28.1.16 the Grantee is in breach of all or any of the Building Contract and/or Consultancy Agreements and/or fails to deliver any of the Collateral Warranties

28.1.17 The Grantee, if an individual (or if more than one individual then any one of them):
(a) is the subject of a bankruptcy petition;
(b) is the subject of an application for an interim order under Part VIII of the Insolvency Act 1986; or
(c) enters into any composition, moratorium or other arrangement with its creditors, whether or not in connection with any proceeding under the Insolvency Act 1986, or a receiver of the income of the Property is appointed under section 101 of the Law of Property Act 1925.

28.1.18 The LDA rescinds the Agreement for Lease.

28.1.19 The LBTH rescinds the Agreement for Sale.

28.1.20 In relation to a Grantee which is a body corporate (or if more than one body corporate then any one of them):
(a) a proposal for a voluntary arrangement is made under Part I of the Insolvency Act 1986 or the directors of the Grantee resolve to make such a proposal;
(b) a petition for an administration order is presented under Part II of the Insolvency Act 1986 or the directors of the Grantee resolve to present such a petition;
(c) a receiver (including a receiver under section 101 of the Law of Property Act 1925) or manager or administrative receiver of its property (or part of it) is appointed;
(d) a resolution for its voluntary winding up is passed under Part IV of the Insolvency Act 1986 or a meeting of its creditors is called for the purpose of considering that it be wound up voluntarily (in either case, other than a voluntary winding up whilst solvent for the purposes of and followed by a solvent reconstruction or amalgamation);
(e) a petition for its winding up is presented to the court under Part IV or by virtue of Part V of the Insolvency Act 1986 or a resolution is passed that it be wound up by the court; or
(f) an application is made under section 425 of the Companies Act 1985 or a proposal is made which could result in such an application;

28.1.21 The Grantee which is a body corporate (or if more than one body corporate then any of them):
(a) enters or proposes to enter into any arrangement, moratorium or composition (other than any referred to above) with its creditors; or
(b) is dissolved, or is removed from the Register of Companies, or ceases to exist (whether or not capable of reinstatement or reconstruction);

28.1.22 there is a change of Control of the Grantee;

28.1.23 the Grantee purports to assign its rights or obligations under this Agreement;

28.1.24 the Grantee (if an individual) is convicted (or being a company, any officers or representatives of the Grantee are convicted) of a criminal offence related to the business or professional conduct of the Grantee.
29. CONSEQUENCES OF TERMINATION

29.1 Termination of this Agreement (however caused) shall be without prejudice to any rights or liabilities accrued at the date of termination and for the avoidance of doubt the LBTH shall cease to have any obligation to pay the Grant to the Grantee including payment of any overdue or outstanding claims.

29.2 The LBTH may require repayment of all or part of the Grant paid and the LBTH may require interest to be paid at the Interest Rate from the date of payment of the Grant to the date of repayment.

29.3 The Grantee’s obligations pursuant to the following clauses shall remain in full force and effect after termination:

- clauses 12 and 13 in relation to Project End of Year Reports and Audit and Review respectively;
- clause 15 relating to LBTH Reputation;
- clause 17 relating to Probity;
- clause 25 in relation to LBTH Interest in Capital Assets;
- clause 26 relating to Excess Profits and Developments;
- clauses 28, 29 and 30 relating to Termination/Events of Default, Consequences of Termination and Transfer of Responsibility on Expiry or Termination respectively.

30. TRANSFER OF RESPONSIBILITY ON EXPIRY OR TERMINATION

30.1 The Grantee shall at no cost to the LBTH promptly provide such assistance and comply with such timetable as the LBTH may reasonably require for the purpose of ensuring an orderly transfer of responsibility on cessation of the Project upon the expiry or other termination of this Agreement and the LBTH shall be entitled to require the provision of such assistance both prior to and for a reasonable period of time after the expiry or other termination of this Agreement and the Grantee will provide such assistance.

30.2 Such assistance may include the delivery of documents and data in the possession or control of the Grantee, which relate to the Grant or the Project.

30.3 On transfer of responsibility for the delivery of the project employees of the grantee may have rights under the Transfer of Undertakings (Protection Of Employment) Regulations 1981 (as amended) ("TUPE") and the grantee shall indemnify LBTH against any costs the LBTH may incur if TUPE applies.

31. CONFIDENTIALITY

31.1 Unless the LBTH notifies the Grantee otherwise the Grantee shall treat as confidential all documents and information provided by the LBTH to the Grantee during or in connection with the performance of this Agreement ("Confidential Information") and the Confidential Information
shall not be used by the Grantee except for the purposes for which it was made available and the Confidential Information shall not (subject to the provisions of clauses 33.2 and 33.3) be disclosed by the Grantee to any other person without the prior written consent of the LBTH.

31.2 To the extent necessary to implement the provisions of this Agreement the Grantee may disclose the Confidential Information to those of its employees and Sub-Grantees as may be reasonably necessary or desirable provided that before any such disclosure the Grantee shall use its best endeavours to make those employees and Sub-Grantees aware of its obligations of confidentiality under this Agreement and shall at all times procure compliance by those employees and Sub-Grantees with them.

31.3 Where any mailing list or customer database is supplied by one party to the other under this Agreement the recipient party shall comply with the requirements of all legislation in force from time to time including the Data Protection Act 1988.

31.4 The obligations imposed by this clause 31 shall not apply to any information which:

31.4.1 at the time of disclosure is in the public domain;
31.4.2 after disclosure becomes part of the public domain by publication or otherwise through no fault of the Grantee;
31.4.3 is developed entirely independently of information disclosed or obtained under this Agreement and from a source rightfully disclosing such information;
31.4.4 is required to be disclosed by law; and
31.4.5 is rightfully made available to the grantee from sources independent of LBTH.

32. LAW AND JURISDICTION

32.1 The Grantee shall comply with all relevant legislation in the delivery of the Project.

32.2 This Agreement shall be governed by and construed in accordance with English law and each party hereby submits to the exclusive jurisdiction of the English courts.

33. SEVERABILITY

33.1 If any part of this Agreement becomes illegal or unenforceable the remaining provisions shall remain in full force and effect.

33.2 The parties shall (in the above circumstances) negotiate in good faith in order to agree the terms of a mutually satisfactory provision to be substituted which as nearly as possible validly gives effect to their intentions as expressed in this Agreement.

33.3 Failure to agree on such a provision as aforesaid within three months of commencement of those negotiations shall result in automatic termination of this Agreement.

33.4 The obligations of the parties under any invalid, illegal or unenforceable provision of this Agreement shall be suspended during such a negotiation.
34. WAIVER

A failure by any party to this Agreement to exercise any right or to enforce performance of any provision or term of this Agreement shall not be a waiver of that or any later default and no waiver shall be effective unless in writing.

35. AMENDMENTS TO AGREEMENT

No amendment or variation of this Agreement shall be effective unless made by deed.

36. NOTICES

36.1 Service of notices shall be in writing and delivered by hand or sent by facsimile, email or first class post to the address given below.

36.2 Service shall be deemed to be effective:

36.2.1 at the time of delivery if delivered by hand;

36.2.2 if sent by facsimile or email with confirmed answerback or acknowledgement of receipt (if transmitted during normal business hours) on the date of transmission

36.2.3 if sent by facsimile or email without confirmed answerback or acknowledgement of receipt or sent out of normal business hours on the next Working Day thereafter

36.2.4 if posted by first class post to be served on the second Working Day following the date of posting.

36.3

Notices to the LBTH

Attention: Chief Legal Officer (attention Jim Marlowe) copied to Director of Resources (attention Chris Holme)
Title: Chief Legal Officer
4932
Facsimile: 0207 364 4804
Email: marknorman@towerhamlets.co.uk
Address: London Borough of Tower Hamlets
Mulberry Place
5 Clove Crescent
London
E14 2BG

Attention: Chris Fisher
Title: Chief Executive
Tel:
Facsimile:
Email:
Address: 26 Calvert Avenue
London
E2 7JP
37. NO PARTNERSHIP OR AGENCY

This Agreement does not create a relationship of partnership or agency between the parties and the Grantee must not represent itself to others as an agent of the LBTH.

38. ENTIRE AGREEMENT

This Agreement (including the Annexures) constitutes the entire understanding between the parties to this Agreement in relation to the Grant and the Project and supersedes all prior agreements, negotiations and discussions between the parties relating to it.

39. EXCLUSION OF THIRD PARTY RIGHTS

Unless expressly stated no part of this Agreement shall create rights in favour of any third party pursuant to the Contract(Rights of Third Parties) Act 1999.

40. CHANGES TO THE LBTH'S REQUIREMENTS

The Grantee shall accommodate any changes to the needs and requirements of the LBTH provided that it shall be entitled to payment for any additional costs it incurs as a result of any such changes and the amount of such additional costs shall be agreed in writing.

41. VAT

LBTH shall not be obliged to make any VAT payments to the Grantee.
IN WITNESS whereof the LBTH and the Grantee have duly executed and delivered this document as a Deed the day and year first before written

<table>
<thead>
<tr>
<th>The Common Seal of</th>
<th>)</th>
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<tbody>
<tr>
<td>THE MAYOR AND BURGESSES</td>
<td>)</td>
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<tr>
<td>OF THE LONDON BOROUGH</td>
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<td>OF TOWER HAMLETS is affixed</td>
<td>)</td>
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</tbody>
</table>

By Order

<table>
<thead>
<tr>
<th>Cabinet 12th November 2003 (JH)</th>
<th>Paul Greeno</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Duly Authorised Signatory</td>
</tr>
</tbody>
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ANNEXURE 1

OUTPUTS

1. In this Annexure the Outputs mean the aggregate of the following that is to say

<table>
<thead>
<tr>
<th>1.1</th>
<th>Jobs Created</th>
<th>50</th>
<th>Ethnic Minority 24</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2</td>
<td>Temporary Jobs Created</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td>Jobs Safeguarded</td>
<td>250</td>
<td>Ethnic Minority 125</td>
</tr>
<tr>
<td>1.4</td>
<td>Construction Jobs (person weeks)</td>
<td>800</td>
<td>Ethnic Minority 100</td>
</tr>
<tr>
<td>1.5</td>
<td>Area of new business Floorspace($m^2$)</td>
<td>3800</td>
<td></td>
</tr>
<tr>
<td>1.6</td>
<td>Businesses advised</td>
<td>130</td>
<td>Ethnic Minority 62</td>
</tr>
<tr>
<td>1.7</td>
<td>New Small &amp; Medium sized Enterprises (SME's) assisted</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>1.8</td>
<td>Number of commercial buildings with security upgraded</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

2.1 The Grantee shall record in retrievable format all data necessary to track the Outputs on the Project and shall keep those records in such format and with such backups and copies as may be approved from time to time by LBTH
2.2 The Grantee shall in any event keep such records to enable the progress of providing the Outputs to be followed and audited by LBTH and by LDA and such other persons who shall have authority and cause to inspect such records.

2.3 The Grantee shall report quarterly on the progress towards meeting the Outputs and shall make an annual report on the progress of and future prospects for meeting the Outputs in the Project Progress Report set out in Annexure 3 hereto. All such reports shall report separately on the Rich Mix ERDF Outputs and the SRB Outputs.

3. The Grantee shall consult with LBTH on the delivery of the Outputs and shall incorporate changes in the methods of reporting the Outputs as LBTH shall from time to time require.

4. The Grantee undertakes to LBTH to make all reasonable endeavours to deliver the Outputs and shall consult with LBTH on the steps taken to deliver the Outputs.
ANNEXURE 2
FORWARD FUNDING AGREEMENT

1. In this Agreement

1.1 "The Forward Funding" means the aggregate of the two sums of £850,000 and £900,000 being £1,750,000 in total, made available by LBTH to fund the design and preliminary work on the Project.

1.2 "The First Forward Funding Amount" means the sum of £900,000 confirmed by LBTH Cabinet on 12 November 2003 as forward funding for the project to be repaid on Practical Completion.

1.3 "the Second Forward Funding Amount" means the sum of £850,000 confirmed by LBTH Cabinet on 12 November 2003 as forward funding for the Project the repayment of which was to be the subject of a legal agreement between the Grantee and LBTH.

2. The Grantee acknowledges that the Forward Funding has been received by Cityside Regeneration Limited for the benefit of the Project on a repayable basis and these sums are payable as a debt by the Grantee.

3. The Grantee hereby covenants with LBTH

3.1 to repay the First Forward Funding on the Practical Completion Date.

3.2 to repay the Second Forward Funding on 1st January 2006 or such later date as LBTH shall in its absolute discretion specify to the Grantee before 1st December 2005.

and LBTH agrees that payment of these two sums as specified will be accepted by LBTH as being full and final settlement of the liability of the Grantee to repay the Forward Funding to LBTH.

4. It is hereby declared between the parties to this agreement

4.1 LBTH and the Grantee may agree at any time to postpone repayment of the Forward Funding but neither shall be under any legal obligation to do so for any reason.

4.2 The Forward Funding shall be counted towards the funding provided by LBTH for the purposes of the Deed of Priority and Subordination bringing the total to £4,923,426.

5. This Agreement forms part of the LBTH Funding Agreement and is binding between the parties hereto as part of that Agreement.