

[NAME OF BORROWER]
[ADDRESS OF BORROWER]

("the Borrower")

[] 20[]

FACILITY LETTER

Kuflink Bridging Ltd (company registration number 07889226) whose registered office is at 21 West Street, Gravesend, Kent DA11 0BF (the "Lender"), is willing to make available to the Borrower a loan facility (**Facility**) of up to £[]**.00 (Facility Amount)** to assist with the Purpose (as defined below) subject to the terms and conditions set out in the Specific Terms and Schedule 1 (*General Terms and Conditions*) (all of which are set out below and are together, the "Letter").

SPECIFIC TERMS

Administration Fee:	£350.00 payable to the Lender on the First Drawdown Date by way of application and deduction from the Facility The Administration Fee is non-refundable.
Arrangement Fee:	£[] payable in accordance with paragraph 9.1 of Schedule 1 The Arrangement Fee is non-refundable.
Borrower:	[] [company registration number [] whose registered office is at []] [of] [] and whose email address is []].
Broker	[]
Broker Fee	£[] payable to the Broker (in addition to any Broker Procurement Fee)
Broker Procurement Fee	£[] payable by the Lender to the Broker from the Arrangement Fee
Conditions Subsequent:	[None] [or] []
Contractor	[DETAILS] (company number: [NUMBER]) or any such other building contractor appointed by the Borrower and approved by the Lender to carry out the Development in accordance with the Building Contract./[None]
Default Interest:	2.00% above the Interest Rate
Development	The construction of []
Development Advance:	£[]
Development Advance Conditions Precedent	<ol style="list-style-type: none"> 1 A certified true copy of the final Building Contract including for the avoidance of doubt, all drawings, plans, specifications in relation to the Development. 2 Evidence of the final build budget and up to date management accounts. 3 Copies of any leases/pre-contract sales (if any). 4 A certified copy of each Collateral Warranty, duly signed by the relevant parties. 5 Evidence satisfactory to the Lender that the Borrower has procured all NHBC (or equivalent) approvals, consents or authorisations as necessary to undertake the Development.

	<p>6 Evidence satisfactory to the Lender that the Borrower has procured the registration of the Property and the Development by the appropriate builders and contractors with NHBC (or equivalent).</p> <p>7 Evidence satisfactory to the Lender of the credentials of each Professional engaged to carry out the Development.</p> <p>8 Evidence of the appointment of each Professional.</p> <p>9 Evidence of the financial standing of the Contractor.</p> <p>10 Evidence of the professional indemnity insurance cover for the Contractor and each Professional.</p> <p>11 A charge over the Building Contract.</p> <p>12 A duly completed utilisation request by the Borrower pursuant to paragraph 5.2.</p> <p>13 Evidence satisfactory to the Lender's solicitors as to the VAT status of the Borrower.</p> <p>14 No Cost Overrun exists, or if a Cost Overrun exists, the Lender is satisfied in its absolute discretion that the Borrower (or, as the case may be, the Shareholder) has met or will meet such Cost Overrun.</p> <p>15. Any other documentation required by the Lender.</p>
Exit fee:	£[] payable in accordance with paragraph 9.2 of Schedule 1
Initial Advance:	£[]
Initial Conditions Precedent:	<p>1. The Finance Documents duly executed by the Borrower.</p> <p>2. In relation to registered property, a priority search against the Property carried out in favour of the Lender giving not less than 20 Business Days priority beyond the date of the Security Documents executed by the Borrower and in relation to unregistered property, a Land Charges search against the Property carried out in favour of the Lender giving not less than 20 Business Days priority beyond the date of the Security Documents executed by the Borrower.</p> <p>3. A clear bankruptcy search for each individual.</p> <p>4. Arrangements satisfactory to the Lender must have been made for:</p> <p>(a) the delivery to the Lender or its solicitors of all title deeds including copies of any occupational leases relating to the Property (if applicable);</p> <p>(b) the registration of the Security Documents at the Land Registry and Companies House (or equivalent if applicable);</p> <p>(c) payment of all taxes and filing fees in connection with the Security Documents; and</p> <p>(d) payment of SDLT in relation to the Property (if applicable).</p> <p>5. Evidence of discharge of any existing mortgagee.</p> <p>6. Evidence that the fees, costs and expenses then due from the Borrower pursuant to this Letter have been paid or will be paid on or before the first Drawdown Date.</p> <p>7. A satisfactory completion undertaking from the Borrower's solicitor.</p>

	<p>8. Compliance with the Lender's "know your client" requirements.</p> <p>9. Where the Borrower is an individual, satisfaction of any of the Consumer Credit Act or other regulatory exemptions.</p> <p>10. Such other documents, evidence, assurance, consent or other comfort as the Lender may require or consider desirable.</p>
Interest:	Interest payable in accordance with paragraph 8 of Schedule 1
Interest Payment Date:	The last day of each Interest Period.
Interest Period:	Each Calendar Month.
Interest Rate	[]% per month
Legal Fees:	£[] plus VAT and disbursements incurred or to be incurred by the Lender in relation to the Facility and payable in accordance with paragraph 9.4 of Schedule 1.
LTV Percentage	the Loan to Market Value ratio being []%
Net Advance:	The sum available to the Borrower after the deductions from the Facility in accordance with this Letter which is approximately £[]
Non-utilisation Fee	A fee equivalent to []% of the undrawn element of the Development Advance allocated for drawdown in each Calendar Month or part thereof during which such element remains undrawn
Property:	The freehold land being [] and registered at the Land Registry with title number [] including any part of it and all buildings, structures, fixtures and fittings.
Purpose:	The Facility shall be used towards the purchase and development of the Property.
Renewal Fee:	£[] payable in accordance with paragraph 9.3 of Schedule 1 (<i>General Terms and Conditions</i>) together with a renewal administration fee of £495.00.
Repayment Date:	[] Calendar Months from the First Drawdown Date.
Retained Interest	£[]
Retained Interest Period	the period from each Drawdown Date to the Repayment Date
Security Documents:	<p>Each in the Lender's standard form:</p> <ol style="list-style-type: none"> 1. Legal charge to be granted by the [Borrower] [] in favour of the Lender over the Property (the "Legal Charge"). 2. A restriction over the Property. 3. A form CH2 in respect of the Property. 4. A [joint and several] unlimited guarantee and indemnity in favour of the Lender for the obligations of the Borrower from []. 5. A debenture to be granted over the assets and undertaking of the Borrower. 6. Such other security as the Lender may require.
Additional Terms	<p><u>Property Protection Loan</u></p> <p>The Lender may (at its discretion) make an additional loan or loans (each a "Property Protection Loan") available to the Borrower to fund the payment of any amount which in the opinion of the</p>

	<p>Lender is necessary to avoid a material adverse effect on the value of, or income generated by, the Property.</p> <p>The Lender is irrevocably authorised to sign a drawdown notice in respect of the Property Protection Loan and to pay the proceeds of any Property Protection Loan direct to the person entitled to the relevant payment. Any Property Protection Loan shall be treated as a Loan and accrue interest accordingly and shall be repayable on the Interest Payment Date after its utilisation.</p> <p>The above terms are in addition to those terms and conditions in Schedule 1 (General Terms and Conditions) and in the event there is any inconsistency, the Additional Terms shall prevail.</p>
<p>Acceptance of offer:</p>	<p>The Lender reserves the right to withdraw this offer at any time before the first Drawdown Date if any fact, matter or circumstance arises or comes to the Lender's notice which in the Lender's absolute discretion the Lender considers might affect the Lender or any misrepresentation, fraud or dishonesty on the Borrower's part comes to the Lender's notice.</p> <p>Please confirm the Borrower's acceptance of the offer in this Letter by signing the enclosed duplicate of this Letter and returning the same to the Lender within 10 Business Days' of today's date and failing which, this offer shall lapse without any liability or commitment on the Lender's part.</p>

Yours faithfully
 For and on behalf of Kuflink Bridging Ltd

.....
 Director

Notice details:

Address: 21 West Street, Gravesend, Kent DA11 0BF

and/or by email to: borrowers@kuflink.com

in each case marked "For the attention of: The Directors "

[INDIVIDUAL BORROWER LOANS ONLY - DELETE FOR CORPORATE BORROWER/S]

IMPORTANT - YOU SHOULD READ THESE CAREFULLY

DECLARATIONS OF EXEMPTION

[TO BE USED FOR AN INVESTMENT PROPERTY LOAN OR A SECOND CHARGE BUSINESS LOAN OR A BUY TO-LET LOAN FOR BUSINESS PURPOSES]

Declaration for exemption relating to businesses

(Articles 60C and 60O of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001)

I am entering into this agreement wholly or predominantly for the purposes of a business carried on by me or intended to be carried by me.

I understand that I will not have the benefit of the protection and remedies that would be available to me under the Financial Services and Markets Act 2000 or under the Consumer Credit Act 1974 if this agreement were a regulated agreement under those Acts.

I understand that this declaration does not affect the powers of the court to make an order under section 140B of the Consumer Credit Act 1974 in relation to a credit agreement where it determines that the relationship between the creditor and the debtor is unfair to the debtor.

I am aware that, if I am in any doubt as to the consequences of the agreement not being regulated by the Financial Services and Markets Act 2000 or the Consumer Credit Act 1974 then I should seek independent legal advice.

Signed.....Borrower

Signed.....Borrower

[ALSO TO BE SIGNED BY EACH BORROWER WHEN OBTAINING EITHER AN INVESTMENT PROPERTY LOAN, A SECOND CHARGE BUSINESS LOAN, OR A BUY-TO-LET LOAN FOR BUSINESS PURPOSES]

Declaration for exemption relating to businesses

(Articles 61 and 61A of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001)

I am entering this agreement wholly or predominantly for the purposes of a business carried on by me or intended to be carried on by me.

I understand that I will not have the benefit of the protection and remedies that would be available to me under the Financial Services and Markets Act 2000 if this agreement were a regulated mortgage contract under the Financial Services and Markets Act 2000.

I am aware that, if I am in any doubt as to the consequences of the agreement not being regulated by the Financial Services and Markets Act 2000, then I should seek independent legal advice.

Signed.....Borrower

Signed.....Borrower

Kuflink Specimen



[DELETE FOR LOANS SOLELY TO CORPORATES] IMPORTANT NOTE TO INDIVIDUAL BORROWER/S: PLEASE ALSO SIGN THE DECLARATIONS AT PAGE 5

THIS DOCUMENT WHEN SIGNED WILL IMPOSE LEGALLY BINDING OBLIGATIONS ON YOU. YOU ARE ADVISED TO TAKE INDEPENDENT LEGAL ADVICE ON THE EFFECT OF THIS LETTER AND YOUR POTENTIAL LIABILITIES.

I hereby accept, agree and confirm the terms and conditions of this Letter.

.....
[.....]
[for and on behalf of [.....]]

Date: 20[]

in the presence of:

Witness Signature:

Witness Name:

Address:

.....

.....

Kuflink Specimen

SCHEDULE 1

GENERAL TERMS AND CONDITIONS

1. Definitions

In this Letter, except where the context requires otherwise:

"**Additional Term(s)**" has the meaning given to it in the Specific Terms;

"**Arrangement Fee**" has the meaning given to it in the Specific Terms;

"**Availability Period**": the period of 10 Business Days from and including the date of the Borrower's acceptance of this Letter and thereafter at the Lender's discretion.

"**Building Contract**" means any fixed price building contract made (or to be made) between the Borrower and the Contractor in respect of the Development which shall include:

- (a) the plans, drawings and specifications pertaining to the Development; and
- (b) the Development Appraisal.

"**Business Day**" means a day (other than a Saturday or a Sunday) on which banks are open for business in the City of London;

"**Calendar Month**" means each period of one month from and including the First Drawdown Date

"**Certified Value**" means the cost of works required to be carried out at the Property as certified by the Valuer in relation to a utilisation request by the Borrower under paragraph 5.2.

"**Charged Property**" means the Property and all assets charged pursuant to the Security Documents;

"**Collateral Warranty**" means each collateral warranty granted by the Contractor or a Professional in favour of the Lender (incorporating step-in-rights) in form and substance satisfactory to the Lender.

"**Contractor**" has the meaning given to it in the Specific Terms;

"**Cost Overrun**" means the amount certified by the Valuer as the estimated and/or actual excess of any of the Development Costs from time to time over and above any such costs shown as incurred or to be incurred in the Development Appraisal as that appraisal stands on or about the date of this Agreement, including compensation or payments of damages to any party in connection with the Development.

"**Default**" means an Event of Default or any event or circumstance specified in paragraph 15 (*Events of Default*) which would be an Event of Default;

"**Development**" has the meaning given to it in the Specific Terms;

"**Development Advance**" has the meaning given to it in the Specific Terms;

"**Development Appraisal**" means a detailed appraisal of the Development prepared by or on behalf of the Borrower and approved by the Lender, which shall include details of the proposed Development Costs, a construction programme and cashflow projections.

"**Development Costs**" means the costs, fees and expenses incurred or to be incurred by or on behalf of the Borrower in connection with the Development.

"**Drawdown Date**" means the date on which the Loan or an advance under the Facility is, or is to be, drawn down;

"**Event of Default**" means any of the events or circumstances described in paragraph 15 (*Events of Default*);

"**Exit Fee**" has the meaning given to it in the Specific Terms;

"**Facility**" means the loan facility described in the first paragraph of this Letter and at Paragraph 2 (*Facility*)

"Facility Amount" has the meaning given to it in the first paragraph of this Letter;

"Fee Tariff" means the tariff of fees set out at Schedule 2 to this Letter

"Finance Documents" means:

- (a) this Letter;
- (b) Security Documents; and
- (c) any other document designated as such by the Lender and the Borrower;

"First Drawdown Date" means the date that any part of the Facility is first drawn

"Guarantee" has the meaning given to it in the Specific Terms (if any);

"Guarantor" means any person who grants a guarantee in favour of the Lender in relation to the obligations of the Borrower owed to the Lender under the Facility;

"Initial Advance" has the meaning given to it in the Specific Terms;

"Initial Conditions Precedent" has the meaning given to it in the Specific Terms;

"Interest" has the meaning given to it in the Specific Terms;

"Interest Payment Date" has the meaning given to it in the Specific Terms;

"Interest Period" has the meaning given to it in the Specific Terms;

"Legal Charge" has the meaning given to it in the Specific Terms;

"Loan" means the aggregate principal amount of advances made under the Facility drawn down hereunder and outstanding from time to time but which shall not exceed (in aggregate) the Facility Amount together with any accrued and/or capitalised interest and other sums accrued or due hereunder;

"Loan to Completed Value Ratio" at any time the amount of the outstanding Loan as a percentage of the Market Value of the Property (assuming practical completion has occurred in relation to the Development) determined by the Valuer.

"LTV Percentage" has the meaning given to it in the Specific Terms;

"Market Value" the 180 day market value of the Property as determined by the Valuer.

"Material Adverse Effect" means any effect or event which, in the opinion of the Lender is likely to:

- (a) be materially adverse to the ability of the Borrower (or any Guarantor) to perform its obligations under the terms of any Finance Document and/or to the business, assets or financial condition of the Borrower or any Guarantor; or
- (b) cause any of the Finance Documents not to be legal, valid, binding and enforceable or (in the case of the Security Documents) not to create valid and enforceable Security Interests over all assets it purports to do so; or
- (c) be materially adverse to any right or remedy of the Lender under any Finance Document;

"Perfection Requirements" means:

- (a) where applicable, registration of particulars of any Security at the Companies Registration Office under the Companies Act 2006 and payment of associated fees;
- (b) registration of any Security over a Property at the Land Registry or Land Charges Department in England and Wales and payment of associated fees; and
- (c) any appropriate registrations, filings or notifications of the Finance Documents as specifically contemplated by any legal opinion delivered under this Letter or as otherwise necessary;

"Purpose" has the meaning given to it in the Specific Terms;

"Professional" means the architect, engineer, surveyor or any other consultant with a design responsibility appointed by the Borrower and approved by the Lender in connection with the Development.

"Property" has the meaning given to it in the Specific Terms;

"Renewal Fee" has the meaning given to it in the Specific Terms;

"Renewal Terms" such terms as the Lender shall specify in writing as applying on extension of the term including without limitation, payment of a renewal fee calculated as a percentage of the Loan balance, and payment of or increase to a redemption fee;

"Repayment Date" has the meaning given to it in the Specific Terms;

"Retained Interest" has the meaning given to it in the Specific Terms;

"Security Documents" means the security documents listed as such in the Specific Terms;

"Security Interest" means any mortgage, charge (whether fixed or floating), assignment by way of security, pledge, lien, trust, any form of distress, attachment, execution or other legal process or any type of encumbrance or security or any other type of arrangement (including any sale and lease back or sale and repurchase arrangement) having or intended to have a similar effect;

"Security Period" means the period starting on the date of this Letter and ending on the date on which all of the obligations and liabilities owed to the Lender under the Finance Documents have been discharged in full to the Lender's satisfaction and the Lender has no continuing liability (actual or contingent) to the Borrower in respect of the Facility;

"Specific Terms" means the Specific Terms set out in this Letter and the terms defined therein not otherwise defined shall have the meaning therein ascribed

"Valuer" a valuer or surveyor retained by the Lender to provide a report or valuation of the Property including the cost of works.

Interpretation

In this Letter, any reference to:

- (a) the "Lender", the "Borrower", any "Guarantor" and any other person shall be construed so as to include their successors in title, personal representatives, estate, permitted assigns and transferees;
- (b) an "amendment" includes a supplement, variation, novation or re-enactment (and "amended" is to be construed accordingly);
- (c) a "Finance Document" or any other document is a reference to that Finance Document or other document as amended, restated, extended, varied or novated in accordance with the terms thereof or, as the case may be, with the consent of the relevant parties and (where such consent is, by the terms of the Finance Documents or the relevant document, required to be obtained as a condition to such amendment, extension, variation or novation being permitted) the prior written consent of the Lender;
- (d) a "guarantee" includes an indemnity or other obligation (whatever called) of any person:
 - (i) to pay, purchase or provide funds (whether by the advance of money, the purchase of or subscription for shares or other investments, the purchase of assets or services, the making of payments under an agreement or otherwise) for the payment or indemnity against the consequences of default in the payment of, or otherwise be responsible for, any indebtedness of any other person; or
 - (ii) to be responsible for the performance of any obligations by or the solvency of any other person,and "guaranteed" and "guarantor" shall be construed accordingly;
- (e) "indebtedness" includes any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent having the commercial effect of a borrowing or raising of finance;
- (f) a "month" means a Calendar Month

- (g) a "person" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
- (h) a "regulation" includes any regulation, rule, official directive, request, guideline or concession (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (i) a Default (excluding an Event of Default) is "continuing" if it has not been remedied or waived to the satisfaction of the Lender and an Event of Default is "continuing" if it has not been waived to the satisfaction of the Lender;
- (j) if there shall be more than one person named as Borrower, then each person named shall be jointly and severally liable for the obligations and liabilities of the Borrower arising under this Letter;
- (k) references to paragraphs and schedules are references respectively to paragraphs of Schedule 1 (General Terms and Conditions) and the schedule or schedules to this Letter, unless otherwise stated;
- (l) "its" or "it" shall be read and construed as references to "his" and "him" or "her" as applicable;
- (m) "property" or "Property" includes each and every part of it, including all land, buildings, fixtures (including trade fixtures) and fixed plant and machinery, furnishings, fittings, equipment, decoration and other structures now or in future on it and all easements and rights attaching to it;
- (n) references to any enactment are references to such enactment as re-enacted, amended or extended; and
- (o) paragraph and schedule headings are for convenience only and shall not affect the construction of this Letter.

2. Facility

- 2.1 The Lender grants to the Borrower, upon the terms and subject to the conditions of this Letter, a loan facility in an aggregate maximum amount equal to the Facility Amount.
- 2.2 The Facility shall be secured by the Security Documents.
- 2.3 The Initial Advance may be drawn by the Borrower on any Business Day during the Availability Period subject to the Borrower giving the Lender at least 5 Business Days' prior notice all or part of which notice period the Lender may waive at its discretion.

3. Purpose

- 3.1 The Borrower shall use the Loan for the Purpose.
- 3.2 The Lender shall not be bound to monitor or verify the application of the proceeds of the Loan or the consequences of such application.

4. Conditions precedent

- 4.1 The Lender will only be obliged to make the Initial Advance under the Facility when it has received, in form and substance satisfactory to it, the Initial Conditions Precedent (any of which it may waive at its discretion). The Lender shall notify the Borrower upon being so satisfied.
- 4.2 The Lender will only be obliged to make the Development Advance under the Facility when it has received, in form and substance satisfactory to it, the Initial Conditions Precedent, the Development Advance Conditions Precedent and if:
 - (a) the Loan to Completed Value Ratio following drawdown will not exceed the LTV Percentage; and
 - (b) the Valuer has confirmed that the projected costs of the development do not exceed the undrawn balance of the Facility and that the work for which payment is requested has been completed.
- 4.3 The Lender will only be obliged to make available any advances under the Facility to the Borrower if on the proposed Drawdown Date, no Default has occurred and no Default would arise by reason of the making of the advance.

5. Advance

- 5.1 The Facility less interest and charges payable pursuant to this Letter shall be utilised by the Borrower as follows:

- (a) an initial advance, to be transferred by the Lender's solicitors to the Borrower's solicitors on drawdown in one single amount, equal to not more than the LTV Percentage of Market Value such sum not to exceed the Initial Advance; and
- (b) subject to paragraphs 4.2 and 5.2 further advances, to be transferred by the Lender's solicitors to the Borrower's solicitors on drawdown, equal to the Certified Value, the aggregate of such advances not to exceed the Development Advance; and
- (c) a provision to cover interest for the anticipated term of the Loan equal to the Retained Interest (if any) which shall be retained by the Lender on drawdown.

5.2 The Borrower shall submit a request for utilisation under paragraph 5.1(b) not less than 7 Business Days before the date of a proposed drawdown. The Lender shall endeavour to instruct the Valuer to determine the Certified Value prior to the date of the proposed drawdown but shall have no liability to the Borrower for any delay.

5.3 The costs of the Valuer instructed pursuant to paragraph 5.2 will be payable by the Borrower on demand or, at the discretion of the Lender, may be deemed to be an advance added to the principal amount of the Loan.

6. Repayment

6.1 The Loan (and all other amounts due but unpaid under the Finance Documents) shall be repaid in full on demand and in any event, subject to paragraph 6.3, on or before the Repayment Date.

6.2 Unless repayable pursuant to paragraph 15 or unless the Lender otherwise demands or agrees the Loan shall not be repaid before the expiration of 3 months from the First Drawdown Date.

6.3 At the request of the Borrower the Lender may in its absolute discretion agree to extend the Repayment Date beyond the period set out in the Specific Terms in which event the Renewal Terms shall apply unless the Borrower notifies the Lender in writing, within 5 Business Days of delivery of the Renewal Terms, that it does not wish to accept the Renewal Terms, in which case the Term shall not be extended. For the avoidance of doubt the Loan shall remain repayable on demand notwithstanding any agreement to extend the Term.

6.4 The Loan to Completed Value Ratio shall not at any time be more than the LTV Percentage.

6.5 In the event that at any time the Loan to Completed Value Ratio exceeds the LTV Percentage the Borrower shall immediately pay to the Lender by way of reduction of the principal amount of the Loan such sum as is necessary to reduce the Loan to Completed Value Ratio to the LTV Percentage.

7. Prepayment

7.1 If for any reason it becomes unlawful in any applicable jurisdiction for the Lender to perform any of its obligations as contemplated by this Letter or to fund the Loan, the Facility will be immediately cancelled and the Borrower shall repay the Loan (and all other amounts due but unpaid under the Finance Documents) immediately.

7.2 If the Borrower intends to prepay the Loan prior to the Repayment Date the Borrower shall give to the Lender not less than 5 Business Days' prior written notice of such intention and must prepay the Loan in full within 20 Business Days of the expiry of such notice (time to be of the essence) failing which such notice will be deemed to have been withdrawn.

7.3 The Borrower shall repay the Loan in full (together with all interest accrued but not paid thereon and all other amounts owing hereunder including fees) on the date of any disposal of any part of the Property.

7.4 No amount repaid or prepaid may be redrawn. Any repayment or prepayment under this Letter shall be made together with any accrued interest on the amount prepaid. No prepayment or repayment of the Loan may be made other than in accordance with this Letter.

8. Interest and Default Interest

8.1 The Loan shall bear interest in respect of each Interest Period at the Interest Rate specified in the Specific Terms.

8.2 Interest shall accrue in advance and shall be retained by the Lender in respect of each Retained Interest Period or if so specified in the Specific Terms shall be capitalised with the Loan or serviced by the Borrower in the manner stated.

- 8.3 An Interest Period shall not extend beyond the Repayment Date. If any Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that Calendar Month (if there is one) or the preceding Business Day (if there is not).
- 8.4 The first Interest Period shall commence on the first Drawdown Date. Each following Interest Period shall commence on the termination of the preceding Interest Period.
- 8.5 If the Lender cannot make an advance on any proposed Drawdown Date as a consequence of any delay or act or adverse circumstance on the part of the Borrower following a request for any advance of the Loan the Borrower shall pay to the Lender interest at the Interest Rate for the period from the proposed Drawdown Date until the actual Drawdown date and such interest shall at the option of the Lender be retained from the relevant advance or payable on demand or shall be added to and capitalised with the Loan.
- 8.6 Interest shall be payable throughout any period during which the Loan or any part of it remains due to the Lender on a monthly basis until the end of the Calendar Month in which the Loan is repaid in full and (for the avoidance of doubt) no credit shall be afforded on the repayment of the Loan or any part of it in respect of any balance of any interest accrued or due during or for the Calendar Month in which the Loan or any part of it is repaid for the period up to the expiry of such Calendar Month
- 8.7 On the occurrence of any Event of Default, the Borrower shall pay interest (both before and after judgment) at the Default Rate on all sums due from the Borrower to the Lender for each Calendar Month in which such Event of Default subsists and such interest shall be payable on demand by the Lender and in the absence of demand or payment shall be capitalised and compounded with the Loan monthly.
- 9. Fees, costs and expenses**
- 9.1 The Borrower shall pay to the Lender the Arrangement Fee and authorises the Lender to deduct it from the Facility Amount on the First Drawdown Date.
- 9.2 The Borrower shall pay to the Lender any Exit Fee on the Repayment Date or if earlier the date on which the Loan either becomes repayable or is repaid in full.
- 9.3 The Borrower shall pay to the Lender the Renewal Fee set out in the Specific Terms on the date that the Lender agrees to renew or review this Letter if the Loan is not repaid in full on the Repayment Date.
- 9.4 The Borrower shall pay to the Lender the Lender's legal fees set out in the Specific Terms and authorises the Lender to deduct such amount from the drawdown amount and shall pay and authorises the Lender to deduct such further legal fees and VAT and disbursements as may be incurred in relation to any sums drawn from the Loan after the First Drawdown Date.
- 9.5 The Borrower authorises the Lender to deduct the Broker's Fee (if any) from any drawdown amount and to pay any existing mortgagee direct.
- 9.6 The Non-utilisation Fee shall accrue to and be capitalised to the Loan at the expiry of each Calendar Month.
- 9.7 The Borrower shall promptly on demand pay to the Lender any fees that become due in accordance with the Fee Tariff together with any Value Added Tax thereon.
- 9.8 If the Borrower requests an amendment, waiver or consent it must, within three Business Days of demand, reimburse the Lender for the amount of all costs and expenses (including legal fees) reasonably incurred by the Lender in responding to, evaluating, negotiating or complying with that request or requirement.
- 9.9 The Borrower shall, within three Business Days of demand indemnify the Lender against any cost, loss or liability incurred by the Lender in relation to all stamp duty, registration and other similar taxes payable in respect of any Finance Document.
- 9.10 The Borrower shall on demand indemnify the Lender for all costs and expenses in connection with the Finance Documents including taking and releasing security, preserving, defending or enforcing the Lender's rights, communicating with the Borrower, if the Borrower is in breach, professional fees and costs together with all VAT thereon.
- 10. Payments**
- 10.1 All payments to the Lender shall be made without set-off or counterclaim and (save as required by law) without any deduction or withholding whatsoever (including for tax). If any deduction or withholding is required by law, the Borrower shall increase the payment so that the Lender receives the amount due to it before the deduction or withholding. Any amount which, but for this paragraph, would fall due for payment hereunder on a day which is not a Business Day shall be payable on the next succeeding Business Day.

10.2 Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days.

11. **Other indemnities**

The Borrower shall, within three Business Days of demand indemnify the Lender against any cost, loss or liability incurred by the Lender as a result of the occurrence of any Default or a failure by the Borrower to pay any amount due under a Finance Document other than on its due date.

12. **Representations and warranties**

The Borrower hereby represents and warrants to the Lender on each day throughout the Security Period that:

- (a) its obligations undertaken in each Finance Document to which it is a party are legal, valid, binding and enforceable obligations;
- (b) where the Borrower is a corporate entity, it is a limited liability entity duly incorporated and validly existing under the laws of the jurisdiction of its incorporation and has full power and authority to enter into the Finance Documents and to borrow the full amount of the Facility, and to perform all of the obligations expressed to be assumed by it thereunder and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents;
- (c) it is the sole legal and beneficial owner of the Charged Property with good, valid and marketable title;
- (d) subject to the Perfection Requirements, all authorisations required or desirable:
 - (i) to enable the Borrower to lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and
 - (ii) to make the Finance Documents to which the Borrower is a party admissible in evidence in its place of residence and in England and Wales;have been obtained or effected and are in full force and effect;
- (e) the entry into and performance by the Borrower of its obligations under the Finance Documents and the granting of the Security do not and will not conflict with and do not exceed any limit contained in:
 - (i) any law or regulation applicable to the Borrower; or
 - (ii) any agreement or instrument binding upon the Borrower or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument;
- (f) it has not taken any action nor have any legal proceedings or other procedure or step been taken, started or threatened in relation to anything referred to in paragraphs 15.1(e), 15.1 (h), 15.1 (j), 15.1 (k) and 15.1 (l);
- (g) there are no covenants, agreements, stipulations, reservations, conditions, interests, rights or other matters whatsoever (subject to any qualifications in any relevant report or certificate of title) which adversely affect any Property;
- (h) it has not received any notice of any claim by any person in respect of ownership of any Property or any interest in it, nor has any acknowledgement of any such claim been given to any person in respect of any Property;
- (i) no Default is continuing;
- (j) all factual information provided by or on behalf of the Borrower to the Lender from time to time and the Lender's solicitors in connection with the Facility and/or each valuation from time to time is true, complete and accurate in all material respects and does not contain any misleading statement or omit to state a material fact;
- (k) the Borrower is not aware of any facts or matters not disclosed in writing to the Lender the omission of which makes any such information, forecasts or opinions misleading in any material respect or the disclosure of which might have caused the Lender not to enter into this Letter;
- (l) the Borrower does not reside or intend to reside and no member of the Borrower's family resides or intends to reside at the Property; and

(m) where the Borrower includes any an individual or individuals any and all such have sought legal advice on and acknowledge the nature and implications of the declarations for exemption relating to businesses contained within this Letter.

13. Undertakings

The Borrower undertakes that, during the Security Period, it shall (and/or shall procure the same):

- (a) obtain and promptly renew from time to time and comply with all the terms and conditions of all authorisations, approvals, consents, licences and exemptions;
- (b) promptly effect all filings, registrations and notarisations;
- (c) promptly comply with all other requirements in any such case as may from time to time be required under any applicable law or regulation to enable it to exercise its rights or perform its obligations under the Finance Documents or to ensure the validity or enforceability of the Finance Documents;
- (d) observe and perform all covenants, stipulations and conditions to which the Charged Property or the user thereof is now or may hereafter be subjected and (if the Lender so requires) produce to the Lender evidence sufficient to satisfy the Lender that such covenants, stipulations and conditions have been observed and performed and (without prejudice to the generality of the foregoing) as regards any lease under which the Property or part of the Property is held duly and punctually pay all rents due or to become due thereunder and perform and observe all the covenants and conditions on the part of the tenant which are therein contained;
- (e) apply all proceeds received under any insurance in respect of the Charged Property in repairing or reinstating the Charged Property unless an Event of Default has occurred and then the proceeds shall be used to discharge the Loan and any other sums so due under the Finance Documents;
- (f) procure that the Charged Property is maintained in good and substantial repair and condition;
- (g) effect and maintain such buildings and other insurances over the Property as may be appropriate and shall produce evidence of such cover to the Lender on request
- (h) not (without the prior written consent of the Lender):
 - (i) sell, assign, transfer, lease, licence, share occupation of part with possession or otherwise dispose of (or purport to sell, assign, transfer, lease, licence, share occupation of, part with possession or otherwise dispose of) all or any part of the Charged Property or of the equity of redemption of the Charged Property or any interest in any such Charged Property;
 - (ii) create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party;
 - (iii) create or allow to exist any Security Interest over the Charged Property other than the Security Documents or the Permitted Security;
 - (iv) enter into any onerous or restrictive obligations affecting the Charged Property or any part thereof or create or permit to arise any overriding interest or easement or right whatever in or over the Property or any part thereof;
 - (v) other than as required for the purpose of giving effect to the Development or in accordance with the terms of this Letter, to effect or make any application for planning permission or implement any planning permission obtained or enter into any agreement or undertaking under Section 106 of the Town and Country Planning Act 1990 or Section 33 of the Local Government (Miscellaneous Provisions) Act 1982 or Sections 38 or 278 of the Highways Act 1980 or any other similar act or acts and shall comply or procure compliance in all respects with any conditions attached to any planning permissions relating to or affecting the Property;
 - (vi) other than for the purpose of giving effect to the Development or in accordance with the terms of this Letter, to effect or carry out or permit any demolition, reconstruction or rebuilding or, any structural alteration to, or material change in the use of, the Property; and
 - (vii) other than for the purpose of giving effect to the Development or in accordance with the terms of this Letter, sever, unfix or remove any of the fixtures (except for the purpose of repair or of replacing the same with new or improved models or substitutes) on the Property.

14. Information undertakings

During the Security Period the Borrower shall promptly:

- (a) notify the Lender of any Default promptly upon becoming aware of its occurrence;
- (b) provide the Lender with such financial and other information regarding the Borrower, the Charged Property or any Guarantor as the Lender may from time to time reasonably require;
- (c) provide the Lender with such information as may be requested from time to time to satisfy the Lender's "know the Borrower's customer" requirements;

15. Events of Default

15.1 There shall be an Event of Default if any of the following occur:

- (a) the Borrower, or any Guarantor, fails to:
 - (i) pay any sum due from it under any Finance Document on the due date; or
 - (ii) comply with any Additional Term;
- (b) failure by the Borrower, or any Guarantor, to comply with any other term (other than those referred to in 15.1(a) above) of the Finance Documents unless the failure can be remedied (in the sole opinion of the Lender) and is remedied within 5 days of the Borrower, or any Guarantor, being notified by the Lender or otherwise becoming aware of such failure;
- (c) any representation or warranty made or deemed to be made or repeated by the Borrower or any Guarantor, which the Lender considers material, proves inaccurate in any way;
- (d) any indebtedness of the Borrower or any Guarantor:
 - (i) is not paid when due;
 - (ii) becomes due and payable, or capable of being declared due and payable, prior to its specified maturity for any reason; or
 - (iii) any guarantee or indemnity or any other assurance against financial loss given or assumed by the Borrower or any Guarantor is not honoured when due or called upon;
- (e) the value of the assets of the Borrower is less than its liabilities taking into account contingent and prospective liabilities;
- (f) there is a significant drop in the value of the Borrower's or any Guarantor's business or any asset charged pursuant to the Security Documents;
- (g) any procedure is used to attach or take possession of any asset of the Borrower and such attachment or procedure is not discharged within 7 days of commencement;
- (h) the Borrower or any Guarantor suspends payment of its debts or is, or is deemed for the purposes of any applicable law to be, unable to pay its debts as they fall due or admits inability to pay its debts as they fall due or commences negotiations with all or any class of its creditors with a view to the general readjustment or rescheduling of all or any class of its indebtedness or proposes or enters into any assignment, composition or other arrangement for the benefit of its creditors generally or any class of creditors;
- (i) where the Borrower or any Guarantor is a corporate entity, a meeting of the Borrower or any Guarantor is convened for the purpose of considering any resolution for (or to petition for) its winding-up or its administration or any such resolution is passed, or any person presents a petition for the winding-up or the administration of the Borrower or any Guarantor or any order for the winding-up or administration of the Borrower or any Guarantor is made or any other step (including petition, proposal or convening a meeting) is taken with a view to the rehabilitation, administration, custodianship, liquidation, winding-up or dissolution of, or any other insolvency or moratorium proceedings involving, the Borrower or any Guarantor;
- (j) any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer is appointed in respect of the Borrower or any Guarantor or any part of the assets of any of

them or the members of the Borrower or any Guarantor request the appointment of a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer;

- (k) any steps are taken to enforce any Security Interest over any assets of the Borrower or any Guarantor;
- (l) the Borrower or any Guarantor is declared bankrupt, compounds with its creditors or enters into a voluntary or other arrangement with its creditors or otherwise becomes unable to meet its debts and liabilities as and when they fall due or if any insolvency or bankruptcy proceedings are commenced or threatened against the Borrower or any Guarantor;
- (m) all or any part of the Property is compulsorily purchased or the applicable local authority makes an order for compulsory purchase of the same;
- (n) the Borrower or any Guarantor (who is an individual) dies or becomes mentally incapacitated or of unsound mind;
- (o) it is or becomes unlawful for the Borrower or any Guarantor to perform any of its obligations in the Finance Documents;
- (p) where the Borrower or any Guarantor is a corporate entity, the Borrower or any Guarantor suspends or ceases, or threatens to suspend or cease, to carry on its business;
- (q) any of the Finance Documents or any provision thereof is repudiated by the Borrower or any Guarantor or the validity or enforceability of any the Finance Documents is at any time contested by the Borrower or any Guarantor or the Borrower or any Guarantor denies that it has any or any further liability hereunder or the Security Interest intended to be created pursuant to the Security Documents is or becomes ineffective, invalid or unenforceable for any reason;
- (r) where the Borrower is a corporate entity, control (as defined in section 1124 of the Corporation Tax Act 2010) of the Borrower is acquired by any person or group of connected persons not having control of the Borrower on the date of this Agreement;
- (s) any authorisation from any governmental or public body, authority or court required to authorise, or required by the Borrower or any Guarantor in connection with, the execution, delivery, validity, performance, enforceability or admissibility in evidence of any of the Finance Documents is modified in a manner unacceptable to the Lender or is not granted or is revoked or terminated or expires and is not renewed or otherwise ceases to be in full force and effect;
- (t) any litigation or other legal or arbitration proceedings are current, pending or threatened in relation to the Borrower or any Guarantor or the Charged Property and the Lender considers they are material (in its opinion);
- (u) the Property is destroyed or is damaged and, in the opinion of the Lender, the destruction or damage might have a Material Adverse Effect;
- (v) the occurrence of any event which constitutes a Material Adverse Effect; or
- (w) any other circumstances occur which cause the Lender to believe that the Borrower's or any Guarantor's obligations to the Lender will not be met.

15.2 The Lender may, without prejudice to any of its other rights, on and at any time after the happening of an Event of Default and by notice to the Borrower declare that:

- (a) the obligation of the Lender to make the Facility available is terminated, whereupon the Facility shall be reduced to zero forthwith; and/or
- (b) the Loan and all interest accrued and all other sums payable under the Finance Documents have become due and payable, whereupon the same shall, immediately or in accordance with the terms of such notice, become due and payable; and/or
- (c) the Loan has become payable on demand by the Lender; and/or
- (d) the Security Documents have become enforceable.

16. Notices

16.1 Any notice or communication under the Finance Documents shall be in writing and in English and shall be delivered personally or sent by post and/or email to the following address or such other address as may have been notified by the recipient in writing:

- (a) if to the Borrower: as noted in the Specific Terms,

(b) if to the Lender: as noted below its signature.

16.2 Proof of posting or despatch of any notice or communication shall be deemed to be proof of receipt:

(a) in the case of a letter, two Business Days after having been posted;

(b) in the case of an email, when transmitted.

16.3 In the case of any notice or communication to the Lender, such notice or communication shall only be deemed delivered when actually received by the Lender.

17. **Development Covenants**

The Borrower covenants with the Lender that it shall:

17.1 all times comply with all local consents including planning permission and building regulation approval that have been obtained in relation to the Property;

17.2 take all steps as are necessary to obtain such further approvals and permission as the Valuer considers necessary;

17.3 provide such evidence as the Lender shall require that the Property has been registered with the National House Building Council, or provide such other warranty or insurance as may be requested by the Lender;

17.4 provide the Valuer with copy planning permission providing for the development of the Property together with evidence that all reserved matters have been attended to the full satisfaction of the Local Authority; and

17.5 at the request of the Lender immediately assign or novate to the Lender all collateral warranties and duty of care agreements in relation to development of the Property in a form satisfactory to the Lender in its sole discretion.

18. **Use of Information**

18.1 In considering the Borrower's application the Lender will search the Borrower's record at credit reference agencies. By signing this Letter, the Borrower consents to the Lender doing this. The credit reference agencies will add to the Borrower's record details of the Lender's search and the Borrower's application and this will be seen by other organisations that make searches.

18.2 The Lender will use a credit scoring or other automated decision-making system when assessing the Borrower's application. The Lender will also add to the Borrower's record with the credit reference agencies details of the Borrower's agreement with the Lender, the payments the Borrower make under it and any default or failure to keep to its terms and any change of address the Borrower fail to tell the Lender about where a payment is overdue. It is important that the Borrower gives the Lender accurate information.

18.3 These records will be shared with other organisations and used by the Lender and those organisations to:

(a) help make decisions about credit and credit related services such as insurance for the Borrower and persons with whom the Borrower are financially linked;

(b) trace debtors, recover debt, prevent money laundering and fraud, to manage the Borrower's accounts.

18.4 For these purposes the Lender or those organisations may make further searches. Although these searches will be added to the Borrower's record, they will not be shared with others. Again, the Borrower by signing this Letter, the Borrower consents to the Lender making these searches.

18.5 The Lender and the credit reference agencies will also use the records for statistical analysis about credit. The Lender may also use information about the Borrower to carry out market research. Fraud prevention agency records will also be shared with other organisations to help make decisions on motor, household, credit, life and other insurance claims, for the Borrower and members of the Borrower's household.

18.6 Please telephone the Lender on **01474 33 44 88** if the Borrower wants to have details of those credit reference and fraud prevention agencies from whom the Lender obtains and to whom the Lender passes information about the Borrower. The Borrower has a legal right to these details. The Borrower has a right to receive a copy of the information the Lender hold about the Borrower if the Borrower applies to the Lender in writing. An administration fee will be payable.

19. Novation and/or transfer of interests

- 19.1 The Lender may transfer, assign and/or novate the legal and beneficial interests in the Loan (or any part of it as the context admits) and the Security Documents to any person or persons together with any of its rights and/or duties under the Finance Documents and may permit any person to take over any of its rights and/or duties under the Finance Documents.
- 19.2 Without prejudice to the generality of paragraph 19.1 of this schedule, the Borrower specifically consents to the transfer, assignment and/or novation of all or part of the Loan and the Security Documents to any security trustee who may from time to time hold the same for the benefit of such person or persons entitled thereto.
- 19.3 The Borrower is hereby put on notice (and acknowledges and accepts) that the circumstances under which any transfer, assignment and/or novation pursuant to paragraphs 19.1 or 19.2 of this schedule may take place include the refinance of part or all of the Loan through an electronic mechanism operated by a person authorised and regulated by the Financial Conduct Authority for the purposes of art. 36H of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, and so as to perfect such transfer, assignment and/or novation consents to the execution:
- (a) by the Borrower upon demand of the Lender or the operator of such mechanism of any documentation (including electronic documentation) which is deemed to constitute or form an integral part of an agreement which complies in particular with art. 36H(4) of that Order; or
 - (b) by the Lender as duly appointed attorney for the Borrower of any such documentation aforesaid and for these purposes the Borrower has executed the power of attorney contained at Schedule 3 of this Letter in terms that sanction the Lender executing such documents accordingly.
- 19.4 To the extent that the Loan and the Security Documents are transferred, assigned and/or novated pursuant to this paragraph 19 the Borrower acknowledges and agrees that with effect from the date of such transfer, assignment and/or novation it owes identical obligations to each party to whom such transfer, assignment and/or novation has been made to those set out on the part of the Borrower in favour of the Lender in the Finance Documents (for the avoidance of doubt in relation to the Loan or the part or parts so transferred, and/or novated). It is further clarified that the Lender may make arrangements for multiple parties to participate in novations of any part of the Loan advanced to the Borrower under this Facility.
- 19.5 Other than in accordance with this paragraph 19, the Borrower may not transfer, assign or novate the benefit of the Finance Documents.
- 19.6 The Lender may give to anyone any information about the Borrower or the Guarantor or the Finance Documents in connection with any proposed transfer, assignment or novation of, or financial arrangement by reference to, this Letter.
- 19.7 Notwithstanding any novation of the Loan (or novations of specific parts of the Loan), the Borrower's obligations under this Facility subsequent to the perfection of such novation or novations in relation to all payments due under this Facility to the Lender is to make them payable either to the Lender or (at the Lender's direction to the operator of the mechanism referred to in paragraph 19.3).

20. Set off

- 20.1 The Lender may set off any obligation due and payable from the Borrower under the Finance Documents against any obligation due and payable owed by the Lender to the Borrower.
- 20.2 Subject to paragraph 20.3 all payments made by the Borrower under the Finance Documents shall be made in full, without set-off counter claim or condition and free and clear of, and without any deduction or withholding.
- 20.3 If the Borrower is required by law or regulation to make any deduction or withholding from any payment due to the Lender under the Finance Documents it shall do so and shall account for it to the appropriate authority and it shall also pay to the Lender such additional amount as is necessary to ensure that the net full amount received by the Lender after the required deduction or withholding is equal to the amount that the Lender would have received had no such deduction or withholding been made.

21. Miscellaneous

- 21.1 No failure or delay by the Lender in exercising any right, power or privilege under the Finance Documents shall prevent the Lender from exercising it or any other right, power or privilege at a later date and the Lender may exercise any of the powers conferred on more than one occasion.
- 21.2 If at any time any of the provisions hereof is or becomes illegal, invalid or unenforceable in any respect, but would be legal, valid or enforceable if part of the wording were deleted or revised, then that provision shall apply with such modification as may be necessary to make it enforceable.

- 21.3 If the Borrower or any Guarantor is more than one person, the use of the word "Borrower" or "Guarantor" shall refer to such persons both together and separately and they are jointly and severally liable for the obligations under the Finance Documents to which they are a party. This means that each Borrower and Guarantor is separately responsible for performing all of its obligations, including payment, under the Finance Documents to which they are a party.
- 21.4 Any waiver by any party to this Letter of the terms of this Letter or any consent or approval to be given by any of the parties under it shall only be effective if given in writing and then only for the purpose and upon the terms and conditions if any on which it is given.
- 21.5 The invalidity unenforceability or illegality of any provision (or part of a provision) of this Letter under the laws of any jurisdiction shall not affect the validity enforceability or legality of the other provisions.
- 21.6 If any invalid unenforceable or illegal provision in the Letter would be valid enforceable and legal if some part of it were deleted the relevant provision shall apply with whatever modification as is necessary to give effect to the commercial intention of the parties.
- 21.7 No term of this Letter is enforceable under the Contracts (Rights of Third Parties) Act 1999 or otherwise by a person who is not a party to this Letter (and for the avoidance of doubt "a party to this Letter" includes any person to whom the Loan and the Finance Documents are transferred assigned or novated).
- 21.8 If the Lender issues any certificate, determination or notification of a rate or any amount payable under the Finance Documents, it shall be (in the absence of manifest error) conclusive evidence of the matter to which it relates.
- 21.9 This Letter may be executed in counterparts, each of which shall be an original, and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

22. **Disposition of Property**

The terms of the other Finance Documents and of any other agreement, document or side letter between the Lender and any Obligor are incorporated into each Finance Document to the extent required for any purported disposition of a Property or any part thereof and any other relevant charged asset contained in any Finance Document to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

23. **Governing law**

This Letter (including any non-contractual obligations arising out of or in connection with the same) is governed by, and shall be construed in accordance with, English law.

SCHEDULE 2

Fees Tariff

Each letter from the Lender to the Borrower, or any party representing the Borrower, in connection with arrears of interest or late repayment of capital (to include a formal demand in the event of default).	£25.00
Instructions to a receiver in connection with an Event of Default	£250.00
Instructions to a solicitor in connection to an Event of Default	£250.00
Considering variations to a facility post completion.	£Variable and may require legal advices and input
Each unpaid and/or dishonoured direct debit or cheque	£25.00
Mortgage exit fee - to be charged when a facility is fully repaid, to include execution by the lender of required DS1s and other deed of release of security	£50.00
Each redemption statement provided in any period of 3 months (save initial request)	£25.00
Development Monitoring Fees	£variable
Staged payment processing fee (for each tranche of a staged payment facility) - this includes the Electronic Payment Fee	£100.00
Electronic Payment fee - charged any time we are required to send funds to you, or to a third party, electronically via the banking system	£15.00
Partial release of property fee - payable if you want to remove part of the property or land from our charge.	£50.00 plus legal fees for any formal consents or releases required
Approval of proposed tenancy/lease fee - for each 'consent to let' agreement where we agree to the letting out of the security property for a set period with your existing facility	£50.00 plus legal fees for any advices required
Deed of Postponement fee - where we are asked to postpone our charge in favour of another lender.	£Variable and may require legal advices and input
Deed of Priority fee - where we are asked to agree to prioritise a charge in favour of another lender.	£Variable and may require legal advices and input
Unpaid Ground Rent / Service Charge fee - charged if we have to deal with your Freeholder to pay arrears of Ground Rent or Service Charges. We will also add to your account the cost of the unpaid Ground Rent / Service Charges that we have paid on your behalf.	£50.00 per letter or other communication plus the outstanding fees
Building Insurance Charge - if at any time during the term of the loan we become aware that the security property is not adequately insured we will arrange contingency cover. We will add to your account the cost of the cover we have arranged on your behalf.	£50.00 per letter or other communication plus the insurance premium

Consent for Another Lender Fee - where we are asked to provide consent for another lender to create a subsequent charge behind our own.	£50.00
Account Management Fee - this will be charged when 2 consecutive interest servicing payments have been missed.	£75.00
Default Management Fee - this will be charged when your account remains outstanding 2 weeks after the term of the loan has expired and no arrangement has been agreed with ourselves for additional time to pay. A further charge will be applied if you fail to meet any agreed arrangements in connection with the default.	£75.00
Asset Management Fee - we will charge this for managing a property in possession following surrender or repossession (if default interest is not being charged)	£100.00 per month
Management of Administrators/Liquidators Fee - this will be applied each month whilst we are required to liaise with and/or manage appointed administrators / liquidators	£100.00 per month
S106 Agreement Fee - where we are asked to enter into an agreement between the borrower and the Local Planning Department in connection with the borrower obtaining planning permission	£150.00 plus legal fees for any advices required
Approval of Easement or Rights of Way Fee - When you ask us to review and consent to new easements or rights of way.	£150.00 plus legal fees for any advices required

All fees are levied to cover administration and other costs and are subject to VAT as applicable.



SCHEDULE 3

Power of Attorney

1. On the date of this Letter and by way of deed the Borrower hereby irrevocably appoints the Lender to be the attorney of the Borrower and in its name and on its behalf to sign, execute, seal, deliver, and otherwise perfect any deed, transfer, assurance, agreement or instrument which the Lender may consider expedient so as to facilitate the consent from the Borrower to the to the transfer, assignment and/or novation of all or part of the Loan and the Security Documents contemplated by paragraphs 19.1 to 19.3 of Schedule 1 of this Letter.
2. The Borrower covenants with the Lender that if required to do so it shall ratify and confirm all transactions entered into by the Lender in the proper exercise of its aforesaid powers as attorney for the Borrower.

Executed as Deed by [])
 as Borrower [acting by a Director])
 in the presence of:)

 [Borrower] [Director]

Witness Signature:

Witness Name:

Address:

Executed as Deed by [])
 as Borrower [acting by a Director])
 in the presence of:)

 [Borrower] [Director]

Witness Signature:

Witness Name:

Address:

