

Schedule 34
Step in Procedure

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Step-In Procedure

"Replacement Guarantor"

means a person approved by the Council (such approval not to be unreasonably withheld or delayed) as:

- (a) having the legal capacity, power and authority to become a party to and perform the obligations of the Guarantor under the Agreement;
- (b) having the resources available to it and the financial standing to enable it perform the obligations of the Guarantor under the Agreement; and
- (c) not being an Unsuitable Third Party

"Step-in Notice"

means a notice given by either the Partner's Funder or the RP to the Council and the Partner stating that such party is exercising the step-in rights under clause 25.3 and this Schedule and identifying the Replacement Developer (if any);

"Step-In Period"

means a period from a SI Date up to and including the date of expiry or earlier termination of this Agreement.

1 Step-in period and step-in undertakings

1.1 If the Council serves a Termination Notice then the provisions of this Schedule 34 shall apply.

1.2 Notwithstanding the provisions of clause 25, the Council undertakes to the Partner, the RP and the Partner's Funder that it will not exercise or seek to exercise any rights to rescind or terminate this Agreement unless:

1.2.1 it has first served a Serious Default Notice on the parties referred to in clause 25.2.3; and

1.2.2 sixty (60) Working Days have elapsed from the date of service of the Termination Notice without

- (a) the parties having reached agreement on how to proceed; and
- (b) either the Partner's Funder or the RP having served a Step-In Notice.

2 Step-In By The Partner's Funder Or The RP

- 2.1 The Partner's Funder may serve a Step-In Notice at any time after service of a Termination Notice but no later than forty (40) Working Days after the date of service of the Termination Notice.
- 2.2 The RP may serve a Step-In Notice at any time between forty one (41) and sixty (60) Working Days after the date of service of the Termination Notice but only in circumstances where no Step-In Notice has been served by the Partner's Funder under paragraph 2.1 above.
- 2.3 Any Step in Notice shall contain a covenant by the Incoming Developer to observe and perform the obligations of the Partner pursuant to this Agreement from the date of the Step-in Notice and on the issue of a Step-In Notice and during the Step-In Period, the Incoming Developer shall assume the rights and obligations of the Partner under the Agreement and the Incoming Developer shall have all the rights and obligations of the Partner under the Agreement.
- 2.4 The Incoming Developer shall (unless otherwise agreed by the Council acting reasonably given the resources available to and the financial standing of the Incoming Developer) nominate a Replacement Guarantor to take over the rights and obligations of the Guarantor.
- 2.5 The party serving a Step In Notice may, if it has not done so in the Step-In Notice itself, at any time during the Step-In Period propose a Replacement Developer.
- 2.6 The parties shall enter into such documents as shall be reasonably required to transfer the rights and obligations of the Partner to the Incoming Developer and (if required by paragraph 2.4) the rights and obligations of the Guarantor to the Replacement Guarantor.