

CHORLEY AND DISTRICT BUILDING SOCIETY MORTGAGE CONDITIONS 2016 (SCOTLAND)

We, Chorley and District Building Society having our Head Office at Key House, Foxhole Road, Chorley PR7 1NZ considering that We intend to make loans to be secured by Standard Securities over land, buildings and any other heritable Property in Scotland HEREBY DECLARE the Standard Conditions specified in the Conveyancing and Feudal Reform (Scotland) Act 1970 hereinafter referred to as 'the 1970 Act', as amended, shall apply subject to the variations set out below:-

1 Interpretation

- 1.1 In these Conditions "Mortgage" means the particular standard security in which these conditions are incorporated.
- 1.2 In these Conditions and in the Mortgage
- (a) "Additional Borrowing" means any further money We lend to You which is secured by the Mortgage;
 - (b) "the Borrower" "You" and "Your" means the person or persons named as Borrower in the Mortgage and includes Your legal representatives should You die, become insolvent or unable to manage Your affairs and the person or persons deriving title under or through him or them to the Property. If there is more than one of You, references to the Borrower or to You means all of You together and each of You separately;
 - (c) "Expenses" means all costs and expenses (legal or otherwise) which We reasonably and properly incur in connection with the Mortgage (whether or not We are acting as mortgagee) or by any associated company of Ours including (but not limited to) the following:
 - (i) the costs of any legal proceedings relating to the Mortgage or the valuation of the Property (whether brought by or against You or any other person)
 - (ii) the costs and expenses We incur in:
 - (A) the exercise of any of Our powers under the general law or these Conditions;
 - (B) the recovery of any money secured by the Mortgage and/or;
 - (C) the protection or preservation of Our security;
 - (d) "Interest Rate" means the rate of interest which applies for the time being to the loan or any part of the loan as described in Your Offer. This may be changed in accordance with Condition 5;
 - (e) "Loan" means the sum advanced to You as set out in the Offer and shall also include any Further loan or re-advance which We may at any time advance to You while the Mortgage is subsisting to You;
 - (f) "Month" means a calendar month;

- (g) “Monthly Payment” means the monthly payment You will have to pay Us each month and is set out in the Offer. This can be varied from time to time under these Conditions;
 - (h) “Offer” means the written document offering You a Loan or any Additional Borrowing on the security of the Property including any conditions contained or referred to in it and any amendments made to it before the Loan or the Additional Borrowing (as the case may be) is advanced. If We have issued more than one Offer, "Offer" means the most recent that We have issued and You have accepted;
 - (i) “Payment Day” means the first Monday in every Month (beginning with the month immediately following the date of the Mortgage) or such other day in every month as We may specify;
 - (j) “Property” means all of the Property described in the mortgage and charged to Us by You under the Mortgage and references to the Property shall (unless it would be inappropriate in the context) include references to any part or parts of or to the whole of it;
 - (k) “Related Rights” means and includes:
 - (i) sums which (under any statute or any law or contract and whether as of right or otherwise) may become payable in respect of the Property or any damage or injury to it or depreciation of it;
 - (ii) the benefit of any other obligation security right option guarantee share or indemnity affecting or concerning the Property;
 - (l) “Repayment Period” means the period specified in the Offer known as the term and as varied from time to time under these Conditions;
 - (m) “Rules” means Our rules in force from time to time including any adopted after the date of the Mortgage;
 - (n) “Total Debt” means the whole of the monies (including interest added to the Loan and Expenses) outstanding for the time being on the security of the Mortgage;
 - (o) “Us”, “We” or “Our” means The Chorley and District Building Society and includes anyone to whom We may transfer, assign or charge or otherwise dispose of any rights under the Mortgage and anyone who takes over our business;
- 1.3 Any references to a person include reference to a body corporate; masculine expressions include the equivalent feminine expressions and references in the singular include the plural and vice versa.
- 1.4 Any references to Acts of Parliament or statutory instruments include any amendments, re-enactments or replacements of those provisions.
- 1.5 If any provisions of these Conditions are found to be invalid, illegal or unenforceable, the remaining Conditions will be read and construed as if that provision had not been included. For the purposes of this Condition, “provision” means a separate condition of a numbered Condition, whether separately lettered or numbered or not.
- 1.6 The headings in these Conditions are for convenience only. They have no legal effect on these Conditions.

- 1.7 In case of any conflict between the Mortgage, the Conditions and the Offer, then the following order of priority will apply: the Offer, the Conditions and then the Mortgage.
- 1.8 Only You and We may enforce the terms of the Mortgage. No rights are given to any third party by the Mortgage. This means that a person who is not a party to these documents cannot enforce its terms.

2 The Rules

You will become a member of The Chorley and District Building Society when You complete the Mortgage and You agree with and promise to Us that You will observe and be bound by the Rules. In the event of a conflict between the Rules, the Mortgage Offer, the Mortgage, the Standard Conditions and these Conditions, the following order of priority will prevail:

- (i) the Mortgage Offer;
- (ii) these Conditions;
- (i) the Mortgage;
- (ii) the Standard Conditions; and
- (iii) the Rules

3 Payment

You agree:

- (a) to pay the Monthly Payments set out in the Offer or of any different amount which has become payable under Condition 7. The Monthly Payment must be made on the Payment Day in each and every Month of the Repayment Period until the whole of the Loan and any Additional Borrowing and any other sums due to Us under these Conditions have been paid in full before the end of the mortgage term;
- (b) to pay Us on demand all Expenses We incur. Expenses will be added to the Loan from the date of expenditure and will carry interest at the Interest Rate;
- (c) if We sell the Property and the net proceeds of sale are not sufficient to pay all the sums due to Us under the Mortgage and these Conditions, to pay the shortfall to Us immediately;
- (d) to pay interest at the Interest Rate on any sums due to Us from the date such sums become due until the date when You pay Us and both before and after any judgment We may obtain for the payment of money.
- (e) All payments to Us shall be made in sterling (or such lawful currency as may replace pound sterling)
- (f) If We enforce the Mortgage and the net proceeds of sale of the Property are not enough to pay off the Whole Debt You will immediately pay Us any shortfall with interest at the interest rate until payment of the Whole Debt has been made to Us.

4 Interest

- 4.1 For the purposes of calculating interest under the Mortgage percentages shall not be taken beyond [2] decimal places.
- 4.2 Interest shall be charged and calculated on the full amount of the loan from the date the loan amount was advanced to You. Where only part of the Loan or any Additional Borrowing is advanced, We will not charge interest on the remainder until it is advanced.
- 4.3 If the Offer states that interest will be charged on a daily basis, interest will be charged in accordance with Condition 4.4.
- 4.4 Interest will be charged on the daily balance outstanding of the Total Debt and will be debited to Your account on the last day of each Month and on the date of redemption. The balance will include on any particular date capital, costs and any other debt payable to Us. Furthermore, interest debited to Your account and remaining unpaid will itself attract interest which will be debited to Your account in accordance with this Condition.
- 4.5 Interest will accrue from day to day. Interest which accrues in any Year is to be paid by equal instalments as part of the Monthly Payment for that Year
- 4.6 No part of any payment made by You shall be treated as a repayment of principal until all due or accrued interest has been paid

5 Rate of Interest

- 5.1 The Interest Rate which applies to the Loan is set out in the Offer and will apply until that rate is varied in accordance with the terms of Condition 5.3.
- 5.2 The Interest Rate which applies to any Additional Borrowing will be set out in the Offer relating to that Additional Borrowing and will apply until varied in accordance with the terms of Condition 5.3.
- 5.3 We may change the Interest Rate which applies to the Loan and to any Additional Borrowing Rate for any reason We deem valid provided the change is appropriate (other than those mentioned in condition 6 below) by giving You notice in writing of the change by posting or delivering the notice to You under Condition 19. This notice must state the date from which the new rate will take effect, which must not be less than 30 days after the date on which notice is given (the notice is deemed to be delivered 24 hours after posting).

6 Interest Variation

- 6.1 Unless the Offer states otherwise, We may increase the Interest Rate We charge You on the Loan or on any Additional Borrowing at any time for one or more of the following reasons:
- (a) to reflect, proportionately, changes in the Bank of England's official base rate (or the nearest equivalent rate set by the Bank of England or any body which may, in the future, take over responsibility for interest rate setting from the Bank of England);
 - (b) to reflect, proportionately, the introduction of new rates of interest or changes to interest rates charged by our competitors in the residential mortgage market;

- (c) to preserve, increase or reduce margins between interest rates paid to the providers of funds to Us and interest rates charged to borrowers from Us, in the interests of The Chorley and District Building Society as a whole and of all Our members and other customers;
- (d) to reflect, proportionately, any increases or reductions in the costs We reasonably incur in operating our mortgage business;
- (e) to reflect, proportionately, any increase or reduction in our risk if there has been a change in the way the Property is used or occupied;
- (f) to reflect, proportionately, the requirements or recommendations of the Financial Conduct Authority or any other body responsible for regulating Our business or the requirements or recommendations of the Financial Ombudsman Service or any other appropriate ombudsman;
- (g) to reflect, proportionately, any changes or changes of interpretation, in the relevant laws or codes of practice relating to financial service providers;
- (h) to comply with any agreement with You;
- (i) if We transfer Your mortgage to another person, or if We acquire mortgages from another lender, to enable Us to harmonise interest rates charged to mortgage customers in a reasonable manner;
- (j) if it is necessary to maintain Our financial strength for the benefit of all Our members [and other customers].

6.2 We may also change an interest rate for any other valid reason (other than a valid reason mentioned in Condition 6.1 above) which reasonably justifies a change. Where We do so We will give You reasonable notice in writing in advance of the change or, if this is not practicable, at the earliest possible opportunity after the change has taken place. We will also tell You that the change has been made under this Condition.

6.3 We may reduce the Interest Rate We charge You on the Loan or on any Additional Borrowing without notice or any other formality from such date as We may decide.

6.4 The amount of Your Monthly Payments will not be affected by a variation of the Interest Rate which applies to either the Loan or any Additional Borrowing unless We vary those payments in accordance with Condition 7. Unless and until a Monthly Payment is varied, a variation in the Interest Rate will operate simply to increase or reduce the term of the Mortgage.

6.5 For the purpose of any legal proceedings a certificate signed by our chief executive or secretary for the time being will (apart from in the case of an obvious error) be conclusive evidence of any Interest Rate at any date to which the certificate refers.

7 Monthly Payment Variation

We may vary the amount of the Monthly Payments payable under Condition 3(a) in order to ensure that the Total Debt and interest are repaid over the mortgage term specified in the Offer. We will give You notice in writing of the amount of the new Monthly Payment and the date from which it is to be payable.

8 Related Rights

- 8.1 So far as You are able (but subject to redemption of the Mortgage) You:
- (a) assign the benefit of all Related Rights to Us;
 - (b) declare and agree that You will hold all Related Rights in trust for Us (that is, on our behalf); and
 - (c) irrevocably appoint Us to be Your attorney to claim, assess, agree, enforce, recover and receive any compensation from the Related Rights and also give any notice or counter-notice and exercise to or against any local or other authority or body.
- 8.2 Any payment arising in respect of Related Rights (unless paid out to Our satisfaction in restoring or improving the Property) shall be applied by Us in discharging or reducing the Total Debt.

9 Consolidation and Redemption

- 9.1 The Mortgage shall be security not only for the Loan and any Additional Borrowing advanced to You but also for all moneys which may be or become owing by You to Us under these Conditions or on any account and no Property held by Us as security for Your indebtedness will be released until all moneys owing by You to Us have been paid.
- 9.2 Subject to Condition 9.1 and to You paying any early repayment charge that may be specified in the Offer, You can redeem the Mortgage or make payments in advance.
- 9.3 Where any partial repayment is made, such payment shall be attributed first, in or towards the repayment of interest and secondly, in or towards the repayment of any sums payable under Condition 16 and any balance shall be applied in redemption of the Loan, but as such application shall not operate to reduce the amount of interest payable in the month in which such partial payment is made.
- 9.4 The discharge by Us of the Mortgage shall not release You from any personal liability in case it shall subsequently appear that We have made a mistake in calculating the amount required to repay the Total Debt provided, however, that We notify You of our mistake within one Month of redemption.

10 Repayment of Total Debt

In addition to the circumstances detailed in the 1970 Act, The Total Debt (or outstanding balance) shall become immediately payable to the Us in the following events:

- (a) on the happening of either of the events mentioned in Condition 3 above; or
- (b) if you default in the making of at least 3 monthly repayments under Condition 3;
- (c) if You give up possession of the Property to Us;
- (d) If there is a material breach of any either obligation contained or implied in the Mortgage, or these Conditions, or in the Standard Conditions or in the Rules or otherwise on Your part to be observed or performed which We reasonably believe may have an adverse effect on the our security;
- (e) If We discover information supplied in connection with Your application for the Loan is incorrect or misleading in a material way which We reasonably believe may have an adverse effect on our security;
- (f) You enter into a voluntary arrangement with Your creditors or make a proposal to do so;
 - (i) an application is made for an interim order;
 - (ii) You enter any arrangement with or for the benefit of Your creditors, including a trust deed for creditors or a debt payment programme under the Debt Arrangement and Attachment (Scotland) Act 2002;
 - (iii) a petition for sequestration is presented against You or We reasonably consider that one is likely to be presented.
- (g) Acting reasonably We consider You have been involved in a fraudulent or criminal behaviour in relation to Your mortgage account which We reasonably believe may have an adverse effect on our security;
- (h) If You are the sole surviving borrower and You die;
- (i) If the Mortgage becomes void, voidable or unenforceable;
- (j) If another lender give Us notice that they are going to exercise their rights to take possession, appoint a trustee in respect of the Property or exercise their power of sale over the Property.

11 Our rights and remedies

- 11.1 If the whole debt has become payable and due in any of the circumstances stated in Condition 10, you will default in terms of the 1970 Act and we shall have the right to exercise any of the powers given to lenders by the Acts and any other statutes.
- 11.2 If any of the events specified in Condition 10 occur, You undertake to vacate the property and to give Us possession of it after We have given You 7 days' written notice requiring You to

remove from the Property and You agree that We may (subject to compliance with the provision if the Acts) apply for a court order for Your removal from the Property in any Sheriff Court in the area in which the Property is situated at any time after the period of 7 days specified in the notice.

- 11.3 The statutory power of sale is extended so as to allow Us to sell the Property or any part of it for a price payable with or without interest by instalments over such period as We shall, acting reasonably, think fit.
- 11.4 As between You and Us, We will not enforce Our right to take possession of the Power or exercise Our power of sale or appoint a receiver of the Property unless:
- (a) default has been made for three months in making a payment of money due under the Mortgage; or
 - (b) You fail to perform or observe any of the covenants contained in or implied in the Mortgage (other than those relating to payment of money).
- 11.5 If you abandon the Property or give us possession of the property or we enter into possession of the property We may, as Your agent and at Your expense, remove, store, sell, use in conjunction with a lease or otherwise deal with any furniture or goods, which You shall fail or refuse to remove from the Property, and We shall not be liable for any loss or damage occasioned by You as a result unless We have acted negligently.
- 11.6 Any money resulting from the sale of such moveable Property may be used by Us to pay for expenses incurred under this condition and We shall not be liable to account to You for such money until all the moveable Property has been sold, or possession of the not sold items has been resumed by You. You shall at all times keep Us indemnified in respect of all expenses which may be incurred by Us in exercise by Us in good faith of our power under this condition.
- 11.7 At any time after entering into possession of the Property, we may give up possession on giving notice to You and we shall not, while not in actual possession of the property, be accountable as heritable proprietors.
- 11.8 Upon the occurrence of any of the events specified in Condition 10, we shall cease to be under any further obligation to You and We may enter into possession of the Property but such action shall not render us liable to account as a heritable creditor in possession.
- 11.9 At any time the power of enforcing the Standard Security shall have become exercisable and from time to time, We may, in addition to our statutory powers, and in our absolute discretion:
- (a) Effect and carry out repairs, alterations and additions to the Property and generally maintain the Property as We shall at our absolute discretion see fit;
 - (b) Employ and pay agents (who may or may not be our paid employees), for carrying out such powers at such salary and commission and generally as We shall reasonably think fit;
 - (c) Retain any money received from You as provision for any future payment or other money from You;
 - (d) At any time after entering into possession of the Property, or any part of it, give up possession on giving notice to You;

- (e) Take such action, at Your cost, as We shall deem reasonably necessary and appropriate to preserve our and/ or Your mortgage rights, title or interest in the Property and or any part of it;
- (f) Purchase and acquire any land and purchase, acquire or grant any interest in or right over land reasonably necessary to preserve our Standard Security;
- (g) Carry out on the Property any new works or complete any unfinished works of building, reconstruction, maintenance or equipment;
- (h) Carry into effect and complete any transaction by executing deeds or documents in Your name or on Your behalf;
- (i) Take, continue and defend any proceedings and enter into arrangements or compromises;
- (j) Insure the Property and any works and effect indemnity insurance or any similar insurance and obtain bonds and give indemnities and security to bondsmen;
- (k) Employ advisors, consultants, managers, workmen and others as We in our absolute discretion shall think necessary on such terms as to remuneration or otherwise as We shall think fit;
- (l) Give valid receipts for all monies and execute all assurances and things which may be proper or desirable for realising the Property, or any part or parts of it, and to give and receive as your agent any notice in respect of any lease or other occupancy of the Property, whether created by Us pursuant to our powers under these Conditions or by You, as the case may be;
- (m) Apply for planning permission and any other necessary statutory and other consents (or appeal against their refusal), enter into agreements under Planning Acts and Highways Acts, enter into and arrange bonds (including road bonds and indemnities and guarantees) and to dedicate land as a public highway in any case as may seem to be necessary or desirable on such terms as We shall consider fit;
- (n) Make any other arrangement to take any other action which We may consider to be incidental or conducive to any of our powers, or to the realisation of the Property, or otherwise in our interest.

12 Fixed and Capped Rate Loans

12.1 In this Condition:

- (a) "Fixed Rate Loan" and "Capped Rate Loan" (as applicable) means any money which the Offer states is lent to You on terms that this Condition is to apply to it;
- (b) "Capped Rate" means the capped rate of interest chargeable on the Loan or the Additional Borrowing under the Offer and any variation of it agreed between You and Us;
- (c) "Fixed Rate" means the fixed rate of interest chargeable on the Loan or the Additional Borrowing and any variation of that rate agreed between You and Us;
- (d) "Restricted Rate Period" means the period of the Mortgage during which the interest is to be charged on the Loan or the Additional borrowing at the Fixed rate or the Capped Rate (as applicable) under the Offer and any extension of that period agreed between You and Us;
- (e) "Restricted Rate Debt" means the amount from time to time owing to Us during the Restricted Rate Period in respect of the Loan or the Additional Borrowing (as applicable) and any unpaid interest on it.

12.2 During the Restricted Rate Period:

- (a) in respect of a Fixed Rate Loan interest in the Restricted Rate Period is to be charged at the Fixed Rate instead of the Interest Rate;
- (b) in respect of a Capped Rate Loan interest on the Restricted Rate Debt is to be charged at a rate which is no more than the Capped Rate instead of the Interest Rate;
- (c) You can only make a repayment of the Restricted Rate Debt if You pay any early repayment charge set out in the Offer. If We sell the Property during the Restricted Rate Period, the early repayment charge will added to the amount due to Us out of the proceeds of sale;
- (d) at the end of the Restricted rate Period, interest will be charged on the Total Debt at the Interest Rate.

13 Your agreement not to lease

You must not, without our prior written consent, (which will not be unreasonably withheld or delayed) let, mortgage, charge or part with possession of the Property, or any part of it.

14 Provisions concerning the Property

You promise and agree with Us that so long as the Mortgage is outstanding:

- (a) You must Use the Property as Your only residence unless otherwise agreed.

- (b) to put and keep the Property in good and substantial repair and without delay and in a proper manner to complete to Our satisfaction any buildings in course of erection or subsequently erected on the Property;
- (b) not to demolish damage or without our prior written consent make any structural or other alterations to any buildings for the time being erected on the Property nor make permit or suffer thereon any development within the meaning of the Town and Country Planning (Scotland) Act 1997 or in any way change the character or the use of the Property;
- (c) to ensure that any condition which We impose on giving Our consent under Condition 14 (b) is complied with;
- (d) to observe and perform all title conditions, restrictions, obligations and other covenants and stipulations (if any) affecting the Property and the covenants and provisions on the tenant's part contained in the lease (if any) under which the Property is held.
- (e) punctually to pay all rents, rates, taxes, outgoing and impositions payable in respect of the Property and to keep Us indemnified against the same;
- (f) where You insure the Property or where We insure the Property, at Your expense, to pay all sums due from time to time in connection with the insurance of the Property;
- (g) that nothing shall be done on the Property which may prejudicially affect its value any insurance of it, or which may increase the premium payable for any such insurance;
- (h) to permit Us to inspect the condition of the Property at any reasonable time on giving reasonable notice to You (except in case of emergency) without making Us liable as mortgagee in possession and to permit Us to have work undertaken which You have failed to do or which We reasonably consider is required to be carried out as a matter of emergency (in which event the cost of such work shall be recoverable from You on demand and until paid by You shall be a charge on the Property and be added to and form part of the Total Debt);
- (i) that nothing shall be done to the Property in contravention of any legislation from time to time in force relating to town and country planning;
- (j) to observe and perform all statutory and lawful requirements and regulations of any local or other competent authority concerning the Property;
- (k) within seven days of the receipt by You of any notice, order or proposal made, given or issued by any competent authority and concerning the Property, to give full particulars thereof to Us and also without delay to take all reasonable or necessary steps to comply with such notice or order.
- (l) not without Our prior written approval to apply for any statutory improvement grant or loan in respect of the property;
- (m) not to make any deduction from the Monthly Payment in reliance on any legislation which makes provision for a loan payment subsidy, and not to make any deduction from the Monthly Payment in respect of income tax.

15 Insurance

- 15.1 We require that the Property is insured for its full reinstatement value for the duration of the term with an insurer of good repute against loss or damage by fire, flood, heave, landslip, subsidence and such other risks as We may reasonably require from time to time.
- 15.1.5 If You choose to arrange Your own cover or if it is subject to particular title conditions, special conditions will apply. We will tell You what these are, and they may include the following:-
- (a) The insurance must be in the joint names of You and Us or our interest in the Property as mortgagee must be noted on the insurance policy;
 - (b) We must give our written agreement to Your policy, but We will not unreasonably withhold this consent if the policy meets with minimum cover and conditions We require; and
 - (d) the Insurance Schedule shall be exhibited if requested by Us.
- 15.2 If You fail to insure the Property in accordance with Condition 15.1 above or to pay any premium required by Your insurer, We may insure the Property with an insurer of Our choice (or pay any premium required by Your insurer) as the case may be. We will charge any premiums We incur in doing so to Your mortgage account where they will become part of the Total Debt and attract interest in accordance with Condition 4. We will not be under any obligation to insure the Property or to pay any premium required by Your insurer.
- 15.3 You may ask Us to arrange to insure the Property for You. If We arrange or insure the Property for You, We will use an insurance broker or an insurer of Our choice. We will not account to You in respect of any commission earned or which We receive for arranging Your insurance. We may change the insurance broker or insurer from time to time.
- 15.4 You may also insure the Property Yourself with an insurer of Your choice with Our consent (which We will not unreasonably withhold). If You insure the Property Yourself You must pay all of the premiums required on or before the date on which they are due and provide Us with evidence if and when We request You to do so that the policy is in force and that You have paid the premiums. We may charge You such fee as We consider fairly reflects the cost to Us of administering Your application to insure the Property with an insurer of Your choice. We may change this fee from time to time.
- 15.5 You give Us full power to settle and adjust the amount payable in respect of any Property under any insurance and the liability of the insurer concerned. By executing the Mortgage and as security for Your obligations under it You irrevocably (until the Total Debt and all interest has been repaid) appoint Us as Your attorney on Your behalf and in your name to give and receive a good discharge for any monies arising in respect of the Property under any insurance to which You are a party (whether arranged by Us or not).
- 15.6 We will not be under any obligation to check the adequacy of any insurance or insurer of the Property. We will also not be under any obligation to check that any insurance which You arrange yourself is in force at any time. These matters will be your responsibility.
- 15.7 You must not, without Our consent (which We will not unreasonably withhold) or unless We specifically ask You to do so, put into place or keep in place any other or additional insurance in respect of the Property. If You do put or keep in place any other or additional insurance in respect of the Property (whether having asked for Our consent or at Our request or not and

whether the policy is in your sole name or not) You agree to hold all monies received in respect of the same in trust for Us (that is, on Our behalf).

- 15.8 Any monies received by either Us or You from an insurer in respect of the Property shall be used either in or towards making good the loss or damage in respect of which the monies are received if reasonably practicable or (if We reasonably require) in or towards payment of the Total Debt.
- 15.9 You must not, without Our written consent (which We will not unreasonably withhold) do, or fail to do or allow anything which may make any insurance in respect of the Property either invalid or more expensive.
- 15.10 You will notify Us promptly of any damage to the Property which may give rise to any claim under insurance on the Property.

16 Expenses

- 16.1 In these Conditions, 'expenses' means all fees (including our internal costs) which We charge or incur in connection with the Mortgage.
- 16.2 We shall be entitled to all Expenses which shall attract with interest at the Interest Rate from the date of expenditure until the date of repayment.
- 16.3 Expenses incurred by Us must be repaid by You when We demand and until repaid they will be debited to the mortgage account (but without prejudice to any other remedy We may have).
- 16.4 We may require You to pay or may debit to Your account
- (a) a standard administration fee to be decided by Us from time to time for (but not limited to):
- (i) producing or supplying deeds and documents or copies of these to You or Your solicitor or other agent;
 - (ii) discharging the Mortgage, and returning any title deeds to You or as You may direct to any third party entitled to them;
 - (iii) processing any application by You for Additional Borrowing or for a variation of the terms of the Mortgage;
 - (iv) any work undertaken by Us in connection with the computation or recovery of any monthly or other payments in arrear under the Mortgage;
- (c) a reasonable charge to cover Our expense of providing any assistance or information in connection with the Property or the Mortgage or the Mortgage account;
- (d) a reasonable sum in respect of administration costs incurred by Us in satisfying Ourselves regarding the terms of the insurance arranged by You in accordance with Condition 15.4.
- 16.5 You promise and agree with Us so long as the Mortgage is outstanding to pay to the Society all Expenses reasonably and properly incurred by Us in and incidental to the negotiation, preparation, completion, protection, realisation and enforcement of its security and in the collection or recovery of any moneys owing under the Mortgage, the completion of buildings, the repair of the Property or otherwise, together with interest at the Interest Rate, and so that

any taxation of Our legal costs, charges and expenses shall be on a solicitor and own client basis.

- 16.6 We can abolish or reduce our charges without having to notify You.
- 16.7 We can make changes to our Expenses if We reasonably believe that the change is needed 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 any new or increased expense We may reasonably incur in operating Your mortgage account;
 - (b) to respond, in a proportionate manner, to changes that have been made or are about to be made, in the law or interpretation of the law, relevant codes of practice, the way We are regulated, or any decision of an ombudsman court, tribunal, regulator or similar body;
 - (c) to make our charges operate more fairly between our consumer customers generally
- 16.8 Where We vary an expense under Condition 16.7 We will give You notice of the change by posting a notice to You under Condition 18 before, or as soon as reasonably practicable, after the change is to take effect;

17 Mortgages by More Than One Borrower

If You compromise two or more persons and if for any reason (including fraud, forgery or undue influence) any person named as a party to the Mortgage does not execute the same or is held by a Court not to be bound by the Mortgage the other party or parties will remain bound by the Mortgage and will be deemed to have given a Charge on his or their beneficial or interests in the Property.

18 Management Company Shares

If You by reason of interest in the Property holds any share in a management company or resident's society then You shall deposit the share certificate (if any) with Us (but not so as to charge the share to Us).

19 Notices

Any notice to be given by Us to You in writing (whether for varying the Interest Rate or the Monthly Payment or otherwise) shall be sufficiently given, if it is sent by first class post addressed to the addressee by the name at his address last known to Us, or (in the case of a notice to You) at the address of the Property and if the letter is not returned through the post office undelivered; a notice so served shall be deemed to have been received 24 hours after posting.

20 Severability

If any of these Conditions is or becomes illegal void or invalid, that shall not effect the legality and validity of the other Conditions.