

FACILITY AGREEMENT INCORPORATING LEGAL CHARGE

The Lender is prepared to grant a facility in the terms set out below, subject always to the Lender's Terms and Conditions, the special Conditions, the Charge and the Guarantee.
Account Number 510135

Lender

Registered Office: T

Borrower(s)

Mr (Registered in England No. and Mrs of:

Securities and
Guarantors
Facility
Terms

A 1st Priority Legal Mortgage over the Freehold Property
Land To Rear Of
£120,000 (One Hundred and Twenty Thousand Pounds)
Period of the Facility is 9 months only from completion.
Interest will be charged on a day to day basis on the balance of all sums debited to the borrower's account with the lender and for the time being outstanding.
The rate of interest shall be 1.75% per month. All payments received will be credited first to outstanding interest.

Occupancy

Confirmation is required from the Borrower's Solicitors that the Mortgaged Property is purchased with vacant possession and that no Tenancies or Licenses have been created over the Mortgaged Property.

Insurance

The Mortgaged Property is to be insured by the Borrower under a Developers All Risks Policy with a minimum contract works cover of £300,000.
A copy of the schedule and confirmation that the policy is on risk is to be provided by the borrower prior to release of funds.

Solicitors

For the Lender:

For the Borrower:

Special
Conditions

- (a) Method of Repayment - Due to the short-term nature of this agreement, written confirmation is required from the Borrower's Solicitors stating the intended method of repayment upon expiry of the facility.
- (b) Occupancy - Neither the Borrowers nor any of their immediate relatives intend to occupy the Mortgaged Property and warrant that they shall not occupy the Mortgaged Property during the life of the agreement. Breach of this condition will be considered an "event of default."
- (c) Purpose of the Facility - This facility shall be used by the borrower as commercial bridging finance to construct a detached house upon the security.

TERMS AND CONDITIONS

1. Definitions and Interpretations

1.1 The following definitions apply in addition to and by way of extension of those contained in the Charge.

| | |
|----------------------|--|
| "Assignment" | Means any deed of assignment made between the Borrower and the Lender into which these Conditions have been incorporated. |
| "Borrower" | Means the person or persons to whom the Facility has been made and includes his successors in title and persons deriving title under him. |
| "Business Day" | Means a day (other than a Saturday or Sunday) on which commercial banks are open for business in London. |
| "Charge" | Means the Legal Mortgage entered into between the Borrower and Lender pursuant to this Agreement. |
| "Event of Default" | Means any of the events specified in paragraph 11 of this Agreement. |
| "Facility" | Means the sum specified within this agreement, which may be varied at the lenders discretion at any time during the life of this Agreement by notice to the Borrower in writing. |
| "Guarantee" | Means the guarantee entered into by the Guarantor and the Lender pursuant to this Agreement. |
| "Guarantor" | Means the person or company that enters into the Guarantee pursuant to this Agreement. Means |
| "Interest Rate" | interest at the rate applicable to this Agreement from time to time. |
| "Lender" | Means the Company named on page one of this Agreement, its successors and assigns which shall include without limitation the legal or equitable assignee of this Agreement and the Charge (whether by way of absolute assignment or way of security only) and those deriving title under it or them. |
| "Month" | Means calendar month. |
| "Mortgaged Property" | Means that Listed in Schedule 1. |
| "Obligors" | Means the Borrower and the Guarantor, and "Obligor" means any of a specific one of them. |
| "Offer of Facility" | Means any offer of facility made by the Lender to the Borrower and intended to be secured by a charge over the Property incorporating these Conditions. |
| "Period of Facility" | Means that as stated on page 1. |
| "Receiver" | Means any person appointed by the Lender pursuant to Section 101 of the law of Property Act 1925. |
| "Security" | Means any mortgage, charge, pledge, lien or assignment created for the purpose of security, hypothecation, encumbrance or other security interest or preferential arrangement of any kind or other agreement which has the same or similar effect to the granting of security. |
| "Special Conditions" | Means those special conditions which appear within this Agreement. |

1.2 References in this agreement to this "Agreement" are to this facility agreement, as accepted by the Borrower and as amended from time to time, and references to a time of day are to London time unless otherwise specified.

1.3 In these Terms and Conditions the masculine gender includes the feminine the singular includes the plural and vice versa and if two or more persons constitute the Borrower or the Guarantor then all covenants by the Borrower or the Guarantor contained in or implied by the Charge shall be joint and several covenants by such persons.

1.4 Any reference to any Act of parliament shall be deemed to include a reference to any statutory modification or re-enactment thereof.

2. Special conditions, Charges and Guarantees

2.1 The Special Conditions which appear on this Agreement are hereby incorporated into these Terms and Conditions.

2.2 This Agreement is subject to the Charge and Guarantee where appropriate and these Terms and Conditions will be deemed to be incorporated therein.

3. Rights of Lender

3.1 The Lender and any associated companies reserve the right to make the advance in the name of any companies within the association.

3.2 The Lender reserves the right to vary or withdraw this Agreement at any time prior to completion and such right may be exercised at the Lender's absolute discretion without any liability.

4. Interest

4.1 The Interest Rate shall be that stated on page 1 of this Agreement.

4.2 During the first 3 months of the agreement, interest shall be charged on the whole facility whether drawn or not. Thereafter, all interest payable pursuant to this Agreement shall accrue from day to day and shall be calculated on the basis of a year of 365 days and shall be debited monthly in arrears. All payments received will be credited first to outstanding interest.

4.3 In the event that sums remain outstanding upon expiry of the term of the agreement, interest on the account shall be charged at a rate of 2.9% per month until the account has been repaid in full.

5. Expenses

5.1 The Borrower will reimburse the Lender on demand for all expenses (including but not limited to: all survey fees, administration costs and travel costs) and all VAT thereon incurred by the Lender in connection with this Agreement whether or not the Facility proceeds to completion.

5.2 Acceptance by the Borrower of this Agreement shall be deemed to be an undertaking to pay and discharge all fees and to indemnify the Lender and its agents in respect thereof.

5.3 The Borrower will reimburse the Lender on demand for all expenses (including but not limited to: all legal fees, administration costs and travel costs) and all VAT under this Agreement or otherwise in protecting or enforcing its rights under this Agreement.

5.4 The Borrower will pay all stamp and other duties and taxes (if any) to which this Agreement may be subject or give rise and will indemnify the Lender against any and all liabilities with respect to or resulting from any delay or omission on the part of the Borrower in the payment of such duties or taxes.

6. Repayments and prepayments

6.1 Notwithstanding anything herein contained or implied in any other document the Facility will be repayable forthwith upon demand being made by the Lender.

6.2 Upon expiry of the agreed term, a renewal fee of 2% of the balance still outstanding will be charged to the account. A renewal fee will be payable every 6 months thereafter that the account remains outstanding.

7. Payments

7.1 All payments to be made by the Borrower under this Agreement shall be made to the Lender or such other company as the Lender may notify to the Borrower from time to time.

7.2 All payments by the Borrower to the Lender are to be made in immediately available funds.

7.3 Any payments by the Borrower must be made without set-off or counterclaim and without any deduction. If the Borrower is compelled to make any deductions the Borrower shall pay additional amounts to ensure receipt by the Lender of the full amount which the lender would have received but for such deduction.

7.4 Subject to the approval of the Solicitor by the Lender's Solicitor the Lender will telegraphically transfer all or part of the Facility on the day requested by the Borrower or the Borrower's Solicitors and that will be deemed to be the date of the advance. All fees and interest will be charged from that date.

11. Representations and Warranties

The Borrower represents and warrants to the Lender as follows:

- 8.1 That this Agreement the Guarantee and the Charge:
 - 8.1.1 Are legally binding obligations enforceable in accordance with their terms:
 - 8.1.2 Are within the powers of the respective Obligors.
 - 8.2 That no litigation or administration or arbitration proceeding before or of any court, governmental authority or arbitrator is presently taking place, pending or (to the best of the knowledge information and belief of the Borrower) threatened against or against any of the assets of the Borrower which might have material adverse effect on his assets, condition or operations or might adversely affect his ability to perform his obligations under this Agreement.
 - 8.3 That the Borrower hereby acknowledges the temporary nature of this Agreement and warrants to the Lender that he will have the means to repay this short term bridging facility together with fees and interest thereon prior to the expiration of the Period of the Facility.
 - 8.4 That the Mortgaged Property will not be occupied by anyone during the term of this Agreement without the prior written consent of the Lender.
 - 8.5 That the Mortgaged Property is offered as security with vacant possession and that the Borrowers do hereby covenant that they have no intention whatsoever of occupying the property at any time during the term of this Agreement
 - 8.6 Any valuation or survey undertaken in connection with the Facility is effected solely for the purpose of assessing the Security offered and is confidential to the Lender. The Lender gives no warranties whatsoever in connection with the structure, condition, suitability or value of any property charged to it as Security.
- ## 9. Undertaking
- 9.1 The Borrower shall not:
 - 9.1.1 Create or permit to subsist any mortgage, charge or other encumbrance over any of the Mortgaged Property without the Lender's prior consent in writing:
 - 9.1.2 Create or permit the creation of any tenancies or licences over the Mortgaged Property without the Lender's prior consent in writing.
 - 9.2 Where there are persons other than the Borrower in occupation of the Mortgaged Property who have rights in priority to the Charge created by this Agreement the Borrower will procure any such person to sign a written acknowledgement postponing any such rights for the duration of the Charge.
 - 9.3 Where there are persons over the age of 17 years residing at the Mortgaged Property who have not been stated in this Agreement the Borrower shall procure such person(s) (with the benefit of independent advice) to enter into a Deed of Consent giving the Lender priority over any rights which such person(s) may have.
- ## 10. Events of default
- 10.1 In the event of any of the following occurring during the lifetime of the agreement:
 - 10.1.1 That the borrower fails to comply with any term of this agreement other than that of payment:

Or
 - 10.1.2 That any warranty in (or in connection with) this Agreement or the Guarantee shall be or becomes incorrect
Or
 - 10.1.3 The Guarantor shall fail to comply with any clause of the Guarantee:
 - 10.1.4 That any other obligation of any if the Obligors or respective Subsidiaries become prematurely payable or the creditor in respect thereof becomes entitled to declare any such obligation prematurely payable or any such obligation is not paid when due or any security therefore becomes enforceable; or any of the Obligors or their respective Subsidiaries go into liquidation or is dissolved or a receiver or other official or creditors representative is appointed in respect or itself or any of its assets, or any of the Obligors or their respective Subsidiaries becomes insolvent for the purposes of any law, or cease or threatens to cease to carry on or a substantial part of its business, or a petition for a liquidation order or bankruptcy order in relation to any of the Obligors or their respective Subsidiaries is presented or any analogous event occurs in any jurisdiction; or
 - 10.1.5 It becomes illegal for the Lender to make or maintain any of its obligations under this Agreement:
Or
 - 10.1.6 The Borrower fails to make payment of any sum due pursuant to this agreement on the due date for payment:
Or
 - 10.1.7 That the Borrower fails to return the acknowledged notice of Sub-Charge within 1 month, then this shall be deemed an event of default by the Borrower.
 - 10.2 In the event of default by the Borrower, the Lender may:

By 7 days written notice terminate its obligations under this Agreement and/or demand immediate payment of the Facility and all other amounts payable under this Agreement and such demand shall be complied with forthwith. Interest at a rate of 2.95% per month will be added to the outstanding balance each month until repayment of the Facility.

"Waivers
- 11.1 No failure or delay by the Lender in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof or prejudice any other or further exercise by the Lender of any of its rights or remedies under this Agreement.
 - 11.2 The rights and remedies in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.
- ## 12. Transfers
- 12.1 The Lender may assign all or any of its rights under this Agreement and the Charge and change its lending office.
 - 12.2 The Borrower may not assign all or any of its rights under this Agreement or the Charge without prior written consent of the Lender.
- ## 13. Completion
- 13.1 The completion of any facility agreement is subject to the Lender's Solicitors being satisfied in all respects as to the title of the Security being offered and its suitability for mortgage purposes. Where the Security comprises a leasehold title the Lender's Solicitors will be required to confirm that the lease contains no provisions which would render it unsuitable as Security for an advance. In respect of tenanted property Solicitors acting will also be required to confirm that all rents are paid to date and leases are in standard form and that there are no outstanding disputes with tenants
- ## 14. General
- 14.1 This Agreement is consolidated with all current or future facility agreements made between the Lender and the Borrower.
 - 14.2 The Borrower acknowledges that the Lender has no further obligations to the Borrower other than those specifically mentioned in this Agreement or the Charge.
 - 14.3 If a provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not effect:
 - 14.3.1 The validity or enforceability in that jurisdiction or any other provision of this Agreement:
Or
 - 14.3.2 The validity or enforceability in any other jurisdiction of that or any other provision of this Agreement
 - 14.4 This Agreement shall be governed by and construed in accordance with English law and for the benefit of the Lender, the Borrower irrevocably submits to the jurisdiction of the English courts. Such jurisdiction shall be non-exclusive except to the extent that such non-exclusively prejudices the submission to such jurisdiction.

- (d) Costs – The Borrower is responsible for paying their own and the Lender's legal costs incurred pursuant to this agreement, whether or not it is completed..
- (e) Retention – There shall be a retention of £70,000 held by the lender, release of which, is subject to completion of further works to the lender's satisfaction.
- (f) Planning Permission – The Borrower's solicitors are required to confirm that current planning consent exists for the proposed development of the security property and provide satisfactory documentary evidence of the same.
- (2) Pre-Commencement Conditions – The pre-commencement conditions on planning consent no. 2 from Council and numbered 3, 9 and 12 must be discharged prior to drawdown of the loan. Written confirmation from the council of discharge must be submitted to the lender for approval.
- (b) Building Regulations Approval – The Borrower's solicitors are required to confirm that the proposed development of the security property has received building regulations approval, and provide documentary evidence of the same.
- (i) Supervision – The proposed development is to be supervised by a qualified Architect employed by the Borrower who will provide to the Lender, Stage Inspection Certificates during the construction and a Final Certificate on completion.
- (j) Set Up Fee – A set up fee of 2% of the Facility will be charged to the account after completion.
- (k) Minimum Interest Charge – During the term of this facility there shall be a minimum interest charge payable equal to 3 months interest on the whole of the facility, not including fees.
- (l) Exit Fee – Upon full or part repayment of the facility, an exit fee of 2 months interest, on the amount repaid, shall be charged to the borrower's account.

Schedule 1: The Freehold Property of: Land To Rear Of

All Borrowers and Guarantors must sign the copy of this Agreement by way of acceptance.

Signed:

Signed:

Name: _____ Date: _____
(Borrower/Guarantor/Director/Co Secretary)

Name: _____ Date: _____
(Borrower/Guarantor/Director/Co Secretary)

Signed:

Signed:

Name: _____ Date: _____
(Borrower/Guarantor/Director/Co Secretary)

Name: _____ Date: _____
(Borrower/Guarantor/Director/Co Secretary)