

TERMS AND CONDITIONS.

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1. DEFINITIONS AND INTERPRETATION

1.1 In these Conditions, unless the context requires otherwise:

Account means the account we maintain recording what you owe on your Mortgage;

Amount Owed means all monies (including any Loan, interest and Charges) which you owe us at any time on the security of the Mortgage;

Borrower and you means the person(s) named as borrowers in the Mortgage and includes all persons deriving title under you;

CFRA 1970 means the Conveyancing and Feudal Reform (Scotland) Act 1970;

CFRA Standard Conditions means the standard conditions set out in schedule 3 to the CFRA 1970;

Charge(s) has the meaning set out in Condition 8;

Conditions means these terms and conditions;

Drawdown means any additional borrowing under the Drawdown Facility;

Drawdown Facility means the facility of that name we provide under the Loan Agreement (if any) as set out in Condition 4;

Early Repayment Charge means the early repayment charge set out in the Loan Agreement;

Environmental Notice means any notice in respect of any contamination or pollution issued under any environmental legislation which relates to the Property or any neighbouring property;

Events of Default means the circumstances following which we are entitled to repossess the Property as defined in Condition 7.2;

Inheritance Protection Option is the option of that name selected in the Loan Agreement (if any) and has the meaning given in Condition 6;

Interest Rate means the rate or rates of interest which apply for the time being to the Loan or any part of the Loan (including any Drawdown) as set out in the Loan Agreement;

Leasehold Reform Acts means the Leasehold Reform Act 1967 and the Leasehold Reform, Housing and Urban Development Act 1993;

Lender, we, our and **us** means Legal & General Home Finance Limited and includes our successors, assigns and transferees whether legal or equitable and whether in relation to all or part of the Amount Owed, and may at any time mean more than one of them;

Loan means each and every sum which we lend you on the security of the Mortgage (including each and every additional borrowing you apply for and we agree and any Drawdown);

Loan Agreement means each Offer of Loan and/or other

documents issued by us to you setting out the terms and conditions on which we will make any Loan to you;

Long Term Care means the beginning of a period during which you require care or supervision which (a) requires you to be absent from the Property for a period of more than 90 consecutive days or for any period totalling 90 days or more in any period of 180 consecutive days and (b) is necessitated by or attributable to your physical or mental incapacity or cognitive impairment. A certificate signed by a medical practitioner certifying the above will (in the absence of obvious error) be conclusive evidence of this;

LPA 1925 means the Law of Property Act 1925;

Mortgage means the agreement for your Loan which is comprised of the Loan Agreement, the Mortgage Deed and these Conditions;

Mortgage Deed means the mortgage deed (or if the Property is in Scotland, the Standard Security) signed by you which includes the Conditions;

Net Sale Proceeds has the meaning given in Condition 7.5;

No Negative Equity Guarantee has the meaning given in Condition 5;

Offer of Loan means our written offer setting out the terms and conditions on which we will make a Loan to you;

Property means the property described in the Mortgage and includes each and every part of such property and all fixtures and fittings;

Proposed Sale Price means the price at which you propose to sell the Property as described in Condition 7.4 as approved by us;

Protected Percentage has the meaning given in Section 7 of the Loan Agreement;

Related Rights has the meaning set out in Condition 16;

Repayment Event has the meaning set out in Condition 7.1;

Standard Security means a standard security in accordance with the terms of the CFRA 1970 over the Property;

Tariff of Charges means our Tariff of Charges which sets out our standard fees and charges as in effect from time to time;

Valuation Price has the meaning set out in Condition 7.5

1.2 References to **person** include a body corporate.

1.3 References to **month** and **monthly** mean a calendar month.

1.4 References to **you** include your legal representatives should you die, become insolvent or become unable to manage your affairs.

1.5 Where there is more than one Borrower:

- (a) **you** and **your** refer to both of you together and each of you separately; and
- (b) if either of you dies, becomes insolvent or becomes unable to manage his affairs this will not affect the liability of the other one of you; and
- (c) your liability to us is both joint and several which means that we can enforce the Mortgage against any or both of you for the Amount Owed.

1.6 References to the masculine include the feminine and references to the singular include the plural, and the other way round in each case.

1.7 References to any provision of any law include that provision as updated or altered at any time.

1.8 Headings to these Conditions are inserted for convenience only and have no legal effect.

1.9 References to any document include all variations, replacements and amendments to that document.

1.10 In the event of any conflict between any Loan Agreement, the Mortgage Deed and these Conditions, the following order of priority will prevail:

- (a) the Loan Agreement ranking first;
- (b) then the Mortgage Deed; and
- (c) finally, these Conditions.

2. YOUR OBLIGATION TO PAY

2.1 You agree that you will pay to us the Amount Owed and any part of it in the manner and at the time(s) set out in the Loan Agreement and these Conditions.

3. INTEREST

3.1 We will calculate interest in respect of each day on the debit balance shown on your Account at the end of that day and we will enter this interest in your Account monthly on the last day of each month. Interest will be charged on accumulating interest. This means that as interest accumulates, this interest will be added to the Amount Owed each month and will also attract interest.

3.2 Payments which are credited to your Account will, once they are cleared funds, immediately reduce the balance on which interest is charged.

3.3 You will pay interest on the sums mentioned in Condition 3.1 at the Interest Rate both before and, so far as allowed by law, after any court order we obtain requiring payment.

3.4 Interest will continue to accrue on the sums mentioned in Condition 3.1 at the Interest Rate from when the Loan was advanced until the Amount Owed is fully repaid including the time from when a Repayment Event occurs until the Amount Owed is fully repaid.

3.5 For the purpose of calculating interest each day shall be treated as 1/365th of a year (or 1/366th of a year in any leap year).

4. THE DRAWDOWN FACILITY

4.1 A Drawdown Facility may be available on our lifetime mortgage products. Where there is a Drawdown Facility referred to in the Loan Agreement we agree to make available to you the Drawdown Facility subject to the terms set out in Section 14 of the Loan Agreement.

4.2 The Interest Rate charged on any Drawdown will be a fixed interest rate for the life of that Loan on terms available from us at the time you wish to draw. We will tell you what that Interest Rate is in the Loan Agreement we issue for that Drawdown.

4.3 The Interest Rate charged on any Drawdown will apply from the date you draw the Drawdown from the Drawdown Facility for the remaining life of the Loan.

4.4 Each Drawdown under the Drawdown Facility will have its own Early Repayment Charge as set out in the relevant Loan Agreement.

4.5 Availability of the Drawdown Facility is not guaranteed and in any of the following circumstances, we may withdraw your Drawdown Facility, if at any time you apply for additional borrowing:

- (a) the total amount you have borrowed, including the cash lump sum, all additional borrowing and drawdowns, plus any charges due to us (but not including the interest due to us) exceeds the amount that we would agree to lend to a new borrower (of equivalent age) in comparable circumstances. A further valuation of the property may be required. We will exclude any Protected Percentage you may have from the valuation of the property;
- (b) an Event of Default has occurred, for example you become bankrupt, as described in Condition 7.2;
- (c) we no longer offer new lifetime mortgages with drawdown facilities;
- (d) we do not hold any regulatory authorisation required to provide drawdown facilities;
- (e) you are joint Borrowers who owned the Property as tenants in common and either one of you has died;
- (f) we require you to take further financial and/or independent legal advice before you take the additional borrowing and either this advice has not been received, or you were advised against it;
- (g) another charge has been registered on the property; or
- (h) we have reason to believe the transaction is contrary to a law, regulation or code which applies to us.

We will tell you if the Drawdown Facility is withdrawn.

5. NO NEGATIVE EQUITY GUARANTEE

5.1 Your Mortgage includes a No Negative Equity Guarantee which means that there is no risk of you or your estate being left with an outstanding lifetime mortgage debt where your Property is sold for the best price reasonably obtainable, subject to Conditions 5.2 and 5.3 below.

5.2 The No Negative Equity Guarantee does not apply if you decide to repay the Amount Owed early unless you do so by a sale of the Property in accordance with Condition 7.

5.3 If you breach the Mortgage terms and we incur costs and Charges in remedying this breach, for example if you do not insure or repair the Property properly, this guarantee would not extend to those costs and Charges.

6. INHERITANCE PROTECTION OPTION

6.1 Inheritance Protection can only be selected at the outset and cannot be added or increased in the future.

6.2 If you have opted for Inheritance Protection this means that you or your beneficiaries will be entitled to the percentage of the Net Sale Proceeds of your Property which you have chosen to protect (the '**Protected Percentage**'). If you have opted for Inheritance Protection your Protected Percentage is shown in Section 4 of your Key Facts Illustration and Loan Agreement.

6.3 The Protected Percentage only applies if you (or if joint borrowers, both of you) have died or leave your Property because you need Long Term Care. If you decide to repay the Amount Owed early, or there has been an Event of Default the Inheritance Protection will not apply and you will not benefit from the Protected Percentage.

6.4 You may choose to reduce or remove the Protected Percentage in certain circumstances i.e. where you may otherwise have to repay part of the Amount Owed (for example, if you were to move to a lower value property, or wish to sell part of your Property, or want someone to move into your Property who is younger and is also to be added to the Mortgage as a new joint Borrower); or you would like additional borrowing and there would otherwise not be sufficient equity in your Property to enable you to do so.

7. REPAYMENT AND SALE OF THE PROPERTY

7.1 You must inform us immediately if a **Repayment Event** takes place or any event occurs which is likely to result in a Repayment Event taking place. A Repayment Event means the occurrence of any of the following:

- (a) the Property is sold;
- (b) you die (or, if there is more than one of you, the last survivor dies);
- (c) you go into Long Term Care (or if there is more than one of you, the survivor or both of you go/goes into Long Term Care);
- (d) the Property is no longer used as your main residence or, if there is more than one of you, the survivor ceases to use it as their main residence;
- (e) an Event of Default occurs (as defined in Condition 7.2).

7.2 An Event of Default means any of the following circumstances (also referred to in Section 7 of the Loan Agreement) following which we are entitled to take possession of the Property:

- (a) the Property not being sold within 12 months of your death (if joint Borrowers, of the death of the last Borrower) or you (or if joint Borrowers the last surviving of you) entering Long Term Care or the Property ceasing to be your main residence;
- (b) compulsory purchase or requisition of all or any part of the Property;
- (c) material false information or material omission in information given to us, including fraud or money laundering;
- (d) the Property being used other than solely as a private residence;
- (e) if you are or become bankrupt or enter into any composition or arrangement with your creditors, or you have been found by a court of competent authority to have been engaged in criminal activity; or
- (f) you are in material breach of your obligations under the Conditions or the Loan Agreement and have not remedied such breach within any reasonable period we specify/or if the breach cannot be remedied.

7.3 The Amount Owed is repayable to us by you no later than twelve months following a Repayment Event unless:

7.3.1 the Repayment Event arises as a result of (a), (d) or (e) of the definition of a Repayment Event, in which case the Amount Owed is repayable to us by you immediately following our making demand;

7.3.2 we give you notice at any time after the Repayment Event that in our reasonable opinion:

7.3.2.1 the value of the Property is less than the Amount Owed; or

7.3.2.2 the value of the Property is likely to be less than the Amount Owed within the 12 months following the Repayment Event, in which case the Amount Owed is repayable to us by you no later than the date we give you that notice.

7.4 You will be responsible for all costs and expenses involved in selling the Property. Before the Property is put up for sale, you will notify us of the proposal to sell the Property and the Proposed Sale Price. Any sale must be on terms of vacant possession being given when the sale is completed.

7.5 We will estimate in good faith the net sale proceeds that will be available on completion of the sale (after deducting all reasonable costs of sale such as legal and estate agent fees) (the '**Net Sale Proceeds**') to repay the Amount Owed on the basis of the Proposed Sale Price. If this estimate indicates the Net Sale Proceeds will not be enough to repay the Amount Owed (taking into account any Protected Percentage where you have an Inheritance Protection Option), we may (at your expense – in which case this will be a Charge) instruct a valuer to value the Property. If this valuation is higher than the Proposed Sale Price we can require the Property be sold for no less than this price (the '**Valuation Price**').

7.6 No sale of the Property may occur for less than the Proposed Sale Price (or if there is one, the Valuation Price) without our prior written consent. We will not withhold our consent if it is shown to our reasonable satisfaction that the sale is at the best price reasonably obtainable. As an alternative to giving consent we may purchase the Property ourselves at a price equal to the highest genuine offer received.

7.7 If on completion of the sale (provided the sale complies with this Condition 7) the Net Sale Proceeds are less than the Amount Owed (taking into account any Protected Percentage) you will not have to repay the shortfall subject to Condition 7.9.

7.8 Following the occurrence of the Repayment Event if in our reasonable opinion insufficient money will arise from the sale of the Property to repay the Amount Owed, then without being under an obligation to do so, we may spend such amounts of money as we reasonably see fit to make the Property more marketable (including, for the avoidance of doubt, independent surveyors' fees incurred at any time on or following the Repayment Event to establish whether insufficient money will arise from the sale of the Property to repay the Amount Owed). Such amounts will be Charges.

7.9 If we need to take action to repair the Property as a result of your failure to comply with your obligations and as a result we incur costs carrying out those repairs, Condition 7.7 will not apply to that extent and you will be required to pay us the costs we have incurred.

7.10 Net Sale Proceeds will be used firstly towards payment of the Amount Owed. Where we (or you) realise more than the Amount Owed from the sale of the Property following the Repayment Event, the surplus will be reimbursed to you or your legal representative(s) for your benefit or the benefit of your estate (as the case may be).

8. CHARGES

8.1 There are a number of fees which are set out in the Loan Agreement which are part of the price for your Loan and incurred prior to completion.

8.2 Separately there are a number of Charges which may arise through the life of your Loan. 'Charges' means all fees and expenses which we acting reasonably apply in connection with the Loan and the Mortgage, including (but not limited to) the examples given in Conditions 8.3 and 8.4. We will tell you when you have incurred a Charge. You must pay us our Charges when we ask.

8.3 We may apply reasonable Charges for items relating to the operation of the Account and where you ask us to provide a document or a service in connection with the Mortgage, whether to you or anyone else. The amount of these Charges will be set out from time to time in our Tariff of Charges. Examples of the activities under this Condition 8.3 include (but are not limited to):

- Change of ownership if you wish to add or remove a joint owner;
- Changes affecting legal title;
- Releasing of part security;
- Property transfer when you wish to transfer your lifetime mortgage to another property.

8.4 You must pay us all reasonable Charges which are reasonably incurred to safeguard our security or because you fail to fulfil an obligation you have under the Mortgage. Where we are able to make a genuine pre-estimate (based on our mortgage lending activities as a whole) of the expenses we are likely to incur, the amount of the Charges will be set out from time to time in our Tariff of Charges and will be limited to this amount. Where we are unable to make a genuine pre-estimate we will charge a reasonable amount together with any external costs which we may incur.

Examples of activities under this Condition 8.4 include (but are not limited to):

- any legal proceedings and costs relating to the Mortgage;
- exercising any of the rights or powers given to us by law or the Mortgage;
- recovering any of the Amount Owed;
- doing anything you are obliged to do under the Mortgage but fail to do so (such as insuring or repairing the Property) or remedying any other breach by you of the Mortgage;
- protecting or preserving our security.

8.5 If you do not pay a Charge within 10 days of the date we tell you it is payable then we may add it to the balance on your Account. Where we add Charges to your balance we will charge interest on them at the Interest Rate until they are repaid. Where there is more than one Interest Rate on your Account, unless the Charge relates specifically to one Loan in particular, the Charge will be applied to the Loan which incurs interest at the lowest Interest Rate.

8.6 A change that abolishes a Charge or reduces the amount of an existing Charge may be introduced by us with immediate effect and without notice. We can vary or add to the Charges set out in our Tariff of Charges for any one or more of the following reasons (which may relate to circumstances existing at the time or which we reasonably expect to apply in the future):

- (a) to respond, in a proportionate manner, to changes in the expenses which we reasonably incur (including our reasonable management and administration costs) in respect of the particular product or service provided to you;
- (b) to respond, in a proportionate manner, to changes in technology or general practice in the mortgage industry;
- (c) to respond, in a proportionate manner, to changes we may reasonably make in the products and services we provide or the activities we carry out;
- (d) to respond, in a proportionate manner, to changes in the law or the interpretation of the law, decisions or recommendations of an ombudsman, regulator or similar person, or any code of practice applicable to the conduct of our business;
- (e) to enable us to harmonise, in a reasonable manner, the Charges paid by our borrowers following any acquisition or transfer of mortgages or any takeover of, or merger with, another mortgage provider;
- (f) to correct mistakes if it is reasonable to do so.

8.7 Where changes have been made to the Charges:

- (a) these will be set out in our Tariff of Charges (where applicable) which will be provided to you at least once a year and will be available on our website; or
- (b) we will tell you when you ask us to do something which incurs a new or varied Charge.

9. INSURANCE

9.1 You must insure the Property against perils such as (but not limited to) fire, subsidence, flood, escape of water and storm as we may from time to time reasonably require or agree. Our requirements in this respect when you enter into the Mortgage will be as set out in the Loan Agreement.

9.2 It is your responsibility to make sure that the amount of insurance and risks covered are adequate.

9.3 If you fail to insure the Property we may ourselves insure it and recover all reasonably incurred costs of so doing from you. We may debit these to the Account as Charges and charge interest on them at the Interest Rate until payment as if they were Charges.

9.4 You will not permit or do anything which may make the insurance of the Property invalid.

9.5 We may retain, and are not required to account to you for, any commission on insurances arranged through any agency we hold.

9.6 Any monies which become payable under your buildings insurance policy are to be used at your option either to reinstate the Property or to be applied towards repaying the Amount Owed to us.

10. THE PROPERTY – YOUR COMMITMENTS

10.1 You agree with us as follows:

- (a) to maintain the Property in good and substantial repair and condition to our reasonable satisfaction and, where the Loan Agreement provides it is a condition of a Loan that repairs are undertaken or building works completed, you will procure these in accordance with the requirements in the Loan Agreement;
- (b) to observe and perform all legal restrictions, conditions and obligations affecting the Property or its use including those in any lease under which it is held;
- (c) punctually to pay all rates, taxes, rents, outgoings, charges and impositions payable in respect of the Property;
- (d) not without our prior written consent (which will not be unreasonably withheld) to make or allow to be made any structural or material alteration or addition to the Property or make or allow any change in the use of the Property which would require planning permission or approval under any building regulations;
- (e) to comply in all respects with all legislation (including those relating to planning and environmental matters) and all requirements and regulations of the local and other authorities which apply to the Property;

- (f) to give us any information about the Property which we may reasonably ask for;
- (g) within 7 days of your receiving any notice, order or proposal concerning the Property to produce the same to us, to make any reasonable representations about it which we ask you to make, and, (unless we instruct you to the contrary) to take all reasonable and necessary steps to comply with the same;
- (h) not without our prior written consent (which shall not be unreasonably withheld) to apply for any improvement or similar grant in respect of the Property; and
- (i) where the Property is leasehold to inform us of any notice served under any of the Leasehold Reform Acts in relation to the Property and execute in our favour in such form as we may reasonably require a legal mortgage of the freehold, or any superior lease or any new lease which you obtain;
- (j) only to use the Property as a private residence and as your main residence (and sign and return any confirmation we may reasonably require to this effect);
- (k) not to create or allow to exist any mortgage, standard security or charge or other incumbrance on the Property except for the Mortgage Deed.

10.2 Regardless of any other provision in the Mortgage:

- (a) we are not entitled to require any works to be carried out or to carry out any works ourselves in either case where such works are required either to remedy any circumstances which could lead to the issue of an Environmental Notice or to comply with an Environmental Notice;
- (b) you will immediately notify us 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;
- (c) you will permit us to inspect the Property at any reasonable time (and, where practicable, upon reasonable prior notice) including the taking of samples or the making of trial pits or boreholes;
- (d) you will not create or allow any circumstances which could lead to the issue of an Environmental Notice.

10.3 You will not do or allow to be done any of the following without our prior written consent:

10.3.1 move out of the Property (see Condition 11 Moving Home);

10.3.2 dispose of all or part of the Property;

10.3.3 allow someone to move into the Property; or

10.3.4 allow someone to move out of the Property; and you must also comply with the relevant requirements of the Loan Agreement.

11. MOVING HOME

11.1 You can transfer your lifetime mortgage to your new property if you move as long as you and the property to which you wish to move meet our lending criteria at the time – but you must tell us in advance and we must give our consent before you can move.

11.2 If you choose to repay the Amount Owed in full at this time you may incur an Early Repayment Charge. The circumstances when Early Repayment Charges are payable are detailed in Section 13 of your Key Facts Illustration and your Loan Agreement.

11.3 Your ability to move home will depend on a) any equity left after the sale of your Property, which you may need to purchase a new property and b) if you wish to keep a lifetime mortgage, our lending criteria at that time. If there is insufficient equity because of the effect of falling house prices and accumulated 'rolled-up' interest and/or you are unable to transfer all or part of your lifetime mortgage then you may not be able to move.

11.4 If you move to another property, we may require you to repay a part of the Amount Owed if the Amount Owed exceeds the amount that we would agree to lend to a new borrower (of equivalent age) in comparable circumstances. If you repay the amount we require, you will not have to pay an Early Repayment Charge. If you have Inheritance Protection and have to repay part of the Amount Owed, you may choose to reduce or remove the Protected Percentage.

11.5 If you move home, your new property will be valued by an independent valuer. You will have to pay the Valuation Fee, Administration Fee, a Property Transfer Fee, all legal fees and any moving expenses.

12. RESTRICTION ON LETTING

12.1 The statutory power of a mortgagor to lease, agree to lease and accept surrenders of leases will not apply to the Mortgage.

12.2 You will not without our prior written consent grant or agree to grant or renew any lease or tenancy of the Property or licence to occupy the Property, or part with or share possession of the Property. As a condition of giving consent we may impose reasonable conditions.

13. THE LENDER'S POWERS

13.1 For the purposes of the LPA 1925 the mortgage money will be treated as due, and the statutory power of sale (as extended by these Conditions) and the other powers contained in section 101 of the LPA 1925 will arise, one (1) month after the date of the Mortgage which is the date of completion of the Loan.

13.2 The statutory power of sale applies to the Mortgage free from the restrictions in section 103 of the LPA 1925.

13.3 If any of the Events of Default occur then regardless of any other provisions of these Conditions the Amount Owed shall immediately become due and payable on demand.

13.4 At any time after the Amount Owed has become due and payable we may without previous notice to or agreement from you:

- (a) take possession of the Property;
- (b) appoint a receiver of the Property;
- (c) sell the Property (whether or not we have taken possession); and
- (d) exercise all the other powers given to mortgagees by the LPA 1925.

13.5 At any time after the Amount Owed has become due and payable, we or any receiver appointed by us may if we or he consider it necessary or desirable for the protection of our security or the better realisation of our security, and without being treated as a mortgagee in possession or becoming liable to account as such:

- (a) carry out repairs, renewals or improvements to the Property;
- (b) carry out any building or development works on the Property and apply for and obtain any appropriate planning or other consents and approvals; and
- (c) exercise the statutory powers of leasing or accepting surrenders of leases without the restrictions contained in sections 99 and 100 of the LPA 1925; all as we or he may in our/his discretion reasonably think fit.

13.6 After taking possession of the Property we or any receiver appointed by us may, as your agent and at your expense remove, store, sell or otherwise deal with any goods or animals which you have not removed from the Property. We will not be responsible for any loss caused by our so doing. We will account to you for all proceeds received less all reasonably incurred expenses of dealing with the same.

13.7 We and any receiver appointed by us may in the exercise of our/his powers under this Mortgage employ and pay agents who shall be your agents and you will be responsible for their remuneration at such rates as we or any receiver may reasonably agree.

14. FURTHER PROVISIONS RELATING TO A RECEIVER APPOINTED BY US

14.1 A receiver appointed by us shall have all the powers conferred on mortgagees or receivers by the LPA 1925 (but without the restrictions contained in Section 103 of that Act) and on administrative receivers by the Insolvency Act 1986 Schedule 1 except insofar as these powers are expressly or impliedly excluded by these Conditions. In the event of ambiguity or conflict these Conditions will prevail.

14.2 We or any receiver shall also have power on your behalf and at your expense, and regardless of your bankruptcy, death or insanity, to do or omit to do anything which you could do or omit to do in relation to the Property. This includes (without limitation) a right for us and any receiver to:

- (a) take possession of the Property and for this purpose take any proceedings we or they think fit;

- (b) generally manage the Property including collecting and receiving rents, arranging necessary repair and maintenance of the Property, ensuring compliance with local authority requirements, maintaining, renewing or increasing insurances and serving notice under relevant housing legislation;
- (c) without restriction sell the Property (whether or not we have taken possession) for a price and on terms as we think fit;
- (d) without restriction lease or sublease (as appropriate) the Property, vary, renew, terminate, surrender or accept surrenders of leases, tenancies or licences over the Property for a price and on terms and for rent and payment as we think fit without the restrictions contained in sections 99 and 100 of the Law of Property Act 1925;
- (e) sell any freehold or leasehold reversions so created (your legal adviser can explain what these are);
- (f) exercise, on your behalf and without having to give you prior notice or obtain your consent all the powers and duties conferred on a landlord by law from time to time in force without having any liabilities or responsibilities to you as a result of doing so.

14.3 We may by written notice remove from time to time any receiver appointed by us and, whenever we may deem appropriate, appoint a new receiver in the place of any receiver whose appointment has terminated, for whatever reason.

14.4 If at any time there is more than one receiver of the Property, each receiver may exercise individually all of the powers conferred on a receiver under the Mortgage and to the exclusion of the other receiver or receivers (unless the document appointing such receiver states otherwise).

14.5 Any receiver appointed by us may or may not be one of our employees.

14.6 A receiver may charge such amount for his remuneration as we reasonably agree with him and you will be responsible for their remuneration.

14.7 Section 109(8) of the LPA 1925 shall be amended so as to allow a receiver to pay any money owing by you in such order of priority as he thinks fit.

15. OUR POWER TO ENTER AND REPAIR

15.1 While the Mortgage continues you will permit us and our agents, after reasonable notice, to enter and view the Property.

15.2 You will remedy any defect in the repair or condition of the Property within such reasonable time as we may require.

15.3 If you fail to remedy any such defect within the required time, or if you are in breach of any other obligation in these Conditions, then we or any receiver appointed by us may enter upon the Property with workmen and others and may remedy such defect or breach and recover the costs of doing so from you as Charges.

15.4 No exercise of any power contained in this Condition 15 shall make us liable as mortgagee in possession.

16. RELATED RIGHTS

16.1 In this Condition 16 **Related Rights** means:

- (a) any option to purchase the freehold or superior leasehold or a new lease of the Property;
- (b) any right to acquire further or additional shares or interests in the Property which are included in, or otherwise granted to you in, a shared ownership lease (or any documentation supplemental to or associated with such lease);
- (c) any right to receive money which becomes payable in respect of the Property or following any damage to or depreciation of the Property including money payable for mining subsidence or compulsory purchase;
- (d) any share or membership rights in a residents' association, common hold association or management company relating to the Property;
- (e) any guarantees or insurances relating to the Property including guarantees for work done to the Property; and
- (f) any other benefit or right of any kind relating to the Property or its construction or title.

16.2 As further security for the monies and liabilities secured by the Mortgage you assign the Related Rights to us and agree that we have full power to get in, exercise and deal with all the Related Rights as if we were absolutely and beneficially entitled to them.

16.3 If you receive any money in respect of any Related Rights you will hold this on trust for us in accordance with Condition 16.4 below.

16.4 Any proceeds of the Related Rights, after deducting all costs incurred by us, will be applied in reducing the Amount Owed, and any surplus will be paid to you or any other person then entitled to the same.

17. CONSOLIDATION AND REPAYMENT

17.1 You may not repay the Mortgage without at the same time repaying every other mortgage, standard security or charge which we then hold from you. Section 93 of the LPA 1925 shall not apply to the Mortgage.

17.2 Subject to Condition 17.1 you may repay the Mortgage by repaying the Amount Owed early in accordance with the terms of the Loan Agreement, (which will also set out if an Early Repayment Charge applies). If you do we will discharge the Mortgage Deed.

18. POWER OF ATTORNEY AND FURTHER ASSURANCE

18.1 As security for your obligations under the Mortgage you irrevocably appoint us, and any receiver appointed by us, together and individually to be your attorney in your name and on your behalf to execute and deliver any deed or document, exercise any rights or powers which you have in respect of the Property or the Related Rights and do anything else which we/he think necessary or desirable to protect our security under the Mortgage, or to exercise any powers contained in the Mortgage or to preserve the Property or the Related Rights or the value of the same.

18.2 You will on our request execute and deliver any deed or document, exercise any rights or powers which you have in respect of the Property or the Related Rights and do anything else which we/the receiver think necessary or desirable to protect our security under the Mortgage.

19. OUR POWER TO TRANSFER THE AMOUNT OWED, THE MORTGAGE AND OTHER SECURITY

19.1 We may at any time without obtaining your further consent transfer to any other person the benefit of all or any part of the Amount Owed, the Mortgage, any related security and all or any rights under any of the same. Any such transfer will not reduce any of your guarantees under the Mortgage.

19.2 You acknowledge that you will be bound to any such transferee in respect of the transferred obligations to the same extent as you were originally bound to us and we may release to any such transferee or prospective transferee (and their advisers) any information we hold about you, the conduct of your Account and any related securities as set out in Condition 20.

20. USE OF INFORMATION

20.1 We will decide the purposes for which and the manner in which any personal information we obtain relating to you is processed. We will process information about you in connection with our management and administration of the Mortgage and your Account. We may pass personal information about you to other companies who assist us in managing and administering the Mortgage and your Account. If we pass personal information about you on to any such company, we will ensure that the company in question is obliged to process your personal information in accordance with the Data Protection Act 1998 and our applicable standards.

20.2 We may give any details concerning the Mortgage or your Account to any other person if:

20.2.1 we are required to do so by law or by any regulatory authority;

20.2.2 we have a public duty to do so;

20.2.3 it is necessary in order to enforce any provisions of the Mortgage;

20.2.4 you ask us to give details to another person or agree that we can give such details to another person;

20.2.5 the person to whom we give the details is a person who takes over or may be entitled to take over any of our rights under the Mortgage or who is responsible for the management or administration of the Account or the Mortgage at any time; or

20.2.6 we think it is necessary or advisable to do so in connection with any transfer, sale or financing arrangement which we may enter into or consider in connection with the Mortgage.

20.3 We will use the information which you give us or which we receive from any enquiries which you permit us to make about you, for processing and administering your Account or the Mortgage, for customer service, market research, statistical analysis, audit and administrative purposes.

20.4 We may pass this information or disclose it to any third party who provides services to us in connection with your Account or the Mortgage.

20.5 We may record telephone calls that you make to us for our mutual protection and to improve our customer service standards. You have a right under the Data Protection Act 1998 to ask for a copy of the information held by us in our records in return for payment of a small fee, and to require us to correct any inaccuracies.

20.6 You agree that we can pass on any information or documents relating to the Account or the Mortgage to any person who takes over any of our rights as set out in Condition 19 for that person to use in the same way as us. You also agree that we may give details about the Mortgage or your Account to anyone else we are discussing transferring the Mortgage and our rights under it to.

20.7 The consents for the use of your information as referred to in this Condition 20 are in addition to (and are not in substitution for) any other consents that we may have obtained from you.

21. MISCELLANEOUS

21.1 No forbearance or delay by us in enforcing the Mortgage will prejudice or restrict our rights under the Mortgage and no waiver by us of any breach of the Mortgage will operate as a waiver of any subsequent or continuing breach.

21.2 Each of the provisions of the Mortgage is severable and distinct from the others and if at any time any one or more of such provisions becomes illegal, invalid or unenforceable, this will not impair or affect the legality, validity or enforceability of the remaining provisions.

21.3 Only you and we may enforce the terms of the Mortgage and the provisions of the Contracts (Rights of Third Parties) Act 1999 are therefore excluded.

22. NOTICES

22.1 Any demand or notice by us shall be sufficiently served on you in writing, addressed to you and left at or sent by prepaid post to your address last known to us or, if we have reason to believe it will not reach you at that address, the Property.

22.2 Where we send any demand or notice by post it will be deemed served on you 48 hours after posting.

23. LAW

23.1 The Mortgage and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) will be governed by English Law and the courts of England and Wales will have jurisdiction to settle any such disputes or claims unless Condition 25 applies.

24. VALUATIONS

24.1 We may revalue the Property at any time during the lifetime of the Mortgage. If it is necessary for the valuer to enter the Property to conduct the valuation we will give you reasonable notice and you will permit this. Any revaluation under this Condition 24 shall be at our expense.

25. SCOTLAND

25.1 The provisions of this Condition 25 apply to the Mortgage if the Property is located in Scotland.

25.2 Condition 1.10 is replaced by the following:

“In the event of any conflict between any Loan Agreement, the Mortgage Deed, these Conditions and the CFRA Standard Conditions, the following order of priority will prevail:

- (a) the Loan Agreement ranking first;
- (b) then the Mortgage Deed;
- (c) then these Conditions; and
- (d) finally, the CFRA Standard Conditions.”

25.3 In Condition 4.5.2(e) the words ‘tenants in common’ are replaced by ‘joint owners’.

25.4 Conditions 10.1(i), 12.1 and 14 do not apply.

25.5 Condition 13 is replaced by the following:

“The Lender’s Powers

13.1 If any of the Events of Default occur then regardless of any other provisions of these Conditions the Amount Owed shall immediately become due and payable on demand and you will be in default under the CFRA 1970.

13.2 At any time after you are in default under the CFRA 1970 we may without previous notice to or agreement from you:

- (a) take possession of the Property;
- (b) sell the Property (whether or not we have taken possession); and
- (c) exercise all the other powers given to heritable creditors by the CFRA 1970.

13.3 At any time after you are in default under the CFRA 1970, we may if we consider it necessary or desirable for the protection of our security or the better realisation of our security, and without being treated as a heritable creditor in possession or becoming liable to account as such:

- (a) carry out repairs, renewals or improvements to the Property;
- (b) carry out any building or development works in the Property and apply for and obtain any appropriate planning or other consents and approvals; and
- (c) grant leases or accept surrenders of leases of the Property, so far as permitted by the CFRA 1970;

all as we in our discretion reasonably think fit.

13.4 After taking possession of the Property we may, as your agent and at your expense, remove, store, sell or otherwise deal with any goods or animals which you have not removed from the Property. We will not be responsible for any loss caused by our so doing. We will account to you for all proceeds received less all reasonably incurred expenses of dealing with the same.

13.5 We may in the exercise of our powers under the Mortgage employ and pay agents who shall be your agents and you will be responsible for their remuneration at such rates as we may reasonably agree.

13.6 At any time after you are in default under the CFRA 1970, we shall also have power on your behalf and at your expense and regardless of your bankruptcy, death or insanity, to do or omit to do anything which you could do or omit to do in relation to the Property. This includes (without limitation) a right for us to:

- (a) take any proceedings we think fit in relation to the Property;
- (b) generally manage the Property, including collecting and receiving rents, arranging necessary repair and maintenance of the Property, ensuring compliance with local authority requirements, maintaining, renewing or increasing insurances and serving notice under relevant housing legislation;
- (c) exercise, on your behalf and without having to give you prior notice or obtain your consent, all the powers and duties conferred on a landlord by law from time to time in force (including power to vary, review, terminate, surrender or accept surrenders of leases, tenancies or licences over the Property) without having any liabilities or responsibilities to you as a result of doing so.”

25.6 References to a ‘receiver’ in Conditions 15.3, 18.1 and 18.2 do not apply.

25.7 In Condition 15.4 the words ‘mortgagee in possession’ are replaced by ‘heritable creditor in possession’.

25.8 In Condition 16.2 the words ‘by signing the Mortgage Deed’ will be added before the words ‘you assign’.


25.9 Condition 23 is replaced by the following:

“Law

23.1 The Mortgage and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) will be governed by Scots law and the courts of Scotland will have jurisdiction to settle any such disputes or claims.”

25.10 Any other references in these Conditions to any word, expression or practice under English law are references to the equivalent or nearest equivalent word, expression or practice under Scots law.

25.11 In interpreting the CFRA Standard Conditions ‘the creditor’ means ‘we’, ‘us’ or ‘our’ (as appropriate) and ‘the debtor’ means ‘you’, ‘your’ or ‘yours’ (as appropriate).



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