

Barclays

**Shared Appreciation Mortgage Conditions
1998 Edition**

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Mortgage Conditions

1. DEFINITIONS

In these Conditions the following definitions apply where the context so admits:-

- 1.1 **"Advance Date"** means the date which the solicitors or licensed conveyancers instructed by the Company to act on its behalf receive the Initial Advance following their Report on Title to the Company
- 1.2 **"Amount Secured"** means the amounts from time to time due owing or incurred to the Company by the Borrower including (but without prejudice to the generality of the foregoing) the Initial Advance together with all further advances and re-advances which may from time to time be made by the Company to the Borrower together with the Shared Appreciation Amount and all monies obligations and liabilities certain or contingent (whether jointly or severally and upon any account whatsoever) and the Expenses in accordance with the Offer of Mortgage and/or these Conditions
- 1.3 **"Borrower" "Company" and "Property"** shall have the same meaning in these conditions as is given to them in the Mortgage
- 1.4 **"Event of Termination"** means any of the following events:-
 - 1.4.1 the occurrence of any Event of Default detailed in Condition 8
 - 1.4.2 the death of a sole Borrower
 - 1.4.3 the death of a last surviving joint Borrower
 - 1.4.4 the service of a compulsory purchase order relating to the whole or any part of the Property
- 1.5 **"Expenses"** means the total of all costs charges and expenses whatsoever from time to time charged or incurred by the Company in accordance with these Conditions and recoverable by the Company from the Borrower pursuant to the terms hereof which shall include (but without prejudice to the generality of the foregoing) all legal and other costs and disbursements stamp duties and Land Registry fees and all costs charges and expenses incurred and all monies expended by the Company or the Receiver in perfecting the Mortgage or otherwise or in respect of the Property or in the enforcement of the Mortgage (whether or not by proceedings) or for obtaining payment of the Amount Secured or arising out of the powers granted hereby
- 1.6 **"Initial Advance"** means the amount set out as such in the Mortgage but does not include Expenses incurred after the Advance Date
- 1.7 **"Lease"** shall mean if the Property is leasehold any lease or underlease under which the Property is held by the Borrower
- 1.8 **"Mortgage"** means any mortgage or charge created or entered into by any person in favour of the Company to secure the Amount Secured and any reference thereto shall be deemed to include reference (without prejudice to the generality of the foregoing) to any other document ancillary supplemental or collateral to such mortgage or charge existing now or in the future
- 1.9 **"Offer of Mortgage"** means the letter written to the Borrower by the Company setting out the terms upon which the Company is prepared to make the Initial Advance to the Borrower or any revision or revisions thereto or substitution therefor and any subsequent letter written to the Borrower by which the Company is prepared to offer any further facilities or loans to the Borrower
- 1.10 **"Original Property Valuation"** means the Property Valuation obtained before the Advance Date (the amount of which is mentioned in the Offer of Mortgage)
- 1.11 **"Property Valuation"** means any valuation of the Property obtained by the Company at any time for a qualified valuer/surveyor selected by the Company
- 1.12 **"Receiver"** means any person or persons (whether an officer of the Company or not) appointed by the Company in writing to be receiver and manager or receivers and managers (which expression shall where the context so admits include any substituted receiver and manager or receivers and managers) of all or any part of the Property
- 1.13 **"Reversioner"** means the person for the time being entitled to the reversion immediately expectant on the determination of the Lease and/or (as the context so admits) any person entitled to effect insurance of the Property under the Lease
- 1.14 **"Shared Appreciation Amount"** means any amount due to the Company in accordance with the Offer of Mortgage when all or part of the Amount Secured is repaid

- 1.15** **“Valuation Difference”** means the difference between the Property Valuation obtained just before a repayment of all or part of the Amount Secured is made and the Original Property Valuation (where the Original Property Valuation is for a lower amount)
- 1.16** **“Guarantor”** means any person giving a guarantee to the Company for the performance and observance of the covenants conditions and obligations of the Borrower contained in these Conditions
- 1.17** In these Conditions any reference to an Act of Parliament shall include any statutory modification or re-enactment thereof
- 1.18** In these Conditions references to any gender shall be deemed to include reference to the other two genders and references to the singular shall be deemed to include references to the plural and vice versa
- AND** it is hereby agreed that the headings in these Conditions shall not be construed as having any legal effect and are for information only.

2. PROPERTY VALUATIONS

- 2.1** For the purpose of calculating the Valuation Difference and the Shared Appreciation Amount a Property Valuation must be obtained within the period of three months just before repayment of all or part of the Amount Secured
- 2.2** Any such Property Valuation shall be made as if the Property were in the state and condition required by the Borrower’s covenants and agreements in these Conditions and as if any loss or damage to the Property insured under Condition 4 had been made good
- 2.3** The Borrower must pay the costs of any such Property Valuation and those costs shall form part of the Expenses
- 2.4.1** After a Property Valuation has been obtained by the Company but at any time before repaying all or part of the Amount Secured the Borrower may request the Company to obtain a further Property Valuation within one month of the date of the latest Property Valuation
- 2.4.2** If the valuation of the Property in the further Property Valuation is for an amount different from the previous Property Valuation then the average of the two Property Valuations will be used to calculate the Valuation Difference and the Shared Appreciation Amount

- 2.5** The right to request a further Property Valuation under Condition 2.4.1 does not apply once an Event of Default has occurred
- 2.6** The Company’s certificate of the amount of any Property Valuation and of the Shared Appreciation Amount from time to time payable by the Borrower shall be conclusive and binding on the Borrower.

3. REDEMPTIONS

3.1 REDEMPTION OF THE WHOLE OF THE MORTGAGE

- 3.1.1** The Borrower may pay the whole of the Amount Secured to the Company on giving the Company notice in writing but not later than three months after the service of such notice
- 3.1.2** The Borrower must pay the whole of the Amount Secured to the Company once an Event of Termination has occurred
- 3.1.3.1** If the Event of Termination is the death of a sole Borrower or a last surviving joint Borrower the Amount Secured must be repaid within such reasonable period as the Company may require and in any event by no later than 18 months from the date of the Borrower’s death
- 3.1.3.2** The Personal Representatives of the Borrower may pay the whole of the Amount Secured to the Company after giving the Company one month’s notice in writing but not later than three months after the service of such notice
- 3.1.4.1** If the Event of Termination is the compulsory purchase of the Property or any part thereof the Borrower must pay the whole of the Amount Secured on the date of completion of the compulsory purchase
- 3.1.4.2** The Borrower must give a month’s notice in writing to the Company before completion of the compulsory purchase of the whole or any part of the Property
- 3.1.5** The Amount Secured cannot be repaid until a Property Valuation has been obtained by the Company
- 3.1.6** When the Amount Secured is repaid in full the Borrower must also pay the Shared Appreciation Amount and any other fees due to the Company detailed in the Offer of Mortgage.

3.2 REDEMPTION OF PART OF THE MORTGAGE

- 3.2.1** The Borrower may pay sums on account of the Initial Advance (being not less than £5,000) to the Company on giving the Company notice in writing but not later than three months after the service of such notice
- 3.2.2** Sums paid by the Borrower to the Company on account of the Initial Advance will not be applied in or towards repayment of the Amount Secured until a Property Valuation has been obtained by the Company and in the meantime will be held by the Company as additional security for payment of the Amount Secured
- 3.2.3** When sums on account of the Initial Advance are paid the Borrower shall be obliged to pay the Shared Appreciation Amount and any other fees due to the Company detailed in the Offer of Mortgage
- 3.2.4** Each time a partial repayment is made the Valuation Difference payable will be calculated based on the difference between the amount of the current Property Valuation and the Original Property Valuation
- 3.2.5** For partial payments the Shared Appreciation Amount will be calculated on a proportionate basis (the amount of the payment on account of the Initial Advance being divided by the Initial Advance)
- 3.2.6** The Company shall be entitled to determine how much of any payment made by the Borrower under Condition 3.2.1 shall be apportioned to sums on account of the Initial Advance and the balance shall be apportioned to the amounts mentioned in Condition 3.2.3.

4. BUILDINGS INSURANCE

- 4.1** The Borrower covenants and agrees with the Company as follows:-
- 4.1.1** To keep the Property insured in the joint names of the Borrower and the Company at the expense of the Borrower against fire and such other risks as the Company thinks fit in the full replacement value thereof (including Value Added Tax architects surveyors and other professional fees and the costs of demolition site clearance and compliance with local authority requirements) which shall not be less than the amount determined by the Company and which shall be index linked to an index approved by the Company

- 4.1.2** Promptly to pay all premiums and other sums due under or in respect of any such insurance
- 4.1.3** Not to take out any other policy of insurance in respect of the Property without the consent of the Company (which it may in its reasonable discretion refuse) and if such consent is given the provisions of this Condition shall apply to any alternative policy which may be arranged
- 4.2** Where the Property is leasehold and under the terms of the Lease the insurance is to be effected by the Reversioner and cannot be effected in the joint names of the Borrower and the Company for any reason then the Borrower shall procure that the interest of the Company is noted on the insurance policy or insurance policies and
- 4.3** The Borrower covenants and agrees with the Company as follows:-
- 4.3.1** Prior to completion of the Initial Advance to ensure that the Company's then current buildings insurance questionnaire is returned to the Company completed by the insurance company to enable the Company to approve the insurance;
- 4.3.2** If the insurance company is a member of the Association of British Insurers to deliver to the Company evidence of an up to date policy schedule on demand and otherwise to deliver to the Company on each occasion that the insurance policy is renewed evidence of an up to date policy schedule
- 4.4** Subject to the lawful requirements of the Reversioner the Borrower will stand possessed of any insurance monies received under any policy of insurance relating to the Property upon trust to apply them in or towards reinstatement of the Property or in or towards discharge of the Amount Secured as the Company shall in its absolute discretion determine
- 4.5** Any insurance money received may at the option of the Company be used for making good the insured loss or damage or paying off or reducing the Amount Secured
- 4.6** The Company shall be entitled to make a service charge of an amount fixed by the Company from time to time for ascertaining the adequacy terms and enforceability of any policy of insurance effected either by the Borrower or the Reversioner and for establishing whether all

premiums have been paid which service charge shall be payable on demand by the Borrower and thereafter until payment shall be added to the Amount Secured.

- 4.7** If the Borrower does not comply with the foregoing provisions of this Condition 4 it shall be lawful for the Company (but not obligatory on the Company) to effect or renew any such insurance as is mentioned in this Condition 4 either in its own name or in its name and that of the Borrower or in the name of the Borrower with an endorsement of the Company's interest and the moneys expended by the Company in so effecting or renewing any such insurance shall form part of the Expenses.

5. LEASES

- 5.1** The Borrower's statutory powers of leasing agreeing to lease and for taking surrenders of leases are hereby excluded and the Borrower will not without the Company's previous written consent let the Property or any part thereof whether at law or in equity nor part with possession of nor grant any licence or right to occupy the Property or any part thereof nor execute any conveyance transfer or assignment of the Property
- 5.2** The Company shall be entitled to require as a condition of any consent allowing the Borrower to part with or share occupation of the Property or any part thereof to or with any adult that it should first be provided in respect of each such adult with a written waiver in such form as the Company may require signed by such adult postponing his rights (if any) in the Property or its proceeds or any part of them or either of them to the rights and remedies hereunder of the Company and agreeing not to exercise any such rights against or in competition to the Company
- 5.3** The Company shall be at liberty at such intervals as it thinks fit to require the Borrower to state who is in occupation of the Property and whether there has been any change in such occupancy since the date when information was last given to the Company and so often as the Company so requires the Borrower shall at his own expense provide the Company with the information so required.

6. BORROWER'S COVENANTS

The Borrower covenants and agrees with the Company as follows:-

- 6.1** To comply with the terms and conditions contained in the Offer of Mortgage
- 6.2** Without delay and in a proper manner to complete any buildings in the course of construction on the Property and in any event within such period of time as the Company shall require
- 6.3** To repair and keep in good and substantial repair and if necessary to rebuild or reinstate all buildings and other erections service media and fixtures now or at any time during the subsistence of the Mortgage in or upon the Property
- 6.4.1** To permit the Company and any person authorised by the Company to enter into the Property at all reasonable hours during the day time to view the state and condition of the same and to leave at the Property notice in writing of all defects decay and wants of reparation there found
- 6.4.2** Forthwith after service of such notice well and substantially to repair and make good all such defects decays and wants of reparation and in default to permit the Company with or without workmen to enter upon the Property to carry out such repair or making good and any money so expended by the Company shall be deemed to be properly paid and be added to the Amount Secured
- 6.5** To observe and perform the restrictive and other covenants and stipulations affecting the Property and if the Property be leasehold the covenants and provisions on the tenant's part contained in the Lease and to keep the Company indemnified against any breach or non-observance or non-performance of the same
- 6.6** Punctually to pay all rents rates taxes and outgoing and impositions payable in respect of the Property and to keep the Company indemnified against the same
- 6.7** To pass on to the Company forthwith upon receipt a copy of any notice received by the Borrower from the Reversioner complaining of any breach of covenant or other provision of the Lease
- 6.8** Not to do anything on the Property which may prejudicially affect any insurance thereof or which may increase the premium payable for any such insurance and to give written

- notice to the Company at any time when the Borrower shall cease to occupy the Property for three months or more or if the Property shall be left vacant for 28 days or more
- 6.9** Not to do anything on the Property in contravention of any legislation from time to time in force relating to town and country planning
- 6.10** To observe and perform all the requirements and regulations of the local and other competent authorities concerning the Property
- 6.11** To pass on to the Company forthwith upon receipt a copy of any notice or other proposal for a notice or order served under any statute order regulation or by-law on the Borrower and of any other matter which will or might adversely affect the value of the Property and if so required by the Company to make or join in making such representations in respect thereof as the Company may reasonably require at the Borrower's expense
- 6.12** Not without the written consent of the Company to make any structural or material alteration to the Property or institute any change of use
- 6.13** Not to purport to enter into any transaction of a kind forbidden by Condition 5 hereof save with the consent of the Company where required by that Condition
- 6.14** Not to apply under the Housing or other Acts for the time being in force for any improvement grant in respect of the Property without the prior written consent of the Company nor to allow the Property to become subject to any statutory charge which ranks in priority to the Mortgage
- 6.15** The Borrower shall pass to the Company forthwith a copy of any notice that he may serve or receive to extend the Lease or to acquire the freehold of the Property or to acquire an interest in the freehold of the building of which the Property forms part under the provisions of the Leasehold Reform Act 1967 the Landlord and Tenant Act 1987 or the Leasehold Reform Housing and Urban Development Act 1993 and within one month of the execution of any extended lease or the acquisition of the freehold of the Property or an interest in the freehold of the building of which the Property forms part as a result thereof the Borrower will deliver such extended lease or the title deeds to the freehold or to his interest therein to the Company and (if required) will execute at the Borrower's cost a fresh mortgage to the Company in such form as the Company may require of all the Borrower's estate and interest in the Property or the freehold thereof following the grant of such extended lease or the acquisition of the freehold or any interest therein
- 6.16.1** If title to the Property is unregistered in the event of any Caution being registered against the First Registration of the Property at H.M. Land Registry or if title to the Property is registered in the event of any Caution against Dealings being registered against such title to furnish to the company full particulars of the circumstances relating to such registration
- 6.16.2** If such Caution shall have been registered in order to protect a purported interest the creation of which is contrary to the obligations of the Borrower under these Conditions forthwith at his own expense to take such steps as shall be required to ensure that the same is removed
- 6.17** If and so long as the title to the Property or any part thereof is not registered under the Land Registration Acts 1925 to 1997 no person shall during the continuance of this security be registered under the said Acts as proprietor of the Property or any part thereof without the consent in writing of the Company and upon any such registration the Borrower will forthwith deliver to the Company all Land Certificates relating to the Property unless such certificates are deposited with the Land Registry
- 6.18** To pay to the Company on demand such service charge as the Company shall from time to time fix together with all legal costs and other expenses incurred in connection with any application for consent required under these Conditions whether or not such consent is granted such a service charge to be added to the Amount Secured
- 6.19** Not to mortgage or charge the Property or any part thereof whether at law or in equity without the previous written consent of the Company
- 6.20** Not to deal (save in accordance with the Company's instructions) in any way with any claim for compensation (howsoever arising) in respect of the Property
- 6.21** To execute and do all such assurances acts and things as the Company may require for protecting the security constituting the Mortgage and shall from time to time and at

all times execute and do all such assurances acts and things as the Company may require for perfecting the said security or for facilitating the sale of the Property and the exercise by the Company or the Receiver of all powers authorities and discretions hereby conferred on the Company and/or the Receiver.

7. ALTERATIONS TO THE PROPERTY

- 7.1** The Borrower may request the Company to obtain a Property Valuation before making improvements or alterations to the Property costing more than £10,000
- 7.2** Once the improvements or alterations to the Property have been completed the Borrower may request the Company to obtain a further valuation within one month of completion of the said improvements or alterations
- 7.3** For the purposes of calculating the Valuation Difference and the Shared Appreciation Amount any Property Valuation obtained under Condition 2 shall be adjusted as follows:-
- (a) there shall be ascertained the amount by which the valuation obtained under Condition 7.2 exceeds the amount of the valuation obtained under Condition 7.1 ("the Improved Value Difference")
 - (b) the Improved Value Difference shall be divided by the amount of the valuation obtained under Condition 7.2 (the resultant figure being called "the Factor")
 - (c) there shall be deducted from the Property Valuation obtained under Condition 2 the aggregate of:-
 - (i) the Factor multiplied by the amount by which the Property Valuation obtained under Condition 2 exceeds the valuation obtained under Condition 7.2, and
 - (ii) the Improved Value Difference
- 7.4** The Company will not adjust the Property Valuation unless Conditions 7.1 to 7.3 inclusive are met.

8. EVENTS OF DEFAULT

The Amount Secured shall be immediately repayable to the Company and the statutory power of sale shall arise and be exercisable:-

- 8.1** If there is default in payment of any monies due under these Conditions

- 8.2** If there is a breach of any other obligation on the part of the Borrower contained in the Mortgage or these Conditions
- 8.3** If the Borrower shall have a petition or bankruptcy order made against him or shall propose a voluntary arrangement under the Insolvency Act 1986 or shall petition the court for his own bankruptcy or shall suffer any distress or execution to be levied on the Property or any chattels therein
- 8.4** If there has been any material mis-statement in or omission from the information given by the Borrower on the basis of which the Initial Advance or any subsequent advance is made
- 8.5** On the whole or any part of the Property being compulsorily acquired or requisitioned or becoming liable to be so acquired or requisitioned
- 8.6** If any building on the Property shall be demolished or injured whereby the value of the Property is reduced
- 8.7** If any judgement against the Borrower remains unpaid for more than seven days after the date thereof
- 8.8** If the Guarantor shall fail to perform or observe any of the covenants conditions and obligations on his part contained in the guarantee he has given to the Company
- PROVIDED THAT** any delay on the part of the Company in enforcing its rights hereunder or the giving of time or other indulgence shall not affect or diminish the Company's rights hereunder against the Borrower.

9. THE COMPANY'S POWERS

At any time after the Amount Secured or any part thereof has become repayable the Company may without notice to or concurrence by the Borrower:-

- 9.1** Take possession of the Property and in so doing shall be deemed to be the agent of the Borrower with authority at his expense to remove store preserve sell or otherwise dispose of any chattels and any livestock at the Property without being liable to the Borrower for any loss incurred in connection therewith and the net proceeds of sale thereof shall be paid to the Borrower on demand and the Company shall not have the right to retain or set off such proceeds of sale against the Amount Secured
- 9.2** Exercise all the powers conferred upon it as Mortgagee by the Law of Property Act 1925
- 9.3** Appoint the Receiver in which case the following provisions shall apply:-

- 9.3.1** The Company may from time to time determine the remuneration of the Receiver and may remove the Receiver and appoint another in his place
- 9.3.2** The Receiver shall (so far as the law permits) be the agent of the Borrower (who shall alone be personally liable for his acts defaults and remuneration) and shall have and be entitled to exercise all powers conferred by the Law of Property Act 1925 in the same way as if the Receiver had been duly appointed thereunder and in particular by way of addition to but without hereby limiting any general powers hereinbefore referred to (and without prejudice to any of the Company's powers) the Receiver shall have power in the name of the Borrower or otherwise to do the following things namely:-
- 9.3.2.1** to take possession of collect and get in all or any part of the Property and for that purpose to take any proceedings as he shall think fit
- 9.3.2.2** to commence and/or complete any building operations on the Property or any part thereof and to apply for and obtain any planning permissions building regulation approvals and any other permissions consents or licences in each case as he may in his absolute discretion think fit
- 9.3.2.3** to raise money from the Company or others on the security of the Property or otherwise
- 9.3.2.4** to provide such facilities and services for tenants and generally to manage the Property in such manner as he shall think fit
- 9.3.2.5** if the Property is leasehold to vary the terms of or surrender the Lease and/or to take a new lease of the Property or of any part thereof on such terms as he shall think fit and/or to acquire either an extension to the Lease or the freehold of the Property under the Leasehold Reform Act 1967 the Landlord and Tenant Act 1987 the Leasehold Reform Housing and Urban Development Act 1993 and so that any such new lease or extended lease or the freehold of the Property (as the case may be) shall ipso facto become charged to the Company on the terms hereof so far as applicable and to execute a formal legal charge over any such new lease or extended lease or the freehold of the Property (as the case may be) in favour of the Company in such form as it may require
- 9.3.2.6** to sell let or lease or concur in selling letting or leasing and to vary the terms of terminate or accept surrenders of leases or tenancies of the Property or any part thereof in such manner and for such term with or without a premium with such rights relating to other parts thereof and containing such covenants on the part of the Borrower and generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as in his absolute discretion he shall think fit
- 9.3.2.7** to accept the consideration for the sale of the Property or any part thereof by way of instalments (whether secured or not) and to grant options to third parties for the sale of the Property or any part thereof
- 9.3.2.8** to make any arrangement or compromise which the Company or he shall think fit
- 9.3.2.9** to make and effect all repairs improvements and insurances
- 9.3.2.10** to appoint managers officers contractors and agents for the aforesaid purposes upon such terms as to remuneration or otherwise as he may determine
- 9.3.2.11** to do all such other acts and things as may be considered to be incidental or conducive to any of the matters or powers aforesaid and which he lawfully may or can do
- 9.3.2.12** if the Lease requires the tenant thereunder to be a member of a Management Company to execute a stock transfer form in respect of any shares herein held by the Borrower
- PROVIDED NEVERTHELESS THAT** the Receiver shall not be authorised to exercise any of the aforesaid powers if and insofar and so long as the Company shall in writing exclude the same whether in or at the time of his appointment or subsequently
- 9.3.3** All powers of the Receiver hereunder may be exercised by the Company whether as attorney of the Borrower or otherwise and whether or not the Receiver has been appointed
- 9.4** Grant a lease or leases (whether in its own name or in that of the Borrower) of the whole or any part or parts of the Property with such rights relating to other parts thereof and containing such covenants on the part of the Borrower and generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as the Company in its absolute discretion shall think fit and to this end the statutory powers of sale leasing and accepting surrenders exercisable by the Company hereunder are hereby extended so as to authorise such acts

PROVIDED THAT in no circumstances shall the Company be liable to account to the Borrower as a mortgagee in possession or otherwise for any monies not actually received by the Company.

10. INDEMNITY

- 10.1** The Borrower covenants with the Company fully to indemnify the Company and the Receiver and each of them against all claims proceedings liabilities costs charges and expenses which either the Company or the Receiver may incur in consequence of anything done or purported to be done by the Company or the Receiver under the authority of these Conditions or of any failure by the Borrower to comply with his obligations to the Company hereunder or otherwise in connection herewith or in consequence of any payment in respect of the Amount Secured (whether made by the Borrower or a third person) being impeached or declared void for any reason whatsoever
- 10.2** Any sums payable under Condition 10.1 shall be added to the Amount Secured.

11. POWER OF ATTORNEY

The Borrower hereby irrevocably and by way of security appoints the Company and the Receiver jointly and severally his attorney and attorneys for him and in his name and on his behalf and as his act and deed or otherwise to sign seal and deliver and otherwise perfect any deed assurance agreement instrument or act which may be required or may be deemed proper:-

- 11.1** For any of the purposes set out in Condition 9 hereof and without prejudice to the generality of the foregoing to execute the legal charge referred to in Condition 9.3.2.5 hereof
- 11.2** To settle and adjust with the insurers of the Property any claim under any insurance policy in respect of the Property
- 11.3** To execute a Transfer of any Share Certificate or other Certificate of Membership referred to in Condition 13 hereof to any person to whom the Property may be conveyed transferred or assigned
- 11.4** For any of the purposes of these Conditions or the Mortgage or of any deed or instrument supplemental thereto
- 11.5** To give effect to Condition 6.21.

12. EXCLUSIONS

Section 93 and 103 of the Law of Property Act 1925 shall not apply to the Mortgage.

13. MANAGEMENT COMPANIES

If the Property is comprised in a Lease and there is a Management Company which deals in any way with the management of the Property or the amenities of the Property the Borrower shall deposit on completion of the Mortgage evidence of his membership of such Management Company with the Company.

14. INDULGENCE

- 14.1** The Company's powers contained in the Mortgage or these Conditions are in addition and without prejudice to and not in substitution for all other powers and remedies of the Company under statute or common law
- 14.2** The Company may at any time or times without discharging or in any way affecting the security created by the Mortgage or any remedy of the Company grant to the Borrower or to any other person time or indulgence or abstain from effecting or enforcing any remedies securities guarantees or rights which it may now or hereafter have from or against the Borrower or any other person.

15. EXPENSES

The Expenses shall be repayable by the Borrower on demand and until repaid shall be added to the Amount Secured.

16. NOTICES

Any notice or a demand for payment by the Company shall without prejudice to any other effective method of making the same be deemed to have been sufficiently made if served on the Borrower or on his personal representatives or left or sent by post to the person to be served at his or their usual and last known place of abode or business and if sent by post shall be assumed to have reached the addressee at noon on the day following the day the letter was posted and in proving such service it shall be sufficient to prove that the notice or demand was properly addressed and posted.

In case of the death of any person a party to the Mortgage and until receipt by the Company of an Office Copy of the Grant of Probate of the Will or

Letters of Administration of the estate of the deceased any notice or demand by the Company sent by post as aforesaid addressed to the deceased at the usual or last known place of abode or business of the deceased shall for all purposes be deemed as sufficient notice or demand by the Company to the deceased and his personal representatives.

17. DATE OF REDEMPTION

The legal date for redemption of the Mortgage is one month after the Advance Date.

18. RIGHTS OF ACTION

The Borrower shall as security for the Amount Secured and subject to redemption of the Mortgage hold in trust for the Company such rights of action (if any) as the Borrower may have against any third party either in respect of any misrepresentation that may have been made to the Borrower his servants or agents and which may have induced the Borrower to purchase the Property or in respect of any negligence relating to the Property whereby its value as security shall have been impaired or shall not be as it was understood to be at the date of the Mortgage and the Borrower will if so requested by the Company take such proceedings relating thereto as the Company shall reasonably require and in default of other provision or agreement as to the costs of the Borrower of the Company of or incidental to such proceedings the same and all other costs therein failing to be paid by the Borrower or the Company shall be paid by the Borrower.

19. CONFIDENTIALITY

The Borrower and all other persons who shall have obligations to the Company in respect of the Amount Secured irrevocably authorise the Company to pass on to any of the Company's associated companies or to any credit reference agency and/or any potential purchaser (including his advisers and insurers) or any interest of the Company (whether legal or equitable) in the Mortgage such information as it shall think fit.

20. ASSIGNMENT BY THE COMPANY

The Company may in its absolute discretion transfer assign or charge (either in law or in equity) the Mortgage and/or the benefit of the Mortgage and all other rights claims and entitlements of the Company against the Borrower and any other person to any other person at any time and from time to time and such transferee assignee or chargee shall be entitled to exercise all of the Company's rights discretions and entitlements under the Mortgage.

21. JOINT AND SEVERAL LIABILITY

If there are two or more persons comprised in the expression "the Borrower" the expressions shall throughout mean and include such two or more persons and each of them or (as the case may require) any of them that shall so far as the context admits be construed in the plural as in the singular and all covenants charges agreements and undertakings herein expressed or implied on the part of the Borrower shall be deemed to be joint and several covenants charges agreements and undertakings.

