution must indicate

10.3.1 the proposed resolution; and

10.3.2 the time by which it is proposed that the directors should adopt it

10.4 A proposed directors' written resolution is adopted when a majority of the non-conflicted directors (or their alternates) have signed one or more copies of it, provided that those directors (or their alternates) would have formed a quorum at a directors' meeting were the resolution to have been proposed at such meeting

10.5 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the Articles

11 Unanimous decisions

- 11.1 A decision of the directors is taken in accordance with this Article 11 when all non-conflicted directors indicate to each other by any means that they share a common view on a matter
- 11.2 A decision may not be taken in accordance with this Article 11 if the non-conflicted directors would not have formed a quorum at a directors' meeting had the matter been proposed as a resolution at such a meeting.
- 11.3 Once a directors' unanimous decision is taken in accordance with this Article 11 it must be treated as if it had been a decision taken at a directors' meeting in accordance with the Articles

12 Calling a directors' meeting

- 12.1 Any director may call a directors' meeting by giving notice of the meeting to each of the directors (including alternate directors), whether or not he is absent from the UK, or by authorising the company secretary (if any) to give such notice
- 12.2 Notice of any directors' meeting must indicate:
 - 12.2.1 its proposed date and time,
 - 12.2.2 where it is to take place; and
 - 12.2.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting
- 12.3 Subject to Article 12.4, notice of a directors' meeting must be given to each director but need not be in writing
- 12.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company prior to or up to and including not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

13 Participation in directors' meetings

- 13.1 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
 - 13.1.1 the meeting has been called and takes place in accordance with the Articles, and
 - 13.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 13.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 13.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

14 Chairing of directors' meetings

- 14.1 The directors may appoint a director to chair their meetings
- 14.2 The person so appointed for the time being is known as the chairman

- 14 3 The directors may terminate the chairman's appointment at any time
- 14 4 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it
- 15 **Chairman's casting vote at directors' meetings**
- 15 1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote
- 15 2 Article 15 1 does not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director chairing the meeting is a conflicted director for the purposes of that meeting (or that part of that meeting at which the proposal is voted upon)
- 16 **Quorum for directors' meetings**
- 16 1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting
- 16 2 Subject to Article 16 3, the quorum for the transaction of business at a meeting of directors may be fixed from time to time by a decision of the directors but it must never be less than two directors, and unless otherwise fixed it is two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. If and so long as there is a sole director, he may exercise all the powers and authorities vested in the directors by these Articles and accordingly the quorum for the transaction of business in these circumstances shall be one
- 16 3 For the purposes of any meeting (or part of a meeting) held pursuant to Article 17 (Directors' conflicts of interests) to authorise a director's Conflict, if there is only one non-conflicted director in office in addition to the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one non-conflicted director
- 17 **Directors' conflicts of interests**
- 17 1 For the purposes of this Article 17, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests
- 17 2 The directors may, in accordance with the requirements set out in this Article 17, authorise any matter proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of CA 2006 to avoid conflicts of interest (such matter being hereinafter referred to as a Conflict)
- 17 3 A director seeking authorisation in respect of a Conflict shall declare to the other directors the nature and extent of his interest in a Conflict as soon as is reasonably practicable. The director shall provide the other directors with such details of the relevant matter as are necessary for the other directors to decide how to address the Conflict, together with such other information as may be requested by the other directors
- 17 4 Any authorisation under this Article 17 will be effective only if.
- 17 4 1 the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,
- 17 4 2 any requirement as to the quorum at any meeting of the directors at which the matter is considered is met without counting the director in question and any other conflicted director(s), and

- 17 4 3 the matter was agreed to without the director and any other conflicted director(s) voting or would have been agreed to if their votes had not been counted
- 17 5 Any authorisation of a Conflict under this Article 17 may (whether at the time of giving the authorisation or subsequently)
- 17 5 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict so authorised,
- 17 5 2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine, or
- 17 5 3 be terminated or varied by the directors at any time

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation

- 17 6 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person the director is under no obligation to

17 6 1 disclose such information to the directors or to any director or other officer or employee of the Company; or

17 6 2 use or apply any such information in performing his duties as a director,

where to do so would amount to a breach of that confidence

- 17 7 Where the directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the director

17 7 1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict,

17 7 2 is not given any documents or other information relating to the Conflict,

17 7 3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.

- 17 8 Where the directors authorise a Conflict

17 8 1 the director will be obliged to conduct himself in accordance with any terms, limits and/or conditions imposed by the directors in relation to the Conflict,

17 8 2 the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of CA 2006 provided he acts in accordance with such terms, limits and/or conditions (if any) as the directors impose in respect of its authorisation

- 17 9 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he receives as director or other officer or employee of the Company's subsidiaries or of any other body corporate in which the Company is interested or which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of CA 2006

17 10 Subject to the applicable provisions for the time being of the Companies Acts and to any terms, limits and/or conditions imposed by the directors in accordance with Article 17 5 2, and provided that he has disclosed to the directors the nature and extent of any interest of his in accordance with the Companies Acts, a director notwithstanding his office,

17 10.1 may be a party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise interested,

17 10 2 shall be counted as participating for voting and quorum purposes in any decision in connection with any proposed or existing transaction or arrangement with the Company, in which he is in any way directly or indirectly interested,

17 10 3 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,

17.10 4 may be a director or other officer of, or employed by, or a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested, and

17 10 5 shall not, by reason of his office, be accountable to the Company for any benefit which he (or anyone connected with him (as defined in section 252 of CA 2006) derives from any such office or employment or from any such contract, transaction or arrangement or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit, nor shall the receipt of any such remuneration or benefit constitute a breach of his duty under section 176 of CA 2006.

17 11 For the purposes of this Article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting

17 12 Subject to Article 17 13, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

17.13 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

18 Records of decisions to be kept

The directors must ensure that the Company keeps a record, in writing, for at least ten years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

19 Directors' discretion to make further rules

Subject to the Articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

APPOINTMENT AND TERMINATION OF APPOINTMENT OF DIRECTORS

20 Number of directors

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than one

21 Methods of appointing directors

21.1 Subject to Article 21.2, any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director

21.1.1 by ordinary resolution, or

21.1.2 by a decision of the directors

21.2 No person who is not a member shall in any circumstances be eligible to hold office as a director

22 Termination of director's appointment

22.1 A person ceases to be a director as soon as

22.1.1 that person ceases to be a director by virtue of any provision of CA 2006 or is prohibited from being a director by law,

22.1.2 that person ceases to be a member,

22.1.3 a bankruptcy order is made against that person,

22.1.4 a composition is made with that person's creditors generally in satisfaction of that person's debt and the Company resolves that his office be vacated,

22.1.5 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,

22.1.6 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have, or

22.1.7 notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

23 Directors' remuneration

23.1 Directors may undertake any services for the Company that the directors decide

23.2 Directors are entitled to such remuneration as the directors determine

23.2.1 for their services to the Company as directors, and

23.2.2 for any other service which they undertake for the Company

23.3 Subject to the Articles, a director's remuneration may

23.3.1 take any form, and

23.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director

23.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day

24 **Directors' expenses**

24.1 The Company may pay any reasonable expenses which the directors (including alternate directors) and the secretary (if any) properly incur in connection with their attendance at

24.1.1 meetings of directors or committees of directors,

24.1.2 general meetings, or

24.1.3 separate meetings of the holders of any debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company

ALTERNATE DIRECTORS

25 **Appointment and removal of alternate directors**

25.1 Any director (appointor) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

25.1.1 exercise that director's powers, and

25.1.2 carry out that director's responsibilities,

25.1.3 in relation to the taking of decisions by the directors in the absence of the alternate's appointor

25.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors

25.3 The notice must

25.3.1 identify the proposed alternate; and

25.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

26 **Rights and responsibilities of alternate directors**

26.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor

26.2 Except as the Articles specify otherwise, alternate directors

26.2.1 are deemed for all purposes to be directors;

26.2.2 are liable for their own acts and omissions,

26.2.3 are subject to the same restrictions as their appointors (including those set out in sections 172 to 177 CA 2006 inclusive and Article 17), and

26.2.4 are not deemed to be agents of or for their appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member

- 26 3 A person who is an alternate director but not a director
- 26 3 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating and provided that no alternate may be counted as more than one director for these purposes),
- 26 3 2 may participate in a unanimous decision of the directors (but only if his appointor does not participate), and
- 26 3 3 may sign a written resolution (but only if it is not signed or to be signed by that person's appointor)
- 26 4 A director who is also an alternate director is entitled, in the absence of any of his appointors, to a separate vote on behalf of that appointor, in addition to his own vote on any decision of the directors but he shall count as only one for the purpose of determining whether a quorum is present
- 26 5 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company

27 Termination of alternate directorship

An alternate director's appointment as an alternate for any appointor terminates.

- 27.1 when that appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
- 27 2 when notification is received by the Company from the alternate that the alternate is resigning as alternate for that appointor and such resignation has taken effect in accordance with its terms,
- 27 3 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to that appointor, would result in the termination of that appointor's appointment as a director,
- 27 4 on the death of that appointor, or
- 27 5 when the alternate's appointor's appointment as a director terminates

SECRETARY

28 Appointment and removal of secretary

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration, and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors

PART 4

MEMBERS

BECOMING AND CEASING TO BE A MEMBER

29 Applications for membership

No person shall become a member of the Company unless

- 29 1 that person has completed an application for membership in a form approved by the directors, and

29.2 the directors have approved the application

30 Termination of membership

30.1 A member may withdraw from membership of the Company by giving seven days' notice to the Company in writing

30.2 The directors may terminate the membership of any member provided that the member concerned shall have a right to be heard before any final decision is made

30.3 Membership is not transferable

30.4 Subject to Articles 30.1 and 30.2, a person's membership terminates when that person dies or ceases to exist

ORGANISATION OF GENERAL MEETINGS

31 Convening general meetings

The directors may call general meetings and, on the requisition of members pursuant to the provisions of CA 2006, shall forthwith proceed to convene a general meeting in accordance with CA 2006. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or the members requisitioning the meeting (or any of them representing more than one half of the total voting rights of them all) may call a general meeting. If the Company has only a single member, such member shall be entitled at any time to call a general meeting.

32 Notice of general meetings

32.1 General meetings (other than an adjourned meeting) shall be called by at least fourteen Clear Days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote, being a majority who together represent not less than ninety per cent (90%) of the total voting rights at that meeting of all the members.

32.2 The notice shall specify the time, date and place of the meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed at it.

32.3 Subject to the provisions of these Articles and to any restrictions imposed on members, the notice shall be given to all members and to the directors, alternate directors and the auditors for the time being of the Company.

32.4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

33 Resolutions requiring special notice

33.1 If CA 2006 requires special notice to be given of a resolution, then the resolution will not be effective unless notice of the intention to propose it has been given to the Company at least twenty-eight Clear Days before the general meeting at which it is to be proposed.

33.2 Where practicable, the Company must give the members notice of the resolution in the same manner and at the same time as it gives notice of the general meeting at which it is to be proposed. Where that is not practicable, the Company must give the members at least fourteen Clear Days' before the relevant general meeting by advertisement in a newspaper with an appropriate circulation.

33.3 If, after notice to propose such a resolution has been given to the Company, a meeting is called for a date twenty-eight days or less after the notice has been given, the notice shall be deemed to have been properly given, even though it was not given within the time required by Article 33.1.

34 Attendance and speaking at general meetings

- 34.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting
- 34.2 A person is able to exercise the right to vote at a general meeting when
- 34.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- 34.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting
- 34.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it
- 34.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other
- 34.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

35 Quorum for general meetings

- 35.1 No business shall be transacted at any meeting unless a quorum is present. Subject to section 318(2) of CA 2006, two qualifying persons (as defined in section 318(3) of CA 2006) entitled to vote upon the business to be transacted shall be a quorum; provided that if the Company has only a single member, the quorum shall be one such qualifying person
- 35.2 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum

36 Chairing general meetings

- 36.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 36.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start
- 36.2.1 the directors present, or
- 36.2.2 (if no directors are present), the meeting,
- must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 36.3 The person chairing a meeting in accordance with this Article is referred to as the chairman of the meeting

37 Attendance and speaking by directors and non-members

- 37.1 Directors may attend and speak at general meetings, whether or not they are members
- 37.2 The chairman of the meeting may permit other persons who are not

37.2.1 members of the Company, or

37.2.2 otherwise entitled to exercise the rights of members in relation to general meetings,

to attend and speak at a general meeting

38 Adjournment

38.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it. If, at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved.

38.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

38.2.1 the meeting consents to an adjournment, or

38.2.2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

38.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

38.4 When adjourning a general meeting, the chairman of the meeting must:

38.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and

38.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

38.5 If the continuation of an adjourned meeting is to take place more than fourteen days after it was adjourned, the Company must give at least seven Clear Days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

38.5.1 to the same persons to whom notice of the Company's general meetings is required to be given, and

38.5.2 containing the same information which such notice is required to contain.

38.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

39 Voting: general

39.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles. Subject to any rights or restrictions to which members are subject, on a show of hands, every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative (unless the representative is himself a member, in which case he shall have more than one vote) shall have one vote. A proxy shall not be entitled to vote on a show of hands.

39.2 No member shall vote at any general meeting, either in person or by proxy, unless all monies presently payable by him to the Company have been paid.

39.3 In the case of joint members the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint members, and seniority shall be determined by the order in which the names of the members stand in the register of members

39.4 Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution

40 Errors and disputes

40.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid

40.2 Any such objection must be referred to the chairman of the meeting, whose decision is final

41 Poll votes

41.1 On a poll every member who (being an individual is present in person or by proxy) or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way

41.2 A poll on a resolution may be demanded

41.2.1 in advance of the general meeting where it is to be put to the vote, or

41.2.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared

41.3 A poll may be demanded by

41.3.1 the chairman of the meeting,

41.3.2 the directors,

41.3.3 two or more persons having the right to vote on the resolution, or

41.3.4 a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.

41.4 A demand for a poll may be withdrawn if

41.4.1 the poll has not yet been taken, and

41.4.2 the chairman of the meeting consents to the withdrawal

A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

41.5 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made

41 6 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven Clear Days' notice shall be given specifying the time and place at which the poll is to be taken.

41 7 The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

42 Content of proxy notices

42 1 Subject to the provisions of these Articles, a member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a general meeting. [A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise different voting rights held by that member.]

42 2 Proxies may only validly be appointed by a notice in writing (proxy notice) which

42 2.1 states the name and address of the member appointing the proxy,

42 2.2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed,

42 2.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine, and

42 2 4 is delivered to the Company in accordance with the Articles and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate and received by the Company.

42 2 4 1 subject to Articles 42 2 4 2 and 42 2 4 3 in the case of a general meeting or adjourned meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the right to vote is to be exercised,

42 2 4 2 in the case of a poll taken more than forty-eight hours after it is demanded, after the poll has been demanded and not less than twenty-four hours before the time appointed for the taking of the poll; or

42 2 4 3 where the poll is not taken forthwith but is taken not more than forty-eight hours after it was demanded, at the time at which the poll was demanded or twenty-four hours before the time appointed for the taking of the poll, whichever is the later,

and a proxy notice which is not delivered and received in such manner shall be invalid.

42 3 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

42 4 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions and the proxy is obliged to vote or abstain from voting in accordance with the specified instructions. However, the Company is not obliged to check whether a proxy votes or abstains from voting as he has been instructed and shall incur no liability for failing to do so. Failure by a proxy to vote or abstain from voting as instructed at a meeting shall not invalidate proceedings at that meeting.

42 5 Unless a proxy notice indicates otherwise, it must be treated as:

42.5 1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

- 42 5 2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

43 Delivery of proxy notices

- 43 1 Any notice of a general meeting must specify the address or addresses (proxy notification address) at which the Company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form
- 43 2 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person to a proxy notification address.
- 43 3 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given
- 43 4 A notice revoking a proxy appointment only takes effect if it is received by the Company.
- 43 4.1 in the case of a general or adjourned meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the right to vote is to be exercised,
- 43 4 2 in the case of a poll taken more than forty-eight hours after it was demanded, not less than twenty-four before the time appointed for the taking of the poll, or
- 43 4 3 in the case of a poll not taken forthwith but not more than forty-eight hours after it was demanded, at the time at which it was demanded or twenty-four hours before the time appointed for the taking of the poll, whichever is later,
- and a notice which is not delivered and received in such manner shall be valid.
- 43 5 In calculating the periods referred to in Article 42 (Content of proxy notices) and this Article 43, no account shall be taken of any part of a day that is not a working day
- 43 6 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf

44 Representation of corporations at meetings

Subject to CA 2006, a company which is a member may, by resolution of its directors or other governing body, authorise one or more persons to act as its representative or representatives at a meeting of the company (corporate representative) A director, secretary or other person authorised for the purpose by the directors may require a corporate representative to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers

45 Amendments to resolutions

- 45 1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if
- 45 1 1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and

- 45.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution
- 45.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if
 - 45.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - 45.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- 45.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

WRITTEN RESOLUTIONS

- 46 A resolution of the members may be passed as a written resolution in accordance with chapter 2 of part 13 of CA 2006

PART 5

MISCELLANEOUS PROVISIONS

COMMUNICATIONS

- 47 **Means of communication to be used**
 - 47.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which of CA 2006 provides for documents or information which are authorised or required by any provision of CA 2006 to be sent or supplied by or to the Company
 - 47.2 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
 - 47.2.1 If properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, forty-eight hours after it was posted,
 - 47.2.2 If properly addressed and delivered by hand, when it was given or left at the appropriate address,
 - 47.2.3 If properly addressed and sent or supplied by electronic means forty-eight hours after the document or information was sent or supplied, and
 - 47.2.4 If sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.
- For the purposes of this Article 47.2, no account shall be taken of any part of a day that is not a working day
- 47.3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by of CA 2006.
- 47.4 Subject to the Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being

47 5 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than forty-eight hours

47 6 In the case of joint members, all notices or documents shall be given to the joint member whose name stands first in the register in respect of the joint holding. Notice so given shall be sufficient notice to all of the joint members. Where there are joint members, anything which needs to be agreed or specified in relation to any notice, document or other information to be sent or supplied to them can be agreed or specified by any one of the joint members. The agreement or specification of the joint member whose name stands first in the register will be accepted to the exclusion of the agreement or specification of any other joint member (s) whose name(s) stand later in the register

ADMINISTRATIVE ARRANGEMENTS

48 Company seals

48 1 Any common seal may only be used by the authority of the directors

48 2 The directors may decide by what means and in what form any common seal is to be used

48 3 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by either at least two authorised persons or at least one authorised person in the presence of a witness who attests the signature

48.4 For the purposes of this Article, an authorised person is

48.4.1 any director of the Company,

48.4.2 the Company secretary (if any), or

48 4 3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied

49 No right to inspect accounts and other records

Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a member

50 Provision for employees on cessation of business

The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary

DIRECTORS' INDEMNITY AND INSURANCE

51 Indemnity

51 1 Subject to Article 51 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled,

51 1 1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer

51 1 1 1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and

51 1 1.2 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of CA 2006),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

51 1 2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 51 1 1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

51.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

51 3 In this Article 51

51 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

51 3.2 a **relevant officer** means any director or alternate director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of CA 2006) and may, if the members so decide, include any person engaged by the Company (or any associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

52 Insurance

52 1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

52 2 In this Article 52

52 2 1 a **relevant officer** means any director or alternate director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of CA 2006),

52.2 2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and

52.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate

SCHEDULE 8

EMAIL FROM PUBLIC HEALTH AMENDING GRANT BETWEEN PUBLIC HEALTH ENGLAND AND PORTSMOUTH CITY COUNCIL

From: Glenys Russell [<mailto:Glenys.Russell@phe.gov.uk>]
Sent: 04 April 2014 14:23
To: Knobel, Alan; Maxwell, Janet, Richard Aspinall; Ward, Chris
Subject: PHE Capital Funding Payments - Portsmouth Client Focused Hub

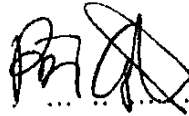
Dear Colleagues

As PHE Finance have received several queries from providers and LA's regarding Capital Fund payments we wish to clarify the following:-


1. All payments have now been allocated to local authorities, and providers are advised to direct any queries regarding payment to their relevant LA's
2. Providers are not required to contact PHE to confirm receipt of payment
3. Any contract or grant conditions are a matter for the LA receiving funding on the provider's behalf
4. PHE Centre teams will contact local authorities at an interim period of 6 months but no later than the 31.10.14 (which replaces the original date in the grant agreement of 30 04 14) to request a short progress update and confirmation that the conditions laid out in Section 2a of the Grant Agreement have been complied with, in that the funds are being/have been spent on the purpose which they have been allocated. PHE Centre teams will be asked to contact local authorities at the 12 month stage for confirmation that the

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

THE COMMON SEAL of PORTSMOUTH CITY COUNCIL was hereunto affixed in pursuance of a resolution of the Council passed at a meeting duly convened and held:-

A handwritten signature in black ink, consisting of stylized initials and a surname, positioned above the 'Authorised Signatory' text.

Authorised Signatory

A handwritten number '73994' inside a rectangular box, tilted slightly to the right.

SIGNED as a Deed by ANA
WORKS LIMITED acting by
a director
in the presence of -

Signature



Director

Signature of Witness Michael Rowland

Witness Name (IN BLOCK CAPITALS) MICHAEL ROWLAND

Address of Witness _____

Occupation of Witness _____

Solicitor

WITNESSES

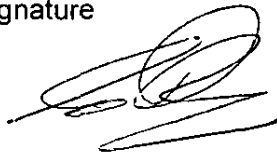
1. J. J. J. J. J.

THE COMMON SEAL of
PORTSMOUTH CITY COUNCIL
was hereunto affixed in pursuance of
a resolution of the Council passed at
a meeting duly convened and held -

Authorised Signatory

SIGNED as a Deed by **ANA
WORKS LIMITED** acting by
a director
in the presence of -

Signature



Director

Signature of Witness

Michael Rowland

Witness Name (IN BLOCK CAPITALS)

MICHAEL ROWLAND

Address of Witness



**Quality Solicitors
Large & Gibson**

023 9229 6296

Occupation of Witness

SOLICITOR

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E reception@largeandgibson.co.uk
W www.qualitysolicitors.com/largeandgibson

We hereby certify this to be a true
and exact copy of the original



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