

Registered Social Landlord Loan – administered in 2017

2. CONDITIONS

2.1 The loan will not be released to you for the purpose of funding the development of affordable housing until we have received the following in a form and substance satisfactory to us:

Business and Financial Information

(a) Completion of our due diligence enquiries into your business.

Administrative

- (b) Secretary's certificate in the form attached at Annex A or a resolution of your management approving entry into this letter.
- (c) Certified copy of Board Minutes confirming approval to accept the loan.
- (d) Drawdown notice in the form attached at Annex B.

Other Documents

2.2 The documentation set out below must be sent to us, in a form and substance satisfactory to us, as soon as possible:

Insurance

(e) Evidence of insurances for your business including property and equipment.

Social Housing Loan – administered in 2022

2.1 The loan will not be released to you until we have received the following in a form and substance satisfactory to us:

Administrative

- (a) Authorised Signatory's certificate in the form attached at Annex A.
- (b) Certified copy resolution of your Governing Body in substantially the form attached at Annex B approving entry into this offer letter and authorising a specified person or persons to execute this offer letter and to sign and/or despatch all documents and notices to be signed and/or despatched by it under, or in connection with this offer letter. Where such resolution is of a delegated authority granted by the Governing Body, certified copy of the Governing Body appointing that scheme of delegation and establishing its authority.
- (c) Certified copies of evidence of your incorporation, registration in the register of social landlords maintained by the Regulator and the Constitutional Documents.
- (d) A completed drawdown notice in the form attached at Annex C.

- (e) A certificate from the Authorised Signatory confirming that borrowing the loan will not cause any limit binding on you to be exceeded, to be included in the certificate referred to in paragraph (a) of this point 2.1.

Other

Such other authorisation or other document, opinion or assurance which we notify you is necessary in connection with the entry into and performance of the transactions contemplated by this offer letter.

STANDARD TERMS

1. Undertakings

1.1 You shall not without our prior written consent:-

- (a) make any material change to your business or its location or commence any new type of business materially different from your business as at the date of this offer letter; or
- (b) redeem, repay or purchase any loans, debentures or shares given to you by, or issued by you to, your shareholders (other than institutional investors) or directors or any person related to them;

1.2 You shall:-

- (a) retain your business base (or your principal business base) within Wales;
- (c) take out and maintain appropriate insurances
- (c) maintain and comply with all necessary licences, consents and laws;
- (d) provide evidence that the loan was used for the purpose(s) detailed in the offer letter;
- (e) notify us of a sale of the majority of your shares or any potential event contained in point 3 below;
- (f) acknowledge the support being made by us in all forms of publicity related to the purpose of this loan. Publicity for these purposes includes announcements, press releases, media interviews, marketing materials and official launches. Such acknowledgment must be in a form approved by us and must comply with the Welsh Government's branding guidelines;
- (g) co-operate with us for publicity and/or case study purposes;
- (h) provide to us all information and documentation as we may reasonably request from time to time; and
- (i) provide access to your business premises to representatives of the Welsh Ministers and/or the Wales Audit Office in order for them to undertake checks for the duration of the loan.

2. Representations and Warranties

You confirm that and for so long as the loan is outstanding:

- (a) all factual information supplied by you to us in connection with the loan was true as at its date and did not omit anything material; no subsequent change has occurred which renders it untrue or misleading and all projections and statements of belief and opinion given by you to us were made in good faith after careful enquiry and remain valid;
- (b) no event contained in point 3 below has occurred and is continuing; and
- (c) your latest financial statements have been prepared in accordance with GAAP or SORP consistently applied and gave a true and fair view of your financial position and there has been no material adverse change in your business, assets or financial position since that date.

3. Default

3.1 Each of the following shall be an event of default:-

- (a) you fail to pay when due any sum payable by you under the offer letter;
- (b) you fail to comply with any other provision of the offer letter or these standard terms;
- (c) you fail to commence the development of affordable housing by 31 March 2019;
- (d) a party who has given a guarantee or security for you fails to comply with any provision of the relevant related document or in the case of a guarantee, serves notice to determine such guarantee;
- (e) any confirmation in point 2 above proves to have been untrue or inaccurate in any material respect;

- (f) a receiver or administrative receiver is appointed over the whole or a substantial part of your assets or any legal process is taken, or enforced upon any of your assets, and any such action is not lifted or discharged within 14 days;
- (g) any step is taken by you or any other person to appoint an administrator of you;
- (h) you become insolvent or stop or suspend payment of your debts or you are (or are deemed to be) unable to pay your debts as they fall due or propose or enter into any agreement or composition for the benefit of your creditors generally;
- (i) a petition is presented (other than a petition which is in our opinion frivolous or vexatious and which is withdrawn or stayed within 14 days) or an order is made for your winding-up or dissolution or the appointment of a liquidator of you;
- (j) you cease or threaten to cease to carry on the whole or a substantial part of your business;
- (k) any part of the offer letter, these standard terms, or any related document is or becomes (or is alleged to be) unlawful or unenforceable in any respect;
- (l) there is a change of control of you;
- (m) any of the events in (a) to (i) above occurs to or in connection with any guarantor of you or any person who has provided any security under a related document;
- (n) any other circumstance or event occurs which in our reasonable opinion, may have a material adverse effect on you or your ability to perform your obligations under the offer letter, these standard terms, and/or any related document.
- (o) you fail to retain your principle base within Wales (or fail to re-locate your principle base of business within any timescales agreed between you and us);
- (p) any of your other borrowings or indebtedness is not paid when due, or becomes due or capable of being declared due and payable prior to its stated maturity, or any commitment for your other borrowings or indebtedness is cancelled or suspended by your creditor;
- (q) if any part or all of this loan is found to be unlawful State aid, we shall be entitled to recover any sums amounting to unlawful state aid in full on demand together with compound interest calculated in accordance with the European Commission Regulation (EC) NO 794/2004 of 21st April 2004 or subsequent update.

3.2 If any of the events listed in point 3.1 above occurs we may at any time:

- (a) cancel any undrawn part of the loan; and/or
- (b) require immediate repayment of the loan and all other sums due under the offer letter.

4. Assignment

4.1 You may not assign or transfer any of your rights or obligations under the offer letter, these standard terms, or any related document.

4.2 We may assign all or any part of our rights under the offer letter, these standard terms or any related document. We may disclose on a confidential basis to any actual or potential assignee or transferee of any such rights, any information about you we consider appropriate.

5. General

5.1 If we fail or delay in exercising any right or remedy under the offer letter or these standard terms this does not mean that we have waived that right or remedy and we may exercise any right or remedy on more than one occasion.

5.2 Any notice sent in connection with the offer letter or these standard terms and conditions shall be delivered by hand, first class or registered post and sent:

- (a) in respect of you: to your registered address;
- (b) in respect of us: to the address(es) provided in the offer letter.

A notice delivered by hand shall be deemed served at the time of delivery, if sent by first class or registered post, two days after posting.

5.3 If any part of the offer letter or these standard terms is not valid or enforceable then that will not affect any other part.

5.4 The offer letter and the standard terms shall be governed by and construed according to the laws of England and Wales.

6. Interpretation

6.1 Any reference in the offer letter and these standard terms to:

- (a) “you” and “Company” is to the borrower(s) under the offer letter and where there is more than one borrower, the obligations of each borrower under the offer letter and these standard terms, shall be joint and several;
 - (b) “we” and “us” is to the Welsh Ministers of Crown Buildings, Cathays Park, Cardiff CF10 3NQ;
 - (c) “market housing” and “affordable housing” is to the definitions contained in Technical Advice Note (TAN) 2: Planning and Affordable Housing (2006);
 - (d) related documents is any document entered into by any party under or in accordance with the provisions of the offer letter;
 - (e) control of any company will be interpreted in accordance with Section 840 of the Income and Corporation Taxes Act 1988;
 - (f) any legislation will include all amendments, substitutions and re-enactments in force from time to time.
- 6.2** Any reference to the offer letter and these standard terms or any other document referred to in them will be construed as references to those documents in force from time to time and as amended, supplemented, restated, substituted or novated from time to time.

