



Registration of a Charge

Company name: **INTEGRITY HOUSING SOLUTIONS LIMITED**

Company number: **10023404**



X7B25PY2

Received for Electronic Filing: **27/07/2018**

Details of Charge

Date of creation: **26/07/2018**

Charge code: **1002 3404 0006**

Persons entitled: **PARAGON BANK PLC
PARAGON MORTGAGES (2010) LIMITED**

Brief description:

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **MARIE LEWIS**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10023404

Charge code: 1002 3404 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th July 2018 and created by INTEGRITY HOUSING SOLUTIONS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 27th July 2018 .

Given at Companies House, Cardiff on 31st July 2018

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

JULY | 2017

Floating charge

THIS DEED is dated

20072018

Parties

- (1) Full borrower name **Integrity Housing Solutions Ltd** incorporated and registered in England and Wales
with company / partnership number Number **10023404**
whose registered office is at Registered office address **"Southview"**
44 Mountain Road,
Caepphilly Postcode **CF83 1HL** (Borrower)
- (2) PARAGON BANK PLC incorporated and registered in England whose registered office is at 51 Homer Road, Solihull, West Midlands B91 3QJ (**Paragon Bank**); and
- (3) PARAGON MORTGAGES (2010) LIMITED incorporated and registered in England whose registered office is at 51 Homer Road, Solihull, West Midlands B91 3QJ (**Paragon Mortgages**).

BACKGROUND

Under this deed, the Borrower provides security to the Lenders for all its present and future obligations and liabilities to the Lenders.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this deed:

Borrowed Money: any Indebtedness of the Borrower for or in respect of:

- (a) borrowing or raising money (with or without security), including any premium and any capitalised interest on that money;
- (b) any bond, note, loan stock, debenture, commercial paper or similar instrument;
- (c) any acceptances under any acceptance credit or bill discounting facility (or dematerialised equivalent) or any note purchase or documentary credit facilities;
- (d) monies raised by selling, assigning or discounting receivables or other financial assets on terms that recourse may be had to the Borrower in the event of non-payment of such receivables or financial assets when due;
- (e) any deferred payment for assets or services acquired, other than trade credit that is given in the ordinary course of trading and which does not involve any deferred payment of any amount for more than 60 days;
- (f) any rental or hire charges under any finance lease (whether for land, machinery, equipment or otherwise);
- (g) any counter-indemnity obligation in respect of any guarantee, bond, indemnity, standby letter of credit or other instrument issued by a third party in connection with the Borrower's performance of a contract;
- (h) any other transaction that has the commercial effect of borrowing (including any forward sale or purchase agreement and any liabilities which are not shown as borrowed money on the Borrower's balance sheet because they are contingent, conditional or otherwise);
- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and when calculating the value of any derivative transaction, only the mark to market value shall be taken into account); and
- (j) any guarantee, counter-indemnity or other assurance against financial loss that the Borrower has given for any Indebtedness of the type referred to in any other paragraph of this definition incurred by any person.

When calculating Borrowed Money, no liability shall be taken into account more than once.

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

Delegate: any person appointed by the Lender or any Receiver pursuant to clause 11 and any person appointed as attorney of the Lender, Receiver or Delegate.



Event of Default: any of the following events:

- (a) the Borrower fails to pay any of the Secured Liabilities when due;
- (b) the Borrower is in breach of any of its obligations to a Lender and that breach (if capable of remedy) has not been remedied to the satisfaction of the Lender within 14 days of notice by the Lender to the Borrower to remedy the breach;
- (c) any representation, warranty or statement made, repeated or deemed made by the Borrower to a Lender is (or proves to have been) incomplete, untrue, incorrect or misleading in any material respect when made, repeated or deemed made;
- (d) any Borrowed Money is not paid when due or within any originally applicable grace period;
- (e) any Borrowed Money becomes due, or capable of being declared due and payable prior to its stated maturity by reason of an event of default however described;
- (f) any commitment for Borrowed Money is cancelled or suspended by a creditor of the Borrower by reason of an event of default however described;
- (g) any creditor of the Borrower becomes entitled to declare any Borrowed Money due and payable prior to its stated maturity by reason of an event of default however described;
- (h) the Borrower stops or suspends payment of any of its debts or is unable to, or admits its inability to, pay its debts as they fall due;
- (i) the value of the Borrower's assets is less than its liabilities (taking into account contingent and prospective liabilities);
- (j) a moratorium is declared in respect of any Indebtedness of the Borrower;
- (k) any action, proceedings, procedure or step is taken for the suspension of payments, a moratorium of any Indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Borrower;
- (l) any action, proceedings, procedure or step is taken for the composition, compromise, assignment or arrangement with any creditor of the Borrower;
- (m) any action, proceedings, procedure or step is taken for the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any of its assets;
- (n) the Borrower commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors with a view to rescheduling any of its Indebtedness (because of actual or anticipated financial difficulties);
- (o) a distress, attachment, execution, expropriation, sequestration or another analogous legal process is levied, enforced or sued out on, or against, the Borrower's assets (or its equivalent in other currencies) and is not discharged or stayed within 21 days;
- (p) any Security on or over the assets of the Borrower becomes enforceable;
- (q) any provision of this deed or any document under which the Borrower owes obligations to a Lender is or becomes, for any reason, invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect;
- (r) the Borrower repudiates or shows an intention to repudiate this deed or any document under which the Borrower owes obligations to a Lender;
- (s) the Borrower ceases, or threatens to cease, to carry on all or a substantial part of its business; and
- (t) any event occurs (or circumstances exist) which, in the reasonable opinion of the Lead Lender as agent for the Lenders, has or is likely to materially and adversely affect the Borrower's ability to perform all or any of its obligations under, or otherwise comply with the terms of, this deed or any document under which the Borrower owes obligations to a Lender.

Indebtedness: any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint and any guarantee or indemnity of any of those obligations.

Lead Lender: the Lender from time to time and for the time being notified to the Borrower by the Lenders as being the Lead Lender.

Lender: Paragon Bank and Paragon Mortgages and either or both of them as the context shall require.

LPA 1925: Law of Property Act 1925.

Paragon First Fixed Charge Properties: all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Borrower, or in which the Borrower holds an interest that are charged by the Borrower with full title guarantee to a Lender by way of first fixed charge and Paragon First Fixed Charge Property means any of them.

Receiver: a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Lender under clause 9.

Secured Assets: all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this deed (and references to the Secured Assets shall include references to any part of them).

Secured Liabilities: all present and future obligations and liabilities of the Borrower to the Lenders or any of them, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity and whether or not a Lender was an original party to the relevant transaction and in whatever name or style, together with all interest (including, without limitation, default interest) accruing in respect of those 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 Lead Lender as agent for the Lenders 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.

1.2 Interpretation

In this deed:

- (a) clause, 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);
- (c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- (d) a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this deed shall be binding on, and enure to the benefit of, the parties to this deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- (e) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- (f) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- (g) a reference to **writing** or **written** includes email;
- (h) an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- (i) 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;
- (j) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (k) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (l) a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- (m) a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it;
- (n) 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; and
- (o) all benefits, powers, rights and discretions hereby conferred on the Lead Lender, either expressly or by reference, shall be enjoyed or exercised by the Lead Lender on behalf of the Lenders and all references to the Lead Lender shall be construed accordingly.

1.3 Clawback

If the Lead Lender considers that an amount paid by the Borrower in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

1.4 Nature of security over real property

A reference in this deed to a charge or mortgage of or over any property includes:

- (a) all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) that are situated on or form part of that property at any time;
- (b) the proceeds of the sale of any part of that property and any other monies paid or payable in respect of or in connection with that property;
- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the Borrower in respect of that 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 that property.

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).



2. COVENANT TO PAY

- 2.1 The Borrower shall, on demand, pay to the Lead Lender as agent for the Lenders and discharge the Secured Liabilities when they become due.

3. GRANT OF SECURITY

3.1 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to each Lender, by way of first floating charge, all the present and future acquired undertaking, property, assets and rights of the Borrower.

3.2 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.1.

3.3 Automatic crystallisation of floating charge

The floating charge created by clause 3.1 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:

- (a) the Borrower creates, or attempts to create, a Security or trust in favour of another person over all or any part of a Paragon First Fixed Charge Property without the prior written consent of the Lead Lender;
- (b) the Borrower disposes, or attempts to dispose of, all or any part of a Paragon First Fixed Charge Property without the prior written consent of the Lead Lender;
- (c) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets;
or
- (d) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Borrower.

3.4 Crystallisation of floating charge by notice

The Lead Lender may, in its sole discretion, at any time and by written notice to the Borrower, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Lead Lender in that notice.

3.5 Assets acquired after any floating charge has crystallised

Any asset acquired by the Borrower after any crystallisation of the floating charge created under this deed that, but for that crystallisation, would be subject to a floating charge under this deed, shall (unless the Lead Lender confirms otherwise to the Borrower in writing) be charged to the Lenders by way of first fixed charge.

4. LIABILITY OF THE BORROWER

4.1 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, a Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- (b) a Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- (c) any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Borrower.

4.2 Immediate recourse

The Borrower waives any right it may have to require a Lender 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.

5. GENERAL COVENANTS

5.1 Preservation of Secured Assets

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

5.2 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).



5.3 Compliance with laws and regulations

- (a) The Borrower shall not, without the prior written consent of the Lead Lender, use or permit the Secured Assets to be used in any way contrary to law.
- (b) The Borrower shall:
 - (i) comply with the requirements of any law and regulation relating to or affecting the Secured Assets or the use of it or any part of them;
 - (ii) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
 - (iii) promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

5.4 Information

The Borrower shall:

- (a) give the Lead Lender such information concerning the location, condition, use and operation of the Secured Assets as the Lender may require;
- (b) permit any persons designated by the Lead Lender and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and
- (c) promptly notify the Lead Lender in writing of any action, claim, notice or demand made by or against it in connection with all or any part of a Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Borrower's proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand and shall, subject to the prior approval of the Lead Lender, implement those proposals at its own expense.

5.5 Payment of outgoings

The Borrower shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Lead Lender.

5.6 Appointment of accountants

- (a) The Borrower shall:
 - (i) at its own cost, if at any time so required by the Lead Lender, appoint an accountant or firm of accountants nominated by the Lead Lender (including if required an employee of the Lead Lender) to investigate the financial affairs of the Borrower and those of its subsidiaries and report to the Lead Lender; and
 - (ii) co-operate fully with any accountants so appointed and immediately provide those accountants with all information requested.
- (b) The Borrower authorises the Lead Lender to make such an appointment as it shall think fit at any time, without further authority from the Borrower. In every case, the Borrower shall pay, or reimburse the Lead Lender for, the fees and expenses of those accountants.

6. POWERS OF THE LENDER

6.1 Power to remedy

- (a) The Lead Lender 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 Lead Lender and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies expended by the Lead Lender in remedying a breach by the Borrower of its obligations contained in this deed shall be reimbursed by the Borrower to the Lead Lender on a full indemnity basis and shall carry interest in accordance with clause 13.1.

6.2 Exercise of rights

- (a) The rights of the Lead Lender under clause 6.1 are without prejudice to any other rights of the Lender under this deed.
- (b) The exercise of any rights of the Lead Lender under this deed shall not make any Lender liable to account as a mortgagee in possession.

6.3 Lender 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 Lead Lender as agent of the Lenders in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

6.4 New accounts

- (a) If a Lender receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, such Lender may open a new account for the Borrower in the Lender's books. Without prejudice to a Lender's right to combine accounts, no money paid to the credit of the Borrower in any such new account shall be appropriated towards, or have the



effect of discharging, any part of the Secured Liabilities.

- (b) If a Lender does not open a new account immediately on receipt of the notice, or deemed notice, under clause 6.4(a), then, unless the Lender gives express written notice to the contrary to the Borrower, all payments made by the Borrower to the Lender shall be treated as having been credited to a new account of the Borrower and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Lender.

6.5 Indulgence

The Lead Lender 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 such 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.

6.6 Appointment of an Administrator

- (a) The Lead Lender may, without notice to the Borrower, appoint any one or more persons to be an administrator of the Borrower pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.
- (b) Any appointment under this clause 6.6 shall:
 - (i) be in writing signed by a duly authorised signatory of the Lead Lender; and
 - (ii) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- (c) The Lead Lender may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 6.6 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

7. WHEN SECURITY BECOMES ENFORCEABLE

7.1 Security becomes enforceable on Event of Default

The security constituted by this deed shall become immediately enforceable if an Event of Default occurs.

7.2 Discretion

After the security constituted by this deed has become enforceable, the Lead Lender 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 Secured Assets.

8. ENFORCEMENT OF SECURITY

8.1 Enforcement powers

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this deed.
- (b) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall be immediately exercisable at any time after the security constituted by this deed has become enforceable under clause 7.1.
- (c) Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

8.2 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 Lead Lender 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 to lease;
- (b) accept surrenders of leases; or
- (c) grant any option of the whole or any part of the Secured Assets 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 Lead Lender or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

8.3 Access on enforcement

- (a) At any time after the Lead Lender has demanded payment of the Secured Liabilities or if the Borrower defaults in the performance of its obligations under this deed, the Borrower will allow the Lead Lender or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that



purpose to enter on any premises where a Secured Asset is situated (or where the Lead Lender as agent of the Lenders or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Borrower for, or by any reason of, that entry.

- (b) At all times, the Borrower must use its best endeavours to allow the Lead Lender or its Receiver access to any premises for the purpose of clause 8.3(a) (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

8.4 Prior Security

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 Lead Lender:

- (a) redeem that or any other prior Security;
- (b) procure the transfer of that Security to it; and
- (c) settle and pass any account of the holder of any prior Security.

The settlement and passing of any such account passed shall, in the absence of any manifest error, be conclusive and binding on the Borrower. All monies paid by the Lead Lender to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Lead Lender, be due from the Borrower to the Lead Lender on current account and shall bear interest at the Default Rate and be secured as part of the Secured Liabilities.

8.5 Protection of third parties

No purchaser, mortgagee or other person dealing with the Lead Lender as agent of the Lenders, 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 Lead Lender as agent of the Lenders, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- (c) how any money paid to the Lead Lender as agent of the Lenders, any Receiver or any Delegate is to be applied.

8.6 Privileges

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

8.7 No liability as mortgagee in possession

Neither the Lead Lender, any Receiver, any Delegate nor any administrator shall be liable, by reason of entering into possession of a Security Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any act, neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

8.8 Conclusive discharge to purchasers

The receipt of the Lead Lender, 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 Secured Assets or in making any acquisition in the exercise of their respective powers, the Lead Lender, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

8.9 Right of appropriation

The Lead Lender shall have the right, at any time after the security constituted by this deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Lead Lender may, in its absolute discretion, determine.

9. RECEIVER

9.1 Appointment

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

9.2 Removal

The Lead Lender, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), 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.

9.3 Remuneration

The Lead Lender as agent of the Lenders 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.



9.4 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 Lenders 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.

9.5 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 Lead Lender despite any prior appointment in respect of all or any part of the Secured Assets.

9.6 Agent of the Borrower

Any Receiver appointed by the Lead Lender 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 Lenders.

10. POWERS OF RECEIVER

10.1 General

- (a) Any Receiver appointed by the Lead Lender under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 10.2 to clause 10.21.
- (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 10 may be on behalf of the Borrower, the directors of the Borrower (in the case of the power contained in clause 10.14) or himself.

10.2 Repair and develop Properties

A Receiver may undertake or complete any works of repair, building or development on a 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.

10.3 Surrender leases

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that he thinks fit.

10.4 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.

10.5 Make VAT elections

A Receiver may make, exercise or revoke any value added tax option to tax as he thinks fit.

10.6 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 Lead Lender may prescribe or agree with him.

10.7 Realise Secured Assets

A Receiver may collect and get in the Secured Assets or any part of them 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 Secured Assets with like rights.

10.8 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.

10.9 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which he is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

10.10 Valid receipts

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



Secured Assets.

10.11 Make settlements

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

10.12 Bring proceedings

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

10.13 Improve the Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as he may think expedient.

10.14 Make calls on Borrower members

A Receiver may make calls conditionally or unconditionally on the members of the Borrower in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Borrower on its directors in respect of calls authorised to be made by them.

10.15 Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 13, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Borrower under this deed.

10.16 Powers under the 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.

10.17 Borrow

A Receiver may, for any of the purposes authorised by this clause 10, raise money by borrowing from any other person either unsecured or on the security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Lead Lender consents, terms under which that security ranks in priority to this deed).

10.18 Redeem prior Security

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed 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.

10.19 Delegation

A Receiver may delegate his powers in accordance with this deed.

10.20 Absolute beneficial owner

A Receiver may, in relation to any of the Secured Assets, 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 Secured Assets or any part of the Secured Assets.

10.21 Incidental powers

A Receiver may do any other acts and things that he:

- (a) may consider desirable or necessary for realising any of the Secured Assets;
- (b) 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) lawfully may or can do as agent for the Borrower.

11. DELEGATION

11.1 Delegation

The Lead Lender 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 15.1).

11.2 Terms

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

11.3 Liability

Neither the Lead Lender 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.



12. APPLICATION OF PROCEEDS

12.1 Order of application of proceeds

All monies received by the Lead Lender, a Receiver or a Delegate pursuant to this deed, after the security constituted by this deed has become enforceable, 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 Lenders (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 Lead Lender determines; and
- (c) in payment of the surplus (if any) to the Borrower or other person entitled to it.

12.2 Appropriation

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

12.3 Suspense account

All monies received by the Lead Lender, a Receiver or a Delegate under this deed:

- (a) may, at the discretion of the Lead Lender, 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 Lead Lender and the Borrower; and
- (c) may be held in that account for so long as the Lead Lender, Receiver or Delegate thinks fit.

13. COSTS AND INDEMNITY

13.1 Costs

The Borrower shall, promptly on demand, pay to, or reimburse, the Lender and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Lead Lender, any Receiver or any Delegate in connection with:

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

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Borrower) at the rate and in the manner specified in the Facility Agreement.

13.2 Indemnity

The Borrower shall indemnify each Lender, 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 professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

- (a) 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 Secured Assets;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
- (c) any default or delay by the Borrower in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this clause 13.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

14. FURTHER ASSURANCE

14.1 Further assurance

The Borrower shall, at its own expense, take whatever action the Lead Lender 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 Secured Asset; or



- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any Secured Asset,

including, without limitation (if the Lead Lender 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 Secured Assets (whether to the Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration.

15. POWER OF ATTORNEY

15.1 Appointment of attorneys

By way of security, the Borrower irrevocably appoints the Lead Lender, 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 Lead Lender, any Receiver or any Delegate.

15.2 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 15.1.

16. RELEASE

Subject to clause 23.3, on the expiry of the Security Period (but not otherwise), the Lead Lender shall, at the request and cost of the Borrower, take whatever action is necessary to:

- (a) release the Secured Assets from the security constituted by this deed; and
- (b) reassign the Secured Assets to the Borrower.

17. ASSIGNMENT AND TRANSFER

17.1 Assignment by Lender

- (a) At any time, without the consent of the Borrower, a Lender may assign or transfer any or all of its rights and obligations under this deed.
- (b) A Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Borrower, the Secured Assets and this deed that the Lender considers appropriate.

17.2 Assignment by Borrower

The Borrower may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

18. SET-OFF

18.1 Lender's right of set-off

A Lender may at any time set off any liability of the Borrower to such Lender against any liability of such Lender 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 Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by a Lender of its rights under this clause 18 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

18.2 Exclusion of Borrower's right of set-off

All payments made by the Borrower to the Lender under this deed shall be made without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

19. AMENDMENTS, WAIVERS AND CONSENTS

19.1 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).

19.2 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 Lead Lender shall be effective unless it is in writing.

19.3 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.

20. SEVERANCE

20.1 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.

21. COUNTERPARTS

21.1 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) Transmission of the executed signature page of a counterpart of this deed by fax or email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

22. THIRD PARTY RIGHTS

22.1 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.

23. FURTHER PROVISIONS

23.1 Independent security

The security constituted by this deed shall be in addition to, and independent of, any other security or guarantee that a Lender may hold for any of the Secured Liabilities at any time. No prior security held by a Lender over the whole or any part of the Secured Assets shall merge in the security created by this deed.

23.2 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 Lead Lender discharges this deed in writing.

23.3 Discharge conditional

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

23.4 Certificates



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

23.5 Consolidation

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

23.6 Small company moratorium

Notwithstanding anything to the contrary in this deed, neither the obtaining of a moratorium by the Borrower under schedule A1 to the Insolvency Act 1986 nor the doing of anything by the Borrower with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as:

- (a) an event under this deed which causes any floating charge created by this deed to crystallise;
- (b) an event under this deed which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by the Borrower; or
- (c) a ground under this deed for the appointment of a Receiver.

24. NOTICES

24.1 Delivery

Each notice or other communication required to be 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 the Borrower and the Lenders at their respective registered offices or to any other address as is notified in writing by one party to the other from time to time.

24.2 Receipt by Borrower

Any notice or other communication that the Lender 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 email, when received in legible form.

A notice or other communication given as described in clause 24.2(a) or clause 24.2(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.

24.3 Receipt by Lender

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

24.4 Service of proceedings

This clause 24 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.

24.5 No notice by email

A notice or other communication given under or in connection with this deed is valid if sent by email.

25. GOVERNING LAW AND JURISDICTION

25.1 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.

25.2 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 Lender 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.

25.3 Other service



The Borrower irrevocably consents to any process in any legal action or proceedings under clause 25.2 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.

Executed as a deed by

Name of Borrower

INTEGRITY HOUSING SOLUTIONS LTD

acting by

Name of first Director / Member

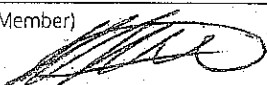
STEVEN NICHOLAS GAIR

and

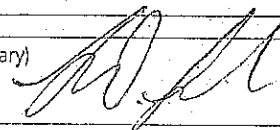
Name of second Director / Member
or Secretary

NICOLA FLOWER

Signed (Director / Member)



Signed (Director / Member / Secretary)



or

Executed as a deed by

Name of Borrower

Acting by its Director / Member

Signature of Director / Member

in the presence of:

Signature of witness

Name of witness

Address of witness

PARAGON 51 HOMER ROAD, SOLIHULL, WEST MIDLANDS B91 3QJ

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0345 849 4040

0345 849 4041

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// Page 15 of 15

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