

MORTGAGE CONDITIONS 2013

These conditions have been prescribed under the Rules of Beverley Building Society.

1. INFORMATION CLAUSE

The Rate of Interest and the Monthly Payments are variable under the provisions hereinafter contained. Whether or not abatements or concessions are voluntarily granted the Borrower may be required under these mortgage terms to make such Monthly Payments from time to time as will be sufficient to redeem the Mortgage and any Advances as nearly as may be within the Mortgage Term specified.

2. INTERPRETATION

So far as the context admits

- (a) "Advance" means each and every sum which we advance to you on the security of the Mortgage (including each and every Further Advance and re-advance).
- (b) "the Borrower" means the person who is named in the Mortgage Deed and includes his successors in title and assigns.
- (c) "Costs" include the costs, charges, fees and expenses of the Society and its Solicitors, Surveyors or Agents of or incidental to the making of the original Advance (whether or not prior to the date hereof) or Advances and all such incurred in relation to the Property or the due conduct and protection or enforcement of the security, including any litigation on a full indemnity basis.
- (d) "Default Rate" means the interest at the rate that the Society, in its absolute discretion, thinks fit to apply as its Standard Variable Rate at any one time.
- (e) "the Guarantor" means the person who is named in the Mortgage Deed and includes his personal representatives.
- (f) "Environmental Notice" means any notice issued under the provisions of S78A to S78YC of the Environmental Protection Act 1990 or S161A of the Water Resources Act 1991 which relates to the Property or any neighbouring property.
- (g) "Further Advance" means any amount subsequently advanced to the Borrower after the original Advance.
- (h) "Monthly Payments" means such calendar monthly sums as are required wholly to redeem the Mortgage as nearly as may be within the initial

repayment period specified in the Offer of Advance (or as amended under the Rules or by written agreed variation).

- (i) “Mortgage” means the agreement between the Borrower and the Society including these conditions, the Offer of Advance, Mortgage Deed and any other agreement the Society makes with the Borrower in connection with the Advance or any Further Advance.
- (j) “Mortgage Deed” means the signed document giving the Society a Mortgage over the Property.
- (k) “Mortgage Term” means the period stated in the Offer of Advance as the period in which the Borrower must repay the Advances including any Further Advances and all interest and other Costs payable under the Mortgage.
- (l) “Offer of Advance” means the written Mortgage offer from the Society to the Borrower.
- (m) “Payment Day” means the day in every month upon which the monthly payment is payable.
- (n) “Policy” means any policy of life assurance which we require to be taken out or kept under the terms of any Offer of Advance and any policy replacing the same.
- (o) “Property” means the property as defined in the Mortgage Deed including fixtures and fittings as well as any additions or alternations.
- (p) “Rate of Interest” means interest at the rate or rates applicable to the Mortgage as stated in the Offer of Advance. However, the Society may vary the Rate of Interest in accordance with clause 5 of these Terms and Conditions.
- (q) “the Rules” means the rules of the Society from time to time in force including any adopted or altered after the date hereof.
- (r) “the Redemption Money” means all monies outstanding for the time being on the security of this Mortgage and Mortgage Deed.
- (s) “the Society” means the Beverley Building Society of 57 Market Place, Beverley HU17 8AA and includes its successors and assigns.
- (t) “Special Mortgage Scheme” means any schedule of special or additional Terms and Conditions the Society enters into with the Borrower as set out in the Offer of Advance.

- (u) “Servicing Charges” includes all outlays by the Society (other than “Costs”) and fire insurance, mortgage protection or other premiums or otherwise for the benefit and protection of the Borrower or the Property or on the making good of any default by the Borrower under these conditions or fines under the Rules.
- (v) “Year” means 1st January to 31st December inclusive.
- (w) “Whole Debt” means the total amount outstanding from time to time including any Advances, interest, Further Advances or other money which has become due from the Borrower to the Society under these conditions, the Rules or any other agreement between the Borrower and the Society.

References to any provision of any Act of Parliament include that provision as updated or altered at any time whether before or after the date of the Mortgage.

Covenants of more than one person are joint and several covenants.

Words importing the masculine gender also include the feminine gender.

Words importing the singular number include the plural number.

3. RULES

The Mortgage Deed and these Mortgage Conditions incorporate the Rules for the time being of the Society. The Borrower is a member of the Society and as such will observe and perform the Rules.

4. REPAYMENT COVENANT

- (a) The Borrower agrees to repay the original Advance and all Further Advances together with interest and all other monies payable hereunder or under the Rules within the Mortgage Term.
- (b) The Borrower will pay to the Society Monthly Payments on the first Payment Day and on the Payment Day in every month thereafter until the original Advance and all Advances together with interest and all other monies payable hereunder or under the Rules have been fully satisfied.
- (c) The Payment Day shall be notified to the Borrower by the Society.
- (d) If any Advance is made the Borrower will pay such increased Monthly Payments as the Society may require in respect of the Advance or of the Redemption Money after the Advance is made.

- (e) If on realisation of its security by the Society the net proceeds shall be less than the Redemption Money the Borrower will forthwith pay the deficiency together with interest until payment. The Society will not release its charge over the Property unless the Redemption Money shall be paid to the Society.
- (f) The Borrower will forthwith repay to the Society all Costs and Servicing Charges at any time outstanding.
- (g) At the discretion of the Society, payments made may be credited in priority against all or any Costs or Servicing Charges.

5. INTEREST

- (a) The Society shall be entitled to classify its Advances by reference to type of Advance, type and user of premises, amount, repayment terms and conditions and other factors it deems relevant and from time to time to vary such clarification.
- (b) The Rate of Interest payable hereunder is and shall be, specified in the Offer of Advance.
- (c) The Rate of Interest shall be charged by the Society until the Mortgage is redeemed.
- (d) The Rate of Interest will be calculated on the daily balance outstanding at the beginning of each day and debited on the last day of every month after which such interest will itself carry interest until payment.
- (e) In the event that the Borrower is in arrears with two Monthly Payments, the Society reserves the right, in its absolute discretion, to transfer the Borrower from the agreed Rate of Interest to the Default Rate.
- (f) The terms and conditions applicable to a Mortgage granted under a Special Mortgage Scheme are as defined in the schedule attached to, and forming part of, the Offer of Advance.
- (g) Where the Borrower's Rate of Interest is variable, the Society may from time to time vary the Rate of Interest for the reasons set out in clause 5(h) below.
- (h) The Society reserves the right to vary its interest rates to reasonably respond proportionately to changes in any of the following:

- (i) any change in the Bank of England Base Rate;
- (ii) any changes in rates offered by other major banks and/ or financial institutions in the UK Mortgage market;
- (iii) any change in the fees that the Society is obliged to pay to the Financial Services Compensation Scheme;
- (iv) any changes which affect the cost of funds to the Society including any changes to the money market rates;
- (v) any changes in the rates offered by the Society to its savers and depositors or any other change in the cost of the Society's retail deposits;
- (vi) any changes to the law or codes of practice, a decision or recommendation made by, or a requirement of, a Court, Ombudsman or other competent body;
- (vii) any changes to proportionately reflect other legitimate cost increases or reductions associated with providing the particular product or service.

If the Society varies the rate of interest, in accordance with a reason set out in Clause 5 (h) above, the Society will give the Borrower written notice at the earliest opportunity and at least 30 days before any variation in the Rate of Interest takes effect. The notification will include details of what the Rate of Interest is varied to and the resulting increase or decrease in the Borrower's monthly payment.

- (i) In the event that the Society varies the Borrower's Rate of Interest for one of the reasons listed in Clause 5(h) above, the Borrower will be given the right to redeem the Mortgage immediately free from any early redemption charge.
- (j) The provisions of this Deed shall as from the date whenever any variation of rate takes effect be construed as referring to interest at the Rate of Interest as varied for the time being.

6. MONTHLY PAYMENTS

- (a) The Society will calculate and notify to the Borrower in the Offer of Advance the Monthly Payments which it requires the Borrower to make.
- (b) The Society will calculate Monthly Payments with a view to ensuring that:

- (i) where the Monthly Payments are expressed in the Offer of Advance to be of a capital and interest sum the Monthly Payments will repay the Whole Debt by the end of the Mortgage Term; and
 - (ii) where the Monthly Payments are expressed in the Offer of Advance to be of an interest only sum the Monthly Payments will pay all interest, insurance and other Costs arising during the Mortgage Term with the Advance being repaid to the Society at the end of the Mortgage Term from some other source.
- (c) The Society may from time to time by written notice (in accordance with clause 19) vary the Monthly Payments so as to ensure that the Whole Debt is repaid at the end of the Mortgage Term and so as:
 - (i) to take account of any increase or decrease in the Rate of Interest in accordance with clause 5 above; or
 - (ii) to take account of any partial repayment of an Advance; or
 - (iii) to include any additional amount which we may require to be paid in respect of an Advance, Further Advance, Costs, interest, arrears or any other sum owed to us.
- (d) If the Borrower is in arrears with two Monthly Payments, then where the Mortgage is not a repayment mortgage with Monthly Payments consisting of both capital and interest, the Society reserves the right, in addition to any other remedies, to convert the Mortgage to a repayment mortgage with the Default Rate and increase the Monthly Payments accordingly.
- (e) If the Borrower is in arrears with two Monthly Payments, then where the Mortgage is on a Special Mortgage Scheme the Society reserves the right, in addition to any other remedies and penalties, to convert the Mortgage to a standard variable rate and apply the Default Rate in accordance with section 6(d) above and increase the Monthly Payments accordingly.
- (f) If the Borrower defaults on payments of a Special Mortgage Scheme and is in arrears with two Monthly Payments, the Society reserves the right, in its absolute discretion, to maintain the Borrower's liability for all penalties for early redemption, as set out in the Offer of Advance, as well as to convert the Mortgage to a standard variable rate, apply the Default Rate and increase the Monthly Payments accordingly.

7. BENEFITS AFFECTING PROPERTY

The Borrower assigns to the Society:

- (a) the benefits of all covenants, rights or indemnities in any way relating to the Property;
- (b) all sums, however arising, paid or payable in relation to the Property or any damage or injury to it whether under statute or otherwise.

8. OBLIGATIONS AFFECTING THE PROPERTY

The Borrower covenants with the Society to:

- (a) promptly and without unreasonable delay complete any buildings in course of erection on the Property;
- (b) put and keep the Property and all buildings and boundaries thereon in good and substantial condition to the satisfaction of the Society;
- (c) ensure that all utilities on the Property are kept in good and working condition;
- (d) punctually pay all rents, ground rents, rates, taxes, outgoings and impositions payable in respect of the Property and to indemnify the Society against the same;
- (e) observe and perform all covenants, conditions, restrictions and obligations affecting the Property including provisions on the Borrowers part contained in any Lease under which the Property is held or to which it is subject;
- (f) observe and comply with all proper requirements, regulations and notices of the Local or other competent Authority affecting the Property and to make all applications necessary or desirable for its protection;
- (g) except with prior written consent of the Society not apply for an Improvement Grant under the Housing Acts or other statutory provision for the time being in force;
- (h) except with prior written consent of the Society not make any structural alteration to the Property or to change the existing use of the Property or any part thereof;
- (i) comply with any special conditions of the Society's Offer of Advance or Further Advance and to carry out any works of maintenance repair or improvement within the time specified in such Offer of Advance or in any undertaking whether or not there has been a retention of part of the Advance;

- (j) forthwith pay to the Society all premiums on insurance effected by the Society in accordance with the Mortgage Deed and duly and promptly enforce all or any claims which may arise;
- (k) except with the prior written consent of the Society (and upon terms of such consent) not dispose of the Property subject to the Mortgage Deed not create or allow any Mortgage, Charge or Security of any kind thereon other than in favour of the Society;
- (l) that the powers of leasing or agreeing to lease and of accepting surrender of leases conferred on a Mortgagor in possession by the Law of Property Act 1925 shall not apply to this Deed and the Borrower will not thereunder or otherwise create or agree to create any tenancy, lease or licence of the Property or part with or share the occupation or possession of the Property or any part of it;
- (m) notify the Society immediately if you become aware of any circumstances which may lead to the issue of an Environmental Notice or if an Environmental Notice is issued and in either case will provide written details of the steps you intend to take to remedy the circumstances or comply with the Environmental Notice.

Where written consent of the Society is required, it will not be unreasonably withheld.

The Society reserves the right to charge a fee to the Borrower for considering an application where the Society's written consent is required.

On default by the Borrower on any of the above covenants in this clause the Society shall be entitled but not obliged to perform the same and to enter upon the Property for the purpose and all money so expended by the Society and all costs incidental thereto shall be payable by the Borrower on demand and until payment shall be charge on the security.

The Society shall be entitled at any time on reasonable notice itself or by its agents to enter upon and inspect the Property for any of the purposes of this Mortgage.

Should any building upon the Property be left unfurnished by the Borrower, the Society may, but shall not be obliged to, complete the building, and may sell it in its then condition or with such partial works as the Society deems expedient.

9. OCCUPATION AND REDEMPTION

The Society will allow the Borrower to hold and enjoy the Property until the Redemption Money has become repayable.

- (a) The Redemption Money shall become immediately repayable to the Society if:
- (i) the Borrower defaults in the payment of any two Monthly Payments or for two months in payment of any other money due under this Mortgage;
 - (ii) there is a material breach by the Borrower under this Mortgage;
 - (iii) the Property or any part becomes the subject of compulsory purchase or requisition;
 - (iv) the Borrower commits any act of bankruptcy or enters into any composition or arrangement for the benefit of his creditors generally or being a Company enters into liquidation either voluntarily or compulsorily (except only for amalgamation or re-construction) or a receiver is appointed by any creditor of the Company.
- (b) If the Redemption Money becomes available under clause 9(a) above, the Society shall give to the Borrower not less than three months' previous notice in writing (in accordance with Clause 19) requiring payment of the Redemption Money and such Redemption Money shall be immediately repayable on the expiration of such notice.

10. CONSOLIDATION

Where in addition to this Mortgage, other property is charged to the Society in which the Borrower has any beneficial interest such charges shall be consolidated and may not be separately redeemed except upon such terms as the Society, in its absolute discretion, may decide.

11. REDEMPTION

Subject to clause 10 above and the provisions of the Offer of Advance, the Borrower may redeem at any time on payment of the Redemption Money including interest up to the day of redemption, whereupon the Society will at the Borrower's expense discharge the Mortgage.

12. REMEDIES

At any time after the Redemption Money has become immediately payable the Society may, without any previous notice to or concurrence on the part of the Borrower:

- (a) take possession of the Property;

- (b) let or agree to let the Property or any part on such tenancy or term of years as such rent and on such other terms as the Society, in its absolute discretion, may think fit and may in its discretion manage and make arrangement with any tenant or occupiers upon the property;
- (c) repair, alter or improve the Property as the Society deems fit to uphold the Property or the security;
- (d) exercise all the statutory powers conferred on mortgagees by the Law of Property Act 1925 and so that the power of sale may be exercised whether the Society is in possession or not and without any of the restrictions imposed by Section 103 of the Act;

On a sale by the Society the sale shall be by public auction, tender, private treaty or such other method of sale as the Society deems appropriate to the particular property and its condition at the time of sale.

For the purposes of the Law of Property Act 1925 the Redemption Money shall become due, and the statutory power of sale and other powers contained in Section 101 of that Act will arise, on the first payment date.

13. APPOINTING A RECEIVER

The Society reserves the right, in its absolute discretion, to appoint a Receiver on behalf of the Borrower and agree a reasonable remuneration. The Receiver will act as an agent on behalf of the Borrower and the Borrower will be liable for all their actions and fees. The Receiver shall have all the powers granted by the Law of Property Act 1925 as well as those set out below:

- (a) to sell, let or agree to let the Property or any part of the Property on such tenancy or term of years as such rent and on such other terms as he thinks fit;
- (b) to repair, alter or improve the Property as the Society deems fit to uphold the Property or the security;
- (c) to employ and pay for work to be carried out on the Property as the Receiver thinks fit.

14. FAULTY DISCHARGE OF THE MORTGAGE

The execution and delivery by the Society of a statutory receipt or instrument of discharge in respect of the Mortgage Deed shall not discharge the Borrower from personal liability if it shall subsequently be found that on redemption the amount of the Redemption Money was under-calculated or under-stated by mistake but the

Society will not rely on this clause to sustain a claim against the Borrower unless the claim is made in writing within three months of the receipt or instrument.

15. INSURANCE

The Borrower must ensure that Property is insured in accordance with the terms and or undertaking set out in the Offer of Advance with a United Kingdom insurance company acceptable to the Society throughout the Mortgage Term. The following terms must apply:

- (a) The Society's interest in the Property must be noted on the insurance policy.
- (b) The insurance policy is to cover the full value of the Property (including any professional fees and Value Added Tax). The insurance policy must cover all foreseeable risks as well as any other risks as reasonably requested by the Society.
- (c) The insurance policy must be reviewed annually or index-linked.
- (d) The Borrower will sign a declaration stating that he has complied with all the requirements as set out in section 15.
- (e) At request of the Society, the Borrower must produce to the Society evidence proving that the Borrower has complied with the all the requirements as set out in accordance with section 15.

16. CHATTELS

If on entry by the Society into possession of the Property or the appointment by the Society of a Receiver:

- (a) the Property shall contain any furniture or chattels, vehicles or livestock the Society shall (but only for this purpose) thereupon become and be the agent to the Borrower with full authority at his expense to remove, store, preserve, sell or otherwise dispose of such furniture and chattels in such manner in all respects as the Society, in its absolute discretion, shall think fit;
- (b) the Property or any part shall be let furnished then the Society or such Receiver may receive and apply the whole of the rent as if it were rent of the Property only and no apportionment of such rent, shall be made in respect of the furniture or chattels compromised in the tenancy.

This condition shall not operate to give the Society any right to any furniture or chattels or any charge or security thereon in any way to constitute the Charge a Bill of Sale.

17. TRANSFERS

- (a) The Borrower agrees that the Society may at any time, without the consent of the Borrower, sell or transfer any part or all of the rights and benefits of this Mortgage to any person or persons that the Society, in its absolute discretion, thinks fit and in such case:
 - (i) the Borrower agrees to be bound to any person or persons to whom the Society sells or transfers any part or all of the rights, benefits or obligations;
 - (ii) the transferee shall have the benefit of all the covenants by the Borrower and the provisions contained in the Mortgage and may at any time thereafter exercise all rights and remedies of the Society for securing the Redemption Money and interest but so that references in the Mortgage to the rules shall cease to have effect and every statement of fact contained in the transfer shall, as against the Borrower, be conclusive.

18. DEATH OF THE BORROWERS

- (a) On the death of the Borrower (or any one if more than one) the Redemption Monies shall become immediately payable but the Society may allow the Advance to continue upon the execution of such deeds of covenant to observe and perform the terms and conditions of this Mortgage Deed and such other terms as the Society may require, any such Deed of Covenant to be deposited with the Society.
- (b) Any document vesting the Property in a beneficiary subject to this Deed or (with the Society's consent), in a purchaser subject to the Deed shall be approved by the Society's Solicitor at the expense of the Borrower and deposited with the Society or otherwise duly completed.

19. NOTICES

- (a) Without prejudice to other methods of notice or service, a notice shall be sufficiently served upon the Borrower if sent prepaid first or second class post, addressed to the Borrower at the last known address of the Borrower or at the Property and a notice so sent shall be deemed served not later than 48 hours after it is posted.

- (b) It shall be the Borrower's obligation to advise the Society from time to time of changes of address and if the Society has reason to believe that any notice to the last known address may not be delivered it shall be sufficient to post the notice on the Property charged.

20. POLICIES OF LIFE ASSURANCE

- (a) This Provision applies to every policy of life assurance from time to time included in the Society's security.
- (b) The Society having the policy deposited with it shall have an equitable charge on the policy and the Borrower or other the Mortgagor of the Policy appoints the Society irrevocably (but subject to redemption) to be the attorney of the Mortgagor in his name to assign transfer surrender or otherwise deal with the policy and to collect the policy monies.
- (c) The Borrower or other the Mortgagor of the Policy covenants with the Society:
 - (i) not to cause or allow the policy to become void or voidable or do or permit anything by which the Society may be prevented from receiving the policy monies;
 - (ii) that if the policy becomes voidable he will do everything necessary to maintain it and if the policy becomes void he will do everything necessary to effect or (if so required) to enable the Society to effect in the Society's name a new policy on the same life and for the same amount as the old policy and the new policy will then take the place of the old one;
 - (iii) to pay the premiums punctually and produce receipts accordingly or (alternatively) to conform with any arrangement come to with the Society for making payments to the Society for transmission by it to the insurers;
 - (iv) that if the Mortgagor fails properly to keep up the policy or to effect a new policy the Society may do so;
 - (v) that instead of selling the policy the Society may surrender it to the insurers or exchange it for a fully paid policy or make such other arrangements as it thinks fit with the insurers.
- (d) The policy monies when received shall be immediately applied by the Society in discharging or reducing the indebtedness of the Borrower to the Society.

- (e) The Mortgagor (not being also the Borrower) waives all right to compete with the Society in claiming any security or money unless and until all the indebtedness of the Borrower to the Society has been discharged in full.

21. GUARANTOR

If there be a Guarantor to the Charge then:

- (a) the Guarantor covenants with the Society to observe and perform all the obligations of the Borrower under the Charge;
- (b) the Guarantor shall, as between himself and the Society, be deemed a principal debtor and not just a surety and accordingly a Guarantor shall not be discharged nor shall his liability be affected by any act, any omission or means by which his liability would not have been discharged or affected if he had been a principal debtor;
- (c) the covenant by the Guarantor at (a) above extends to and includes any Advance and interest and other monies thereon but to the extent only that such Advance is made with the consent or approbation of the Guarantor.

22. CHANGES TO OTHER TERMS:

We may change any of the other terms of the Mortgage for any of the following reasons:

- (a) the change would make the terms easier to understand or fairer to you;
- (b) as a result of a changes to the law, Regulatory Requirement, a decision or recommendation made by, or a requirement of, a Court, Ombudsman or other competent body.

Should any changes be made to the Terms and Conditions for the reasons set out in Clause 22 (a) or (b) above, the Society will give the Borrower written notice at the earliest opportunity and at least 30 days before any variation takes effect.

23. THIRD PARTY RIGHTS

The Contracts (Right of Third Parties) Act 1999 will not apply to these Conditions

24. JURISDICTION

These conditions shall be governed by the laws of England and Wales.