



**Registration of a Charge**

Company name: **BRUKLIN PROPERTY LTD**

Company number: **11913725**



X8B9MN8I

Received for Electronic Filing: **06/08/2019**

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**Details of Charge**

Date of creation: **05/08/2019**

Charge code: **1191 3725 0001**

Persons entitled: **THE MORTGAGE WORKS (UK) PLC**

Brief description: **ALL THAT FREEHOLD LAND KNOWN AS 174 THE GLADE CYOYDON  
CR0 7UF AND REGISTERED AT THE LAND REGISTRY UNDER THE TITLE  
NUMBER SY43225**

**Contains fixed charge(s).**

**Contains negative pledge.**

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**Authentication of Form**

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

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**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: **GORVINS SOLICITORS**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 11913725

Charge code: 1191 3725 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 5th August 2019 and created by BRUKLIN PROPERTY LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th August 2019 .

Given at Companies House, Cardiff on 7th August 2019

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**


# Standard BTL Mortgage Deed

<b>Date:</b> 05/08/2019	
<b>Company:</b> The Mortgage Works (UK) plc Registered in England, Registered Number 02222856 Registered Office: Nationwide House, Pipers Way, Swindon, Wiltshire, SN38 1NW	
<b>Mortgage Conditions:</b> The Company's Standard BTL Mortgage Conditions 2018	
<b>Borrower:</b> BRUKLIN PROPERTY LIMITED	
<b>Property:</b> 174 THE GLADE CROYDON CRO 7UF	<b>Title No:</b> SY43225

1. This Charge incorporates the Mortgage Conditions a copy of which has been received by the Borrower which the Borrower hereby acknowledges.
2. The Borrower as legal owner with full title guarantee hereby (to the intent that the security so constituted shall be a continuing security) charges in favour of the Company as security for the payment and discharge of the secured liabilities (as defined in the Mortgage Conditions);
  - 2.1 by way of first legal mortgage the Property.
  - 2.2 by way of first fixed charge all proceeds of any insurances effected in respect of the Property.
  - 2.3 by way of first fixed charge the goodwill of any business carried on by the Borrower in and from the Property from time to time.
  - 2.4 by way of first equitable assignment all the Borrower's rights, title and interest in (i) the benefit of all guarantees, warranties and representations given or made now or hereafter by and any rights or remedies against all or any of the designers, builders, contractors, professional advisors, sub-contractors, manufacturers, suppliers and installers of any fixtures in each case so far as the same relate to the Property and (ii) any other rights arising from the Property (including any rights to statutory compensation) not otherwise charged under this Charge, (and in each case to be re-assigned to the Borrower when the secured liabilities (as defined in the Mortgage Conditions) are discharged in full).
  - 2.5 any shares or other membership rights in any management company or residents' association held by virtue of the Borrower owning the Property.
  - 2.6 by way of mortgage the benefit of the landlord to and in the occupation leases and the rents (each defined in the Mortgage Conditions) in accordance with Condition 5.1 of the Mortgage Conditions.
3. This Charge secures further advances.
4. The Borrower hereby applies to the Registrar to enter the following restriction against the title(s) above referred to:  
"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [this charge] in favour of The Mortgage Works (UK) plc referred to in the Charges Register" in accordance with Condition 7.1 (j) of the Mortgage Conditions.

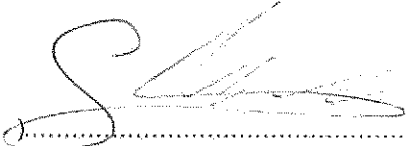
**IN WITNESS** whereof this Charge has been executed as a deed and is intended to be and is delivered on the above date.

SIGNED as a deed by the  
BORROWER in the presence of:-

Witness signature :   
Printed Name : Kieron HORN  
Address : 106 FOXON LANE, CATERHAM, SURREY

SIGNED as a deed by the  
BORROWER in the presence of:-

Witness signature :  
Printed Name :  
Address :

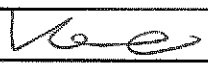
  
.....

Director

COMPANIES:

EXECUTED as a Deed by the  
BORROWER acting by a director and  
its secretary or two directors or by a  
director in the presence of a witness:

.....  
Director/Secretary

Witness	Signature	
	Name (in BLOCK CAPITALS)	Kieron HORN
	Address	106 FOXON LANE CATERHAM SURREY CR3 5SN

Executed as a deed by  
a company incorporated in  
acting by  
who, in accordance with the laws of that territory,  
[is][are] acting under the authority of the company.

Signature in the name of the company

Signature of

Authorised [signatory][signatories]

Executed as a deed by affixing the common  
seal of the BORROWER in the presence of:

Director:

Director/Secretary:

LLPS:

EXECUTED as a Deed by the  
BORROWER acting by two designated  
members or by a designated member  
in the presence of a witness:

.....  
LLP member

.....  
LLP member

Witness	Signature	
	Name (in BLOCK CAPITALS)	
	Address	

# Standard BTL Mortgage Conditions: 2018

These are the conditions which apply to your mortgage.  
These conditions and the mortgage offer are important documents.  
Please keep them safe.



the mortgage works 

This booklet contains the terms and conditions which apply to **your mortgage**.

These **conditions**:

- are legally binding on **you** and a **guarantor** if **you** have one;
- include the terms on which **you** must pay off **your mortgage**;
- explain to **you** what happens if **you** do not pay back the **mortgage** on the terms set out in these **conditions** and
- set out restrictions which apply to the **property**.

If **you** have any questions about these **conditions**, please contact **your** conveyancer.

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## Words in bold

In these **conditions** unless the context otherwise requires, the following expressions have the following meanings:

The words	The meaning
advance	The amount shown as the mortgage loan in the <b>offer</b> which, subject to these <b>conditions</b> , is the amount which will be lent (and includes any further <b>advance</b> we make which is secured by the <b>mortgage</b> ).
advance date	The date on which the <b>advance</b> or part of the <b>advance</b> is released.
arrears	<b>Any part of a monthly payment</b> which has not been paid by the end of the <b>payment date</b> on which it is due to be paid.
capital balance	The part of the <b>debt</b> on which we charge interest under <b>condition 4</b> . <b>Condition 4.2</b> explains how we work out the <b>capital balance</b> .
capital repayment mortgage	A <b>mortgage</b> (or part) where the <b>monthly payments</b> include <b>capital</b> and <b>interest</b> . The <b>offer</b> will state if the <b>mortgage</b> is on this basis.
conditions	These <b>Standard 3/1L Mortgage Conditions 2018</b> .
debt	The total amount owing from time to time under the <b>offer</b> and these <b>conditions</b> , including any <b>arrears</b> and all <b>interest</b> and <b>expenses</b> which become owing under the <b>mortgage</b> .
expenses	Any costs, charges and fees you owe us from time to time under <b>condition 18</b> .
guarantee	The <b>guarantee</b> (if any) executed by a <b>guarantor</b> in our favour.
guarantor	Any person who has <b>guaranteed</b> payment to us of all or any part of the <b>secured liabilities</b> or the performance of all or any of your obligations under the <b>mortgage</b> .
interest only mortgage	A <b>mortgage</b> (or part) where the <b>monthly payments</b> are only of <b>interest</b> . The <b>offer</b> will state if the <b>mortgage</b> is on this basis.
interest rate	The rate of interest shown in the <b>offer</b> or the new rate of interest if we change it in accordance with the <b>mortgage</b> .
large overpayment	A voluntary overpayment of £500 or more.
LLP	A limited liability partnership.
LPA	The Law of Property Act 1925.
LTV	The percentage the <b>debt</b> bears of the value of the <b>property</b> (as the latter is set out in the most recent <b>valuation</b> ).
month	A calendar month.
monthly payment	The <b>payment</b> which you must make to us each <b>month</b> under the <b>mortgage</b> as shall be varied by us from time to time under the <b>mortgage</b> .
mortgage	The agreement between you and us which is set out in the <b>mortgage deed</b> , the <b>offer</b> , these <b>conditions</b> and (if the <b>property</b> is in Scotland) the <b>standard conditions</b> . This gives us security over the <b>property</b> in return for us giving you the <b>advance</b> .
mortgage deed	The document you sign giving us a charge over the <b>property</b> . Where the <b>property</b> is in Scotland, the document which creates our security is known as a <b>standard security</b> .
Nationwide Group	Nationwide Building Society and its subsidiaries (including us) and any LLP of which Nationwide Building Society is a member and which has an insurable interest in the <b>property</b> .
occupation leases	Each and all of the leases, tenancies, agreements for leases or tenancy licences or other occupational interests (and any documents supplemental to these including any rent deposit deed) which the <b>property</b> has the benefit of or is subject to from time to time.

For more information, please speak to your financial adviser or call our Customer Service Centre on

**08000 30 40 60**

offer	Each written offer issued by us to you giving the terms on which we have offered to make the <b>advance</b> to you together with any other offers or correspondence issued by us to you amending the same, including offers for any further <b>advance</b> and offers for any <b>product switch</b> or other change to the <b>mortgage</b> . These include any general offer conditions or special or other conditions incorporated into such offers.
original LTV	The percentage the <b>debt</b> bears of the value of the <b>property</b> when we make the <b>offer</b> as set out in the <b>offer</b> .
payment balance	The <b>balance</b> we use to work out the <b>monthly payment</b> under a <b>capital repayment mortgage</b> . <b>Condition 2.1(b)</b> explains how we work out the <b>payment balance</b> .
payment date	The day in each month chosen by you as the day for making the <b>monthly payment</b> or, if you do not choose a day, the 28th of the month. If you choose a day which is later than the 28th and, in any month, there is no day corresponding to your chosen day, the <b>payment date</b> for that month will be the last day of the month.
payment method	The basis ( <b>capital repayment mortgage</b> , <b>interest only mortgage</b> ) on which the <b>debt</b> is repaid.
PHHTSA	The Private Housing (Tenancies) (Scotland) Act 2016.
product switch	Any arrangement under which we agree with you to change the terms governing the rate of interest which applies to an existing <b>advance</b> (for example, by switching the <b>advance</b> to a tracker rate, or from one fixed rate to another).
property	The <b>property</b> described in the <b>mortgage</b> or any part or parts of it together with all your estates, rights, title and other interests in such property and all buildings, structures, fixtures and fittings and the fixed plant and machinery and all fixed apparatus goods materials and equipment from time to time on or belonging to it. And where there is more than one such property, references to the <b>property</b> are to each and every property (and any part or parts of each and any property).
rebuilding cost	The full cost of rebuilding the <b>property</b> to its original form (or as close to it as is reasonably possible), including site clearance, all professional fees and the cost of meeting all planning, local authority and other legal and regulatory requirements.
receiver	<b>Any one or more receiver</b> or receivers appointed by us under the <b>mortgage</b> or otherwise.
rents	Rents or other sums (other than the sums representing or on account of insurance premiums, service charges and the like) payable under any <b>occupation lease</b> (including without limitation any value added tax payable on or in respect of the same) and all insurance moneys payable in respect of loss of rents.
repayment period	The term specified in the <b>offer</b> or any changed term we agree with you. This is the period which begins with the <b>advance date</b> and ends with the date when you should have repaid the whole or an agreed part of the <b>debt</b> .
secured liabilities	The <b>debt</b> and any other money which the <b>mortgage</b> secures under <b>condition 1</b> .
small overpayment	A voluntary overpayment of less than £500.
standard conditions	The <b>standard conditions</b> specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970, as amended.
valuation	Means a valuation of the <b>property</b> on our behalf by a valuer approved by us.
we, us and our	The Mortgage Works (UK) plc and anyone who takes over any of our legal rights and/or duties under the <b>mortgage</b> .
you and your	The person, company or LLP named in the <b>mortgage</b> as the borrower and his, its or their successors in title and any person (other than a <b>guarantor</b> ) who undertakes the obligations of the borrower.
year	A calendar year.

Words importing the masculine gender shall include the feminine and neutral genders.

Words importing the singular shall include the plural and vice versa.

Where there are two or more persons included in the expression **you or your obligations and conditions** expressed as being by or affecting you shall be held to bind such persons jointly and severally so that each of you is fully liable to perform the obligations and be subject to the mortgage and references to you include each and/or every one of you.

Any reference to any law or regulation includes any change to or re-enactment of it and all statutory instruments order and regulations made under it.

The headings to each clause shall not affect the construction of these conditions. Reference to a clause is to a clause in these conditions.

These conditions are incorporated into and form part of the offer. If the offer and these conditions conflict the terms of the offer will apply save where stated to the contrary.

## 1. Liabilities secured by the mortgage

1.1 You agree that the security created by the mortgage deed is our security not only for the debt but also for any other money that you now owe us or may owe us in the future on any account, whether actually or contingently, whether as principal or surety and whether solely or jointly with any other person.

However, the mortgage will not secure any money owed under an agreement regulated by the Consumer Credit Act 1974 unless stated to that effect in the agreement.

## 2. Types of Mortgage

2.1 The following terms apply if you have a capital repayment mortgage:

- (a) The monthly payments will be calculated by us to provide for the payment balance to be repaid with interest by equal monthly instalments over and by the end of the repayment period.
- (b) We work out the payment balance by taking the amount of the debt and making the following adjustments to it:
  - (i) We will deduct any arrears which you owe. This means that the monthly payments you must make under a capital repayment mortgage will not provide either for the

repayment of any arrears you owe or for the payment of interest on them. You will need to make a separate payment to clear the arrears and the interest that has been charged on them.

- (ii) Subject to sub-paragraph (iii) below, we will add any small overpayments we have received for the credit of your mortgage. This means that, while the small overpayments will reduce the debt, when we apply them this may result in your monthly payments being increased under condition 3.5, in which case (provided the monthly payments are paid on time) the debt will be repaid before the end of the repayment period.
- (iii) We will keep a running total of any small overpayments. If the running total comes to equal or exceed £500, the small overpayments which count towards the total will instead be treated from then on as a single large overpayment. This means that we will cease to add them to the debt when working out the payment balance, which may enable us to reduce your monthly payments under condition 3.5.

2.2 The following terms apply if you have an interest only mortgage:

- (a) The monthly payments will consist only of interest on the capital balance (including any arrears).
- (b) For the purpose of working out the monthly payment, we will treat each month as an equal twelfth part of the year.
- (c) You will be liable to repay the debt in a single lump sum at the end of the repayment period if it has not become due and payable sooner under these conditions.
- (d) It is your responsibility to ensure that the value of any assets which you are relying on to provide the funds needed to repay the debt in full at the end of the repayment period will be sufficient for that purpose. If your repayment strategy fails to provide enough to repay the whole of the debt at the end of the repayment period, you will still be responsible for paying what you owe.

2.3 The following terms apply if your mortgage is in separate parts (for example if it is partly a capital repayment

mortgage and partly an interest only mortgage or if different interest rates or repayment periods apply to different parts of the mortgage):

- (a) We will maintain a header account for the mortgage as a whole and separate sub-accounts for each part of the mortgage.
- (b) So far as necessary, these conditions will apply separately to each sub-account. For this purpose:
  - (i) references to the advance and any arrears are to be understood as referring to the advance and any arrears debited to the particular sub-account;
  - (ii) references to the capital balance, interest rate, monthly payment, payment date, repayment date and (where the sub-account relates to a capital repayment mortgage) the payment balance are to be understood as referring to the capital balance, interest rate, monthly payment, payment date, repayment date and payment balance for the particular sub-account; and
  - (iii) references to the debt in conditions 2 and 3 are to be understood as referring to the part of the debt owing on the particular sub-account.
- (c) Payments made to the credit of the mortgage are to be dealt with as provided in condition 3.3.

2.4 If you have an interest only mortgage and (i) any of the events in condition 3.1 occur, or (ii) you are unable to repay the debt at the end of the repayment period or (iii) if you have not demonstrated that you made adequate arrangements (satisfactory to us as a prudent lender) to build up a sum of money with which to repay the debt at the end of the repayment period, we may, but are not obliged to, change this to a capital repayment mortgage.

## 3. Monthly payments

3.1 Subject to the rest of these conditions you agree to pay us:

- (a) the monthly payment each month;
  - (b) any extra amounts of money which you may owe us as set out in the mortgage; and
  - (c) the whole of the debt in full by the end of the repayment period.
- 3.2 You must make monthly payments on the payment date each month during the repayment period until you have repaid the debt.

3.3 Payments made to the credit of your mortgage will be dealt with as follows:

- (a) Except where the mortgage is in separate parts, each payment will be applied first towards clearing any arrears which are owing and then towards the repayment of sums which do not form part of the arrears.
- (b) If the mortgage is in separate parts but you have chosen to make a single payment, each month which combines the monthly payments for each part, any payment made to the credit of your mortgage will be applied as follows:
  - (i) if there are any arrears owing, the payment will be applied first towards clearing the arrears. Where the arrears are owing on more than one sub-account, we will divide the payment between those sub-accounts in direct proportion to the amount of the arrears owing on each of them.
  - (ii) After any arrears have been cleared, the payment will be credited to the individual sub-accounts in direct proportion to the monthly payments which apply to each of them.
- (c) If the mortgage is in separate parts and you have chosen to make separate monthly payments for each sub-account, any payment made to the credit of your mortgage will be dealt with as follows:
  - (i) If the payment is made electronically, it will be credited to the sub-account identified by you (or any other person making the payment) in the instructions for the payment to be made.
  - (ii) A payment which is made by other means will be applied in accordance with the instructions given by you (or any other person making the payment). If no instructions are given, we will apply the payment in accordance with our standard policies in force at the time.

3.4 If you cannot, or if we have agreed that you do not have to, make a monthly payment, we will still charge interest at the interest rate on the capital balance unless we expressly agree in writing not to.

3.5 We may set and vary monthly payments from time to time to reflect changes in:

- (a) this interest rate;
- (b) the debt or, in the case of a capital repayment mortgage, the payment balance;



- (c) the payment method;
- (d) the repayment period;
- (e) the payment date.

You will be notified of any change in monthly payments by notice under condition 21.1.

#### 4. Interest

4.1 We will charge interest each day on the capital balance at the end of the day.

4.2 We work out the capital balance as follows:

- (a) An advance (or any instalment of it) will be treated as increasing the capital balance on the advance date.
- (b) Any interest which remains unpaid at the end of the month in which it accrues will be added to the capital balance on the first day of the following month.
- (c) Any fees added to or paid out of an advance, or any expenses will be added to the capital balance as follows:
  - (i) A fee which is added to or paid out of an advance will increase the capital balance as mentioned in condition 4.2(a).
  - (ii) A fee for a product switch will be added to the capital balance on the day on which the product switch takes effect (unless it has been paid in advance of that day).
  - (iii) Any other expenses we incur in any month will be added to the capital balance on the first day of the following month (unless they have been paid before that day).
- (d) Any payment which is made to the credit of your account in any month (including a monthly payment, large overpayment or small overpayment) will reduce the capital balance on the first day of the following month.

4.3 We charge interest at the interest rate. Interest accrues each day and is payable by the monthly payments, except that the interest we charge on a new advance (or instalment of an advance) between the day the money is treated as increasing the capital balance under condition 4.2(a) and the next month-end must be paid with the monthly payment due in the following month.

4.4 Interest will continue to be charged at the interest rate even if a court makes an order for possession or after we obtain judgment, or if you give us possession of the property or if the property is taken into possession, until

the property is sold and the debt paid in full.

4.5 If the offer states that the interest rate will track another rate (such as the London Interbank Offered Rate (LIBOR) or the Bank of England Base Rate), the interest rate will vary in accordance with the offer.

4.6 Where the offer states that the interest rate is a rate which we are free to vary, we may reduce the interest rate at any time and for any reason. We may also increase the interest rate at any time for one or more of the following reasons:

- (a) to reflect changes in the cost to us of raising the money we lend to our mortgage customers. The causes of these cost changes can include:
  - changes to external benchmark interest rates such as LIBOR or the Bank of England Base Rate;
  - changes in the cost to us of borrowing money from other financial institutions (including ones in the Nationwide Group), or otherwise raising money from financial markets and investors;
- (b) to reflect any changes or reasonably anticipated changes in the law or in any code of practice which applies to us, or to respond to the decisions of any court or ombudsman;
- (c) to reflect any changes in regulatory requirements or guidance which apply to us, including any changes in the amount or composition of the capital which we need to maintain to support our mortgage lending business;
- (d) to reflect changes beyond our reasonable control in the costs we incur in running our business, including administrative costs and the costs involved in providing services or facilities for our mortgage customers.

Any increase we make under this condition will be a proportionate response to the reason or reasons relied on for making it.

4.7 If we change the interest rate under condition 4.6, we will give you notice of the change in accordance with condition 21.1. Our notice will be given before the change takes effect.

#### 5. Additional security

5.1 As a continuing security for payment to us of the secured liabilities, you charge to us with full title guarantee by way of mortgage the benefit of any interest you have to and in the occupation leases and the rents together with the benefit of any guarantees, suretieships, indemnities, rent deposits or other security (whether proprietary or by way of personal covenant and whether from a tenant or a third party) from time to time or in respect of any of the occupation leases providing that nothing in this condition shall constitute us as mortgagee in possession.

#### 6. Discharge of security

6.1 Upon payment by you to us of the secured liabilities in full, we will at your request and cost duly discharge the mortgage and release the property charged by it. We will not release any other property we are holding as security until you have paid us the secured liabilities in full. Section 93 of the LPA will not apply to the mortgage.

#### 7. Your covenants

7.1 You will at all times during the continuance of the security created by the mortgage:

- (a) put and keep the property in good and substantial repair and condition and free from defects;
- (b) not without first obtaining our written consent (which we will not unreasonably withhold or delay) make or permit or suffer to be made any alteration or addition to the property (whether by way of alteration or addition to any building or structure now or hereafter upon the property or by the erection of any new building or structure or otherwise) nor make or permit to suffer or be made any application for planning permission or change in the use of the property or any part of it;
- (c) not without first obtaining our written consent (which we will not unreasonably withhold or delay) apply for an improvement grant or grants in respect of the property;
- (d) observe and perform and comply with regulations and all laws, orders, directions and all other statutory notices and requirements of any nature relating to or affecting the property or its use any other part or any business carried on at it;

(e) upon receipt of any such notice, order, regulation, direction or requirement of the kind referred to in condition 7.1(d) which (for a copy of which) is served upon you or otherwise comes to your notice, deliver a copy to us and at your expense take such steps we reasonably require in objecting to or appealing against or otherwise challenging any order or proposal affecting the property;

(f) not occupy the property yourself nor grant any leases or licences or accept a surrender or agree to accept a surrender of any leases or licences of the property nor agree any variations to or any rent reviews pursuant to any such leases or licences except that you can grant an assured shorthold tenancy or tenancies or other tenancy in accordance with condition 31;

(g) not allow the property to remain unoccupied for a period of 30 days or more without our previous written consent unless you are making reasonable efforts to let the property in accordance with condition 31;

(h) comply with your obligations as landlord, and not grant any licence or consent to a tenant without our previous consent in writing on the understanding that if under the terms of the lease express, or implied the licence or your consent is not to be unreasonably withheld, such consent on our part shall not be unreasonably withheld;

(i) where the property is leasehold, pay the rent reserved by the lease, duly and punctually and in the same manner observe and perform all the covenants and conditions on the part of the tenant and not without our prior written consent (not to be unreasonably withheld or delayed) agree to any amendments of the lease under which the property is held;

(j) not without our previous written consent convey assign, transfer, mortgage or otherwise dispose of the property nor agree to do any of the foregoing acts and if the property is in England or Wales, you will apply to HM Chief Land Registrar in the mortgage deed for entry of the following restriction in the Proprietorship Register of the property: "No Disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [ ] in favour of The

Mortgage Works (UK) plc referred to in the Charges Register”;

- (k) not without our prior consent (not to be unreasonably withheld or delayed) exercise any option, election or discretion to transfer the right to recover any value added tax nor to exercise any option or right to elect or discretion which now may or hereafter be available to it to levy value added tax on any supplies made by it including without limitation to impose or charge value added tax on the rental income or any sales proceeds.

## 8. Covenants in respect of your business

### 8.1 You will at all times:

- (a) conduct and carry on your business in a proper and efficient manner and keep or cause to be kept proper books of account relating to such business, and when required produce the same to us and where you are a company or an LLP keep the said books of account and all other documents relating to your company or LLP affairs at your place of business and punctually pay, as the same become due, all debts and liabilities which by law would have priority to all or any part of the security created by the mortgage;
- (b) punctually pay or cause to be paid all rents, rates, taxes, duties, assessments and other outgoings payable in respect of your business, its property and assets and, when required, produce to us the receipts for such payments;
- (c) comply with all requirements as to filing returns and audited accounts and other notices or documents which are required to be filed at Companies House and, at the same time as filing the same at Companies House, supply copies of them to us;
- (d) where you are a company or an LLP you will notify us and obtain our approval (not to be unreasonably withheld or delayed) of any proposed change in the directors of the company or shareholding (in the case of a company) or membership (in the case of an LLP) and if so requested by us procure a guarantee of any new director(s) or member(s) approved by us;
- (e) where you are a company or an LLP you will not while the debt is outstanding repay any directors' or members' loans made to you without our prior written consent.

## 9. Insurance obligations

- 9.1 Except where condition 9.2 applies, you must arrange insurance of the property. You must insure the property in accordance with the offer and these conditions and must keep it insured at your own expense for its full rebuilding cost. We may approve the insurer, risks and terms of this insurance. Where the insurer allows, the insurance must be in the joint names of you and the Nationwide Group or the interest of the Nationwide Group should be noted on the policy (whether or not you arrange the insurance through us).
- 9.2 Where, under any lease under which you hold the property, it is the landlord's responsibility to arrange insurance of the property, you must do your best to make sure that insurance is in force and that it meets our requirements under the offer and these conditions.
- 9.3 If you fail to so insure the property or procure that the landlord does so we may but shall not be obliged to so insure the property ourselves. We may add the cost of obtaining such insurance to the capital balance and interest will be charged on this amount in accordance with condition 4.2(c)(ii).
- 9.4 In the event of an insurance claim being made in respect of the property we reserve the right to approve the terms of any settlement you reach with the insurer. Subject to the provision of any lease or other title document under which you hold an interest in the property, the settlement money shall be used as you may decide either to reinstate the property or in or towards payment of the secured liabilities in full. If you decide to use the money to reinstate the property we can keep the money whilst the repairs or rebuilding are being carried out and only release the money by stage payments as the repairs or rebuilding progress. If the money is not sufficient to pay for the repairs or rebuilding in full we shall not be obliged to lend any more funds. If you use the money to pay off the secured liabilities and there is a surplus after the secured liabilities have been paid, we may forward the surplus to a second chargee of whom we are aware or to any other person entitled to receive it. If the money is not sufficient to pay the secured liabilities in full we may take action to recover the shortfall. Any money paid directly to you by the insurers will be held on trust for us and promptly paid to us upon our request.

## 10. Compliance with property covenants

- 10.1 You will permit us and any person we appoint to enter in or upon the property or any part of it at any time upon reasonable prior notice:
  - (a) to view the state and condition of the property and verify the performance by you of your obligations under the mortgage;
  - (b) to execute any works and do anything to ensure compliance with any obligation under the mortgage if you have not done so; and
  - (c) to comply with any legal requirement, order, direction, requisition, permission, notice or other matter and to do all acts and things we reasonably require to do to comply if you have not done so.

## 11. Acceleration

- 11.1 On any of the following events the security constituted by the mortgage shall become immediately enforceable without further notice to you. We shall cease to be under any further commitment to you to make any advance and the debt shall immediately become due and payable without the necessity on our part of making any demand for payment and the provisions of the mortgage regarding enforcement of the security shall apply:
  - (a) you are more than one month late in the payment of any money which is due for payment under the mortgage and the total amount which is overdue is equal to two monthly payments or more;
  - (b) you are in breach of any of your other covenants or obligations under the mortgage (other than a breach which is minor or which is remedied within a reasonable period of us requesting you to do so);
  - (c) you fail to comply with any request for payment or additional security under condition 32.3 in accordance with provisions of that condition;
  - (d) an encumbrancer takes possession or a receiver or similar officer is appointed in respect of the whole or any part of your assets and undertaking or those of any guarantor;
  - (e) distress or execution or other process is levied or enforced upon or against any of your or any guarantor's property or assets;
  - (f) the security constituted by any mortgage or charge (other than the mortgage) created by you or the guarantor shall become enforceable;
  - (g) any indebtedness or obligation of yours or any guarantor for borrowed money (other than the debt) shall become due and payable prior to the stated date for maturity;
  - (h) any statement, representation or warranty made by or on behalf of you or any guarantor proves to be incorrect or inaccurate and the soundness of our decision to lend was materially prejudiced as a result;
  - (i) it becomes unlawful for you or any guarantor or us to perform obligations under the mortgage or guarantee either in whole or in part;
  - (j) any event happens which has been agreed or in the future is agreed in writing between you and us whether in the terms of an offer or otherwise as an event of default upon the happening of which the security constituted by the mortgage and/or any other security for the secured liabilities shall become enforceable;
  - (k) any circumstances arise which give grounds, in our reasonable opinion, for the belief that either you or the guarantor may not (or may be unable to) perform or comply with their obligations under the mortgage or a guarantee;
  - (l) the property or any part of it is compulsorily purchased or requisitioned;
    - in addition, but only where you and/or the guarantor is an individual or individuals (as opposed to a company or an LLP);
  - (m) (in England or Wales) if you or any guarantor applies to the Court for an Interim Order under Part VIII of the Insolvency Act 1986 or calls or a nominee calls a meeting of creditors or any of them for the purposes of considering any arrangement, scheme, compromise, moratorium or composition with creditors or any of them or enters into any such arrangement, scheme, compromise, moratorium or composition or presents or has presented against him a petition for a Bankruptcy Order under the Insolvency Act 1986 or is otherwise declared bankrupt in the United Kingdom or elsewhere;
  - (n) (in Scotland) you are apparently insolvent, or a petition for the sequestration of your estate is presented to the court, or a Bankruptcy Order is made against you, or you grant a trust deed for your creditors;

- in addition, where you and/or any guarantor is a company or an LLP (as opposed to an individual or individuals);
- (g) you or any guarantor has a petition for an Administration Order presented against you or it or the shareholders or directors (or in the case of an LLP, members) of you or any guarantor resolve to present a petition for an Administration Order;
- (h) you or any guarantor calls a meeting of creditors or any class of them for the purpose of submitting a proposal to enter into (for you or any guarantor enters into) any arrangement, scheme, compromise, moratorium or composition with creditors or any of them or, if you or any guarantor suffers any distress or execution to be levied on the property or any of your other assets or any guarantor's assets in the United Kingdom or elsewhere;
- (i) you or any guarantor calls a meeting of shareholders, members or creditors for the purpose of considering a resolution that you or any guarantor be wound up voluntarily (other than a voluntary winding up for the purpose of a reconstruction or amalgamation which has received our previous written consent) or you or any guarantor have a winding-up petition presented against you or it or is wound up voluntarily or compulsorily in the United Kingdom or elsewhere;
- (j) any change is made in the legal or beneficial ownership of all or any of you or any guarantor's shares (or in the case of an LLP, membership) or there is any change of control of you or any guarantor without our previous written approval.
- in addition where appropriate any event referred to in this clause shall be deemed to also refer to a similar event in accordance with the laws of any other jurisdiction.

## 12. Power of sale

- 12.1 Conditions 12.2 to 12.4, below, apply if the property is in England or Wales.
- 12.2 Section 103 of the LPA shall not apply to the mortgage and the security constituted by the mortgage shall become immediately enforceable and the power of sale and other powers conferred on mortgagees by the LPA as varied or extended by the mortgage shall become immediately exercisable at any time after the debt has

become immediately due and payable under condition 11 (or any other moneys comprised in the secured liabilities have become due and remain unpaid) without the restrictions contained in that Act as to the giving of notice or otherwise.

- 12.3 Notwithstanding any provisions contained in the mortgage or any other document, the debt shall be deemed to have become due and payable within the meaning of Section 101 of the LPA immediately on the execution of the mortgage deed.
- 12.4 For the purpose of Section 99 of the LPA the expression "Mortgagee" shall include any encumbrancer deriving title under you and subsection (1B) of Section 99 of the LPA shall not apply.
- 12.5 If the property is in Scotland then the security constituted by the mortgage shall become immediately enforceable and the power of sale shall become immediately exercisable at any time after the debt has become immediately due and payable under condition 11 (or any other moneys comprised in the secured liabilities have become due and remain unpaid).

## 13. Early repayment

- 13.1 If you repay the whole or part of the debt before the end of the agreed repayment period or if a product switch is implemented or if the debt becomes due and payable under condition 11, an early repayment charge may apply. This will be set out in the offer.

## 14. Receivers

(conditions 14.1 to 14.8 do not apply if the property is in Scotland)

- 14.1 At any time after having been requested so to do by you or after the occurrence of any of the events specified in condition 11, we may appoint one or more persons to be a receiver or receivers of the whole or any part of the property.
- 14.2 We may (a) remove any receiver previously appointed under the mortgage and (b) appoint another person or other persons as receiver or receivers either in the place of a receiver so removed or who has otherwise ceased to act or to act jointly with a receiver or receivers previously appointed under the mortgage (but with the powers to act separately set out in condition 14.3).
- 14.3 If at any time and by virtue of any such appointment(s), any two or more persons shall hold office as receivers of the same assets or income each one or such receivers

shall be entitled (unless the contrary shall be stated in any of the deed(s) or other instrument(s) appointing them) to exercise all the powers and discretions hereby conferred on receivers and execute any documents individually or together.

- 14.4 Every such appointment or removal and every delegation appointment or removal by us in the exercise of any right to delegate powers or to remove delegates contained in these conditions may be made either by deed or by instrument in writing under the hand of any of our officers or any person authorised in writing in that behalf by any such officer.
- 14.5 Every receiver for the time being holding office by virtue of an appointment made by us shall (subject to any limitations or restrictions expressed in the deed or other instrument appointing him but if you are a company or an LLP notwithstanding that you may have been wound up or an administration order or voluntary arrangement has been made against you or you are dissolved) have in relation to the property or as the case may be that part of the property in respect of which he is appointed:
- (a) all the powers (as varied and extended by the provisions of these conditions) conferred by the Insolvency Act 1986 and the LPA and on mortgages and mortgages in possession, Administrators and Receivers appointed under those Acts or on us under the mortgage and;
  - (b) power in your name or on your behalf and at your cost to exercise all the powers and rights of an absolute owner and do or omit to do anything which you could do yourself as an absolute owner and irrespective of any such winding up, administration, voluntary arrangement.
- 14.6 In addition and without limiting the general powers or rights every receiver for the time being holding office by virtue of an appointment made by us shall (notwithstanding that you may have been wound up or an administrative order or voluntary arrangement has been made against you or you have been dissolved) have the following powers:
- (a) power to carry on and manage or concur in the carrying on and management of the whole or any part of your business as if he were the absolute beneficial owner thereof including the power where you are a company or an LLP and have one or more subsidiaries of supervising controlling and financing such subsidiary or subsidiaries and its or their business or businesses and the conduct thereof,

- (b) where you are a company or an LLP power to promote or otherwise acquire the share capital of any body corporate with a view to such body corporate becoming your subsidiary and purchasing, leasing, or otherwise acquiring an interest in the whole or any part of the property or carrying on any business in succession to you or any of your subsidiaries;
- (c) power to take possession of collect and get in the property and where you are a company for that purpose to make or to require your directors to make calls upon the holders of your share capital in respect of any such capital which remains uncalled (or where you are an LLP, to make calls upon the members in respect of unpaid capital) and to enforce payment of calls so made and any previous unpaid calls by taking proceedings in your name;
- (d) power to demolish, alter, improve, develop, complete, construct, modify, refurbish the whole or any part of the property and the fixtures and fittings on it to complete or undertake (with or without modification) of any project in which you were concerned or interested in prior to his appointment, being a project for the demolition, alteration, improvement, development, completion, construction, modification, rebuilding or reinstatement, refurbishment, or repair of the property (or any part of it) and the fixtures and fittings thereon;
- (e) power to repair, maintain, redecorate, fit out and furnish the property or any part thereof and all of the fixtures and fittings on it;
- (f) power to provide all services (including without limitation heating lighting and cleansing) which may be deemed expedient in relation to the occupation or management of the property;
- (g) power to enter into perform repudiate rescind, vary, modify, assign, sub-let or novate any contract or agreement, option agreement, agreement for lease, building contract, or professional appointment or otherwise for or which relates in any way to the property or any part of it or any fixtures or fittings thereon and to appoint, hire and employ and to remunerate such contractors, advisers, professionals, agents, servants, attendants, managers, officers, workmen and others upon such terms and at such

salaries fees or remuneration and generally in such manner as he shall think fit and to discharge such persons;

- (h) without the need to observe the restrictions imposed by Section 103 of the LPA or any need to observe all or any of the restrictions or other provisions of Section 99 of the LPA to sell or transfer or concur in selling or transferring, lease or concur in leasing, accept or concur in accepting surrenders of leases, terminate or concur in terminating leases, grant or concur in granting licences, terminate or concur in terminating licences in each case, of the property in respect of which the receiver is appointed in such manner and generally on such terms and conditions as he thinks fit, and to carry any such sale, transfer, leasing, termination, surrender or licensing into effect by conveying, assigning, leasing, accepting, surrendering, terminating, surrendering or licensing;
- (i) power to sever fixtures and fittings from the property and sell the same separately from the premises to which they are affixed or in which they are contained;
- (j) power to carry any sale, lease or other disposal of any land or buildings and other property and assets into effect by conveying, transferring assigning or leasing in your name and for that purpose to enter into covenants and other contractual obligations in the name of and so as to bind you;
- (k) power to acquire any interest in any real or personal property which he may consider necessary or desirable to acquire in order to maintain or enhance the value of the property or any part of it and to grant or surrender easements, covenants and licences and to make exchanges and to enter into any agreements for the revision of boundaries;
- (l) power to make any arrangement or compromise of claims as he shall think fit;
- (m) power to effect and renew any insurances which he shall deem expedient;
- (n) power to take or defend proceedings whether in your name or otherwise as the receiver may think fit including proceedings for your compulsory winding-up and proceedings for directions under Section 35(1) of the Insolvency Act 1986;
- (o) power to employ, engage and appoint such

managers, contractors and other personal and professional advisers and consultants on such terms as he shall think fit including without limitation power to engage his own firm in the conduct of the receivership;

- (p) power to make such elections for value added tax purposes as the receiver shall in his absolute discretion think fit;
- (q) power to raise or borrow money from us or any other person to rank for payment in priority to the security constituted by or pursuant to the mortgage and with or without a mortgage or charge on the property or any part of it and generally on such terms and conditions as he may think fit and no person advancing any such moneys shall be concerned to enquire as to the propriety or purpose of the exercise of this power or to see to the application of any moneys so raised or borrowed;
- (r) power to apply and obtain planning permissions in respect of the property including without limiting the generality of the foregoing entering into any agreements in connection with the same; and
- (s) power to divide or convert the property into as many flats and/or maisonettes as he shall think fit and then to sell such flats and/or maisonettes, individually or in any combination using any method for such sales as he shall think appropriate and without limiting them he shall have power:
  - (i) to grant leases and/or tenancies of the property and to grant renewals or accept surrenders of any leases or tenancies at or for such rents premiums and considerations and upon such terms and conditions including provisions for the review of rent and the granting of long leases at a premium with or without a ground rent reserved as he shall in his absolute discretion think fit;
  - (ii) to form a management company or companies for the management of the property and to grant shares in such company or companies and to transfer the freehold of the property to such company or companies on any terms which he considers appropriate.
- (t) power to do all such other things as may seem to the receiver to be incidental or conducive to any other power vested in him or to be conducive to the

realisation of the security constituted by or pursuant to the mortgage.

- 14.7 Every receiver so appointed shall be deemed at all times and for all purposes to be your agent and you shall be solely responsible for his acts and defaults and for the payment of his remuneration.
- 14.8 Every receiver so appointed shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and us (or failing such agreement to be fixed by us) appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted in accordance with his current practice or the current practice of his firm and without being limited to the maximum rate specified in Section 109(6) of the LPA.

## 15. Application of moneys

- 15.1 All money arising from the exercise of the powers of enforcement of the security constituted by or pursuant to the mortgage shall be applied, after the discharge all sums, obligations and liabilities having priority to them, in the following manner and order:
  - (a) in or towards payment of all costs and charges of and incidental to the appointment of any receiver under the mortgage and his remuneration;
  - (b) in or towards payment of any other expenses payable under condition 16;
  - (c) in or towards payment or discharge of the debt; and
  - (d) in payment of any surplus to you or any other person entitled thereto.
- 15.2 All moneys from time to time received by us from you, any guarantor or any person or persons or company liable to pay the same or from any receiver or otherwise on the realisation or enforcement of the security constituted by the mortgage may be applied by us either as a whole or in such proportion as we think fit to any account or item of account or any transaction to which the same may be applicable.

## 16. Our powers

- 16.1 Without prejudice to any other of our rights powers or remedies however arising all or any part of the powers authorities or discretions conferred expressly or implicitly upon a receiver of the whole or any part of the property (whether arising under the mortgage or otherwise) may be exercised by us in respect of the whole or any part of the property at any time after the occurrence of an event specified in condition 11.
- 16.2 If we or any receiver enter into possession of the whole or any part of the property we or the receiver may from time to time go out of possession.
- 16.3 Neither we nor any receiver appointed under the mortgage shall be liable as mortgagee or mortgagee in possession to account to you for anything except actual receipts by us or the receiver, or be liable for any loss or damage arising from any realisation of the property, or for any act or default or omission by us or the receiver in relation to the property, or any exercise or non-exercise by us or the receiver of any power authority or discretion conferred on us or the receiver in relation to the property unless such loss or damage shall be caused by our own fraud or negligence or the fraud or negligence of the receiver.

## 17. Power of attorney

- 17.1 You hereby irrevocably appoint the following:
    - (a) us;
    - (b) each and every person to whom we shall from time to time have delegated the exercise of the power of attorney conferred by this clause; and
    - (c) any receiver appointed under the mortgage and for the time being holding office as such:
- jointly and also severally to be your attorney or attorneys and in your name and otherwise on your behalf and as your act and deed to sign, seal, execute, deliver, perfect and do all deeds, instruments acts and things which may be required (or which we or any receiver appointed under the mortgage shall consider expedient or desirable) for carrying out any obligation imposed on you by or pursuant to this mortgage and generally for enabling us or the receiver to exercise the respective powers conferred on us or the receiver by or pursuant to this mortgage or by law and we and the receiver shall have full power to delegate

the power conferred on them by this clause but no such delegation shall preclude the subsequent exercise of such power by us or the receiver or preclude us or the receiver from making a subsequent delegation to some other person any such delegation may be revoked by us or the receiver at any time.

17.2 You shall fully and confirm all transactions entered into by us or such receiver or delegate of ours in the exercise or purported exercise of our or such receiver's respective powers and all transactions entered into documents executed and things done by us or such receiver or delegate by virtue of the power of attorney given by condition 17.1 and shall at our request from time to time or the request of any such person or receiver as is referred to in condition 17.1 enter into and duly execute such further power or powers of attorney (with the necessary amendments) in the form of this condition 17 as may be requested.

17.3 The power of attorney granted by this clause as regards us, our delegates and any such receiver (as you hereby acknowledge) are granted irrevocably and for value as part of the security constituted by the mortgage to secure proprietary interests of and the performance of obligations owed to the respective donees.

## 18. Costs, charges and fees

18.1 You must pay to us all reasonable costs and charges that:

- (a) we can demonstrate have arisen reasonably;
- (b) we, any person we appoint under condition 14, our conveyancers, surveyors or agents have paid or agreed to pay; and
- (c) have arisen in connection with this property or the mortgage.

18.2 These costs and charges will also include the costs we have charged you for the administrative work of our staff dealing with, among other things:

- (a) arrears on your account;
- (b) your requests for our approval either under these conditions or otherwise (whether or not we give you our approval);
- (c) storing title deeds and documents;
- (d) giving you copies of any deeds or documents or policies we keep for you;
- (e) approving and executing deeds for any purpose including releasing any security.

18.3 We may recover the costs and charges we incur by charging standard fees equal to our reasonable estimate of the average costs (including our average internal administrative costs) which we incur in dealing with the matter for which the fee is charged. We set out our standard fees in a tariff. We will send a copy of our tariff to you with the offer. This tariff changes from time to time and we will send you the most recent copy free if you ask.

18.4 We can amend or introduce a fee for one or more of the following reasons:

- (a) to reflect in a proportionate manner any changes or reasonably anticipated changes in the law, regulations or codes of practice or to respond to a decision by a court, ombudsman or regulator;
- (b) to reflect in a proportionate manner changes which we may make in any activity we carry out or the services we provide or to provide new services; or
- (c) to reflect, in a proportionate manner, the costs which we reasonably incur in providing relevant services and carrying out relevant activities.

18.5 Before we change or introduce a fee for such a reason we will let you know under condition 21.

18.6 You must pay all costs, charges and fees we refer to in this condition 18 when we demand. Until you repay them they will form part of the debt and be secured on the property. We will add them to the capital balance and charge interest on them as stated in condition 4.2(c).

## 19. Removal of goods

19.1 This clause shall have effect only if you are not a company and shall apply to all moveable plant, machinery and other equipment, tools, furniture, vehicles, stock in trade, implements and other goods ("goods") now or from time to time placed on or used in or about the property.

19.2 At any time after having taken possession of the property or any part thereof we or any receiver appointed by us is hereby authorised as your agent to dispose of, remove, store, sell at such price as we shall deem reasonable or otherwise deal with the goods and may pending such disposal, removal, storage, sale or other dealing use the goods for a reasonable period of time and (without prejudice to the obligation to account for the proceeds of any sale of goods to you) you will reimburse us or any receiver against any liability arising from such disposal, removal, storage, sale or other dealing.

19.3 Nothing contained in this clause shall give us any right in respect of the goods or the proceeds from the sale of the goods which would constitute the mortgage as a bill of sale.

## 20. Protection of purchasers

20.1 No purchasers, mortgagees or other person or company dealing with a receiver or us shall be concerned to enquire whether any power exercised or purported to be exercised by the receiver or us has become exercisable or whether any money is due on the security of the mortgage or as to the propriety or regularity of any sale by or other dealing with the receiver or us but any such sale by or dealing shall be deemed to be valid and effectual accordingly and, where the property is in England or Wales, all the protection to purchasers contained in Sections 104 and 107 of the LPA shall apply to any person purchasing from or dealing with the receiver or us.

## 21. Notices

21.1 Every notice, request, demand or other communication to or upon you shall be given or sent by letter and shall be deemed to have been given or made (and received) 48 hours after being posted (unless delivered by hand at the address of the addressee in which case it shall be deemed to have been given or made (and received) at the time of delivery).

21.2 Every notice request demand or other communication to us shall be given or sent by letter to us (marked for the attention of the Chief Executive when no other reference is known) at Portman House, Richmond Hill, Bournemouth, BH2 9EP or at such other address as we may designate from time to time by notice to you and service shall take place upon actual receipt of such letter or letters.

## 22. Certificate conclusive

22.1 A statement of the total amount of the debt or as to any applicable rate of interest prepared and signed by one of our authorised officers will be taken as a correct statement unless there is an obvious mistake.

## 23. No waivers, remedies cumulative

23.1 No failure to exercise, nor any delay in exercising on our part any right or remedy under the mortgage or any other document will operate as a waiver of such right or remedy nor will any single or partial exercise of any right or remedy preclude any other or further exercise of any other right or remedy. The rights and remedies provided in the mortgage are cumulative and not exclusive of any rights or remedies provided by law. In the event that any matter falls within the scope of more than one of the provisions of the mortgage nothing shall prevent us from enforcing against you the more (or most) stringent provision.

## 24. Set off, suspense account and severability

24.1 You authorise us to apply the credit balance to which you are entitled on any account with us or any other moneys due and payable by us to you in satisfaction of any sum due and payable from you to us under the mortgage or forming part of the debt.

24.2 All moneys received, recovered or realised by us under the mortgage may in our discretion be credited to any suspense account and may be held in such account for so long as we may think fit pending their application in or towards discharging the debt.

24.3 No other provision of the mortgage nor the security constituted by the mortgage shall be discharged or affected by the total or partial invalidity, illegality of or defect in any of our rights.

## 25. Further assurance

25.1 You shall from time to time execute and do all such assurances acts and things as we may require for protecting the security over the property or for facilitating the realisation of the whole or any part of the property and the exercise of all powers authorities and discretion vested in us or a receiver and shall in particular execute all transfers conveyances assignments assurances or any other deeds agreements or documents in respect of the whole or any part of the property whether to a third party or to us or our nominees or otherwise and give all notices orders and directions we or a receiver may think expedient and for the purpose

of this clause a certificate in writing by us or a receiver to the effect that any particular transfer conveyance assignment assurance or any other deed agreement or document required is reasonably required shall be conclusive evidence of such fact.

## 26. Further security

26.1 You shall at all times during the subsistence of the security constituted by the mortgage:

- give notice of your desire to have an extended lease or replacement lease of the property;
- send a copy of such notice to us; and
- within one month of execution of any extended or replacement lease of the property you (irrespective of whether any of the above conditions have been complied with) will deposit that lease with us. In addition, if we require, you will at your expense execute a fresh charge by way of legal mortgage to us of all your estate in the property under and by virtue of that lease.

26.2 If you acquire any superior interest in the property or acquire an interest in any freehold or leasehold property adjoining or near to the property you will promptly inform us in writing and if we require you will at your own expense execute a fresh legal charge by way of legal mortgage in our favour of that superior interest or freehold or leasehold property. Every fresh legal charge shall contain similar provisions to those contained in the mortgage.

## 27. Governing law and language

27.1 Your mortgage is supplied in English and all communications between you and us will be in English.

27.2 Your mortgage is governed by the law of the country in which the property is situated and the laws of that country are to be taken as the basis for the establishment of our relations with you before the mortgage is entered into.

## 28. Disclosure and transfer

28.1 We may at any time assign and/or transfer to any person all or any part of our rights under or in respect of:

- the mortgage and/or the secured liabilities; and
- any other security (including without prejudice to the generality of the foregoing or any guarantee) in our favour.

28.2 The debt at the date of the assignment or transfer shall be all moneys then owing and shall bear interest from the date of the assignment or transfer at a rate per annum equal to the rate payable under the mortgage immediately before such assignment or transfer until the interest rate is changed.

28.3 Any assignee and/or transferee shall in all respects be substituted for us and shall be entitled to exercise all of our rights and powers in any security to assigned or transferred including, without limitation, the power to vary the interest rate or apply costs and expenses with reference to its own circumstances (including without limitation its own costs).

28.4 You and if appropriate any guarantor hereby authorise us to disclose to any person (and their advisers) to whom we dispose or contemplate disposing of any part of our interest in the mortgage or in the secured liabilities or any security including the guarantee or other obligations secured by the mortgage such information concerning you or the mortgage or the secured liabilities or the guarantor and such other obligations as we reasonably think fit.

## 29. Unfinished work

29.1 If after you have received part of the advance you leave any building which forms part of the property unfinished, we may:

- sell the property as it is; or
- complete the building at your cost;
- we can demand that you pay all expenses arising from this and we will add any you do not pay to the debt which will then be secured on the property. Interest will be charged on them in accordance with condition 4.2(c).

## 30. Mistakes and miscalculations

30.1 Any statement or information concerning the secured liabilities that we supply to you before or after the discharge of the mortgage will not prejudice our security if it contains errors or omissions.

30.2 Any discharge we execute in respect of the mortgage will not discharge you from liability if we subsequently find that on repayment we under-calculated or understated by mistake the amount of the secured liabilities.

30.3 Unless you were party to or knew or should have known of the mistake, we will not rely on condition 30.2 unless

we tell you in writing within 90 days of the date we execute the discharge.

30.4 We will not seek to recover money from you where you are legally entitled to keep it.

## 31. Terms of Lettings

31.1 You must obtain our approval to any tenancy, letting or sharing of possession to the property. Without limiting this duty on you, note that we require any such tenancy, letting or sharing of possession to be on the following terms:

- In England and Wales, any tenancy of the property created before 1 March 1997 must be a single Assured Shorthold Tenancy as defined in the Housing Act 1988 and be for a term of not less than six months. Your solicitors must satisfy themselves that valid notices were served under Section 20 of the Housing Act 1988 before the tenancy was created, and have sight of a copy of the tenancy agreement.
- In England and Wales, any tenancy created after 28 February 1997 must in all respects comply with the Housing Act 1996 as an Assured Shorthold Tenancy.
- If the property is in Scotland then:
  - any tenancy of the property created on or before 30 November 2017 must be a Short Assured Tenancy as defined in the Housing (Scotland) Act 1988;
  - any tenancy of the property created on or after 1 December 2017 must be a Private Residential Tenancy under the PHTSA.

Any tenancy must in all respects comply with the Housing (Scotland) Act 1988 or PHTSA, as applicable.

(d) You must produce evidence to your solicitor, before buying the property, that all provisions of Part 1 of the Landlord and Tenant Act 1987 and the Housing Act 1996 (and, if the property is in Scotland, the Housing (Scotland) Act 1988 or PHTSA, as applicable) have been complied with by the seller or you as appropriate.

(e) The letting must only allow the property to be used as a private dwelling for occupation of the tenant, and the tenant's immediate family for residential purposes.

- In England and Wales, the letting must not confer any security of tenure on the tenant(s) beyond the end of the contractual term of the tenancy agreement.
- The letting must not be for more than 36 months (except where the property is in Scotland and is subject to the PHTSA).
- Any tenancy agreement must (i) be in the form normally used for residential agreements; and (ii) contain no terms which can adversely affect our interest in the property under the mortgage.
- The tenancy agreement must provide that no subletting is allowed.
- The tenancy agreement must not contain an option allowing the tenant to renew the lease upon expiry (except where the property is in Scotland and is subject to the PHTSA).
- Any deposit must be held by a body approved by the Government pursuant to the requirements of the Housing Act 2004 (or, where the property is located in Scotland, the Tenancy Deposit Schemes (Scotland) Regulations 2011) and that all required information has been supplied to the tenants.
- References about ability to pay the rent and character must be obtained for the proposed tenant(s) and must be made available to us when we ask for them.
- If the property is leasehold you must obtain the consent of the landlord to any letting if required by the terms of the lease of the property and comply with any other relevant lease conditions.
- The tenancy must allow you and us to get vacant possession at the end of the term of the tenancy.
- If there is more than one tenant, you must get all tenants to sign one tenancy agreement so that each of the tenants is responsible for all of the rent and carrying out all of the obligations.
- You must tell the insurers about the tenancy if your insurance requires this.
- You must make sure that you keep to any regulations and obtain any necessary licenses, which may apply to letting properties.
- You must not change the terms of the tenancy without us agreeing in writing.
- You must comply with all legal requirements, and, hold any licences or other authorisations necessary.

relating to the letting of the property (including without limitation, where the property is a property which is a house in multiple occupation within the Housing Act 2004 (or fails to be treated as a house in multiple occupation under any other applicable legislation or legal requirements), any licensing requirements for landlords of houses in multiple occupation under such legislation). You must provide us with evidence of this on request.

If the property has a tenant when you buy it, the existing tenancy must also keep to these guidelines.

31.2 Without limiting your duty to obtain our consent under condition 31.1, note that the following are unacceptable as tenants for the property:

- (a) multiple tenancies (excluding houses in multiple occupation);
- (b) people who could claim diplomatic immunity;
- (c) holiday lets;
- (d) your family members (including for example your spouse, civil partner, parents, grandparents, siblings, children, grandchildren, children of your siblings or grandparents).

31.3 You must do whatever is legally necessary to ensure that your tenants carry out their obligations under the tenancy agreement and not waive or release or vary these without us agreeing in writing.

31.4 You must let us know if the property is unoccupied for 30 or more consecutive days.

31.5 If the property is subject to the selective licensing scheme laid down by Part 3 of the Housing Act 2004, you must have and maintain a satisfactory licence under the selective licensing scheme in relation to the property.

31.6 The criteria for tenancies or tenants we set down in this condition 31 can be varied by us at any time to reflect:

- (a) changes or reasonably anticipated changes in law, regulation and guidance;
- (b) changes we introduce to our standard policies acting as a reasonable and prudent lender.

Where we make any such change we will give you at least 30 days' prior notice unless any shorter period is necessary to reflect any change in the law. Any change will not affect the compliance with our criteria of any tenancy which is already in place (and which complies with our existing criteria) for the remaining fixed or minimum term of the tenancy, unless it is required to reflect any change in the law which affects that tenancy.

## 32. Valuations, revaluations and LTV

32.1 Any valuation proposed in connection with the mortgage is:

- (a) for our benefit and may not be relied upon by you;
- (b) does not confirm or guarantee the property is worth the value given to it.

32.2 We reserve the right to obtain further valuations of the property at any time after the advance date for the purpose of calculating the LTV. Each further valuation will be at your expense (such cost to be charged in accordance with our then current fees for valuations unless you have paid for a valuation in the preceding three years, in which case it will be at our expense). You will ensure that any access to the property reasonably required by the valuer is given.

32.3 If at any time the LTV is greater than the original LTV, we can require you (i) to reduce the debt such as to ensure that the LTV is equal to or less than the original LTV or (ii) to provide us with alternative or additional security acceptable to us (at our discretion) which would, when aggregated with the value of the property, ensure the LTV is equal to or less than the original LTV, or any combination of (i) and (ii). When we make such a request you will comply with it and make such payment and/or deliver such acceptable alternative security as applicable within 30 days of request.

## 33. Standard conditions

Please note: This condition applies only if the property is in Scotland.

33.1 These conditions incorporate the standard conditions. In the event of any conflict between the terms of the standard conditions and these conditions, these conditions shall apply.

33.2 The standard conditions contained in Schedule 3 of the Conveyancing and Feudal Reform (Scotland) Act 1970, as amended (1970 Act), referred to in the foregoing General Mortgage Conditions 2018 are set out below in accordance with the numbering under the 1970 Act:

### 1. Maintenance and repair

It shall be an obligation on the debtor:

- (a) to maintain the security subjects in good and sufficient repair to the reasonable satisfaction of the creditor;
- (b) to permit, after seven clear days notice in writing, the creditor or his agent to enter upon the security subjects at all reasonable times to examine the condition thereof;
- (c) to make all necessary repairs and make good all defects in pursuance of his obligation under head (a) of this condition within such reasonable period as the creditor may require by notice in writing.

### 2. Completion of buildings etc. and prohibition of alterations etc.

It shall be an obligation on the debtor:

- (a) to complete, as soon as may be practicable, any unfinished buildings or works forming part of the security subjects to the reasonable satisfaction of the creditor;
- (b) not to demolish, alter or add to any buildings or works forming part of the security subjects, except in accordance with the terms of a prior written consent of the creditor and in compliance with any consent, licence or approval required by law;
- (c) to exhibit to the creditor at his request evidence of that consent, licence or approval.

### 3. Observance of conditions in title, payment of duties, charges, etc., and general compliance with requirements of law relating to security subjects

It shall be an obligation on the debtor:

- (a) to observe any condition or perform any obligation in respect of the security subjects lawfully binding on him in relation to the security subjects;
- (b) to make due and punctual payment of any ground burden, land, stipend, or standard charge, and any rates, taxes and other public burdens, and any other payments exigible in respect of the security subjects;
- (c) to comply with any requirement imposed upon him in relation to the security subjects by virtue of any enactment.

### 4. Planning notices, etc.

It shall be an obligation on the debtor:

- (a) where he has received any notice or order, issued or made by virtue of the Town and Country Planning (Scotland) Acts 1947 to 1969 or any amendment thereof, or any proposal so made for the making or issuing of any such notice or order, or any other notice or document affecting or likely to affect the security subjects, to give to the creditor, within fourteen days of the receipt of that notice, order or proposal, full particulars thereof;
- (b) to take, as soon as practicable, all reasonable or necessary steps to comply with such a notice or order or, as the case may be, duty to object thereto;
- (c) in the event of the creditor so requiring, to object or to join with the creditor in objecting to any such notice or order or in making representations against any proposal therefor.

### 5. Insurance

It shall be an obligation on the debtor:

- (a) to insure the security subjects or, at the option of the creditor, to permit the creditor to insure the security subjects in the names of the creditor and the debtor to the extent of the market value thereof against the risk of fire and such other risks as the creditor may reasonably require;
- (b) to deposit any policy of insurance effected by the debtor for the aforesaid purpose with the creditor;
- (c) to pay any premium due in respect of any such policy, and, where the creditor so requests, to exhibit a receipt therefor not later than the fourteenth day after the renewal date of the policy.

- (d) to intimate to the creditor, within fourteen days of the occurrence, any occurrence which may give rise to a claim under the policy, and to authorise the creditor to negotiate the settlement of the claim;
- (e) without prejudice to any obligation on the contrary enforceable against him, to comply with any reasonable requirement of the creditor as to the application of any sum received in respect of such a claim;
- (f) to refrain from any act or omission which would invalidate the policy.

#### 6. Restriction on letting

It shall be an obligation on the debtor not to let, or agree to let, the security subjects, or any part thereof, without the prior consent in writing of the creditor, and "to let" in this condition includes to sub-let.

#### 7. General power of creditor to perform obligations etc. on failure of debtor and power to charge debtor

- (1) The creditor shall be entitled to perform any obligation imposed by the standard conditions on the debtor, which the debtor has failed to perform.
- (2) Where it is necessary for the performance of any obligation as aforesaid, the creditor may, after giving seven clear days notice in writing to the debtor, enter upon the security subjects at all reasonable times.
- (3) All expenses and charges (including any interest thereon), reasonably incurred by the creditor in the exercise of a right conferred by this condition, shall be recoverable from the debtor and shall be deemed to be secured by the security subjects under the standard security, and the rate of any such interest shall be the rate in force at the relevant time in respect of advances secured by the security, or, where no such rate is prescribed, shall be the bank rate in force at the relevant time.

#### 8. Calling-up

The creditor shall be entitled, subject to the terms of the security and to any requirement of law, to call-up a standard security in the manner prescribed by section 19 of this Act.

#### 9. Default

- (1) The debtor shall be held to be in default in any of the following circumstances, that is to say:
  - (a) where a calling-up notice in respect of the security has been served and has not been complied with;
  - (b) where there has been a failure to comply with any other requirement arising out of the security;
  - (c) where the proprietor of the security subjects has become insolvent.
- (2) For the purposes of this condition, the proprietor shall be taken to be insolvent if:
  - (a) he has become not a bankrupt, or he has executed a trust deed for behoof of, or has made a composition contract or arrangement with, his creditors;
  - (b) he has died and a judicial factor has been appointed under section 11A of the Judicial Factors (Scotland) Act 1889 to divide his insolvent estate among his creditors, or his estate fails to be administered in accordance with an order under section 421 of the Insolvency Act 1986;
  - (c) where the proprietor is a company, a winding-up order has been made with respect to it, or a resolution for voluntary winding-up (other than a members' voluntary winding-up) has been passed with respect to it, or a receiver or manager of its undertaking has been duly appointed, or possession has been taken, by or on behalf of the holders of any debentures secured by a floating charge, of any property of the company comprised in or subject to the charge.

#### 10. Rights of creditor on default

- (1) Where the debtor is in default, the creditor may, without prejudice to his exercising any other remedy arising from the contract to which the standard security relates, exercise, in accordance with the provisions of Part II of this Act and of any other enactment applying to standard securities, such of the remedies specified in the following sub-paragraphs of this standard condition as he may consider appropriate.

- (2) He may proceed to sell the security subjects or any part thereof.
- (3) He may enter into possession of the security subjects and may receive or recover the rents of those subjects or any part thereof.
- (4) Where he has entered into possession as aforesaid, he may let the security subjects or any part thereof.
- (5) Where he has entered into possession as aforesaid there shall be transferred to him all the rights of the debtor in relation to the granting of leases or rights of occupancy over the security subjects and to the management and maintenance of those subjects.
- (6) He may effect all such repairs and may make good such defects as are necessary to maintain the security subjects in good and sufficient repair, and may effect such reconstruction, alteration and improvement on the subjects as would be expected of a prudent proprietor to maintain the market value of the subjects, and for the aforesaid purposes may enter on the subjects at all reasonable times.
- (7) He may apply to the court for a decree of foreclosure.

#### 11. Exercise of right of redemption

- (1) The debtor shall be entitled to exercise his right (if any) to redeem the security on giving notice of his intention so to do, being a notice in writing (hereinafter referred to as a "notice of redemption").
- (2) Nothing in the provisions of this Act shall preclude a creditor from waiving the necessity for a notice of redemption, or from agreeing to a period of notice of less than that to which he is entitled.
- (3) (a) A notice of redemption may be delivered to the creditor or sent by registered post or recorded delivery to him at his last known address, and an acknowledgement signed by the creditor, or his agent or a certificate of postage by the person giving the notice accompanied by the postal receipt shall be sufficient evidence of such notice having been given.

- (b) If the address of the creditor is not known, or if the packet containing the notice of redemption is returned to the sender with intimation that it could not be delivered, a notice of redemption may be sent to the Extractor of the Court of Session and an acknowledgement of receipt by him shall be sufficient evidence of such notice having been given.
- (c) A notice of redemption sent by post shall be held to have been given on the next day after the day of posting.

- (4) When a notice of redemption states that a specified amount will be repaid and it is subsequently ascertained that the whole amount due to be repaid is more or less than the amount specified in the notice, the notice shall nevertheless be effective as a notice of repayment of the amount due as subsequently ascertained.
- (5) Where the debtor has exercised a right to redeem, and has made payment of the whole amount due, or has performed the whole obligations of the debtor under the contract to which the security relates, the creditor shall grant a discharge in the terms prescribed in section 17 of this Act.

#### 12.

The debtor shall be personally liable to the creditor for the whole expenses of the preparation and execution of the standard security and any variation, restriction and discharge thereof and, where any of those deeds are recorded, the recording thereof, and all expenses reasonably incurred by the creditor in calling-up the security and realising or attempting to realise the security subjects, or any part thereof, and exercising any other powers conferred upon him by the security.

#### Interpretation

In this condition 33, where the debtor is not the proprietor of the security subjects, "debtor" means "proprietor", except:

- (a) in standard conditions 9(1), 10(1) and 12, and
- (b) in standard condition 11, where "debtor" includes the proprietor.



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