

RANKING AGREEMENT (SCOTLAND)

THIS IS AN IMPORTANT LEGAL DOCUMENT. WE RECOMMEND THAT YOU TAKE INDEPENDENT LEGAL ADVICE BEFORE SIGNING.

In this ranking agreement the words listed below have the meanings set opposite them:

Bluestone	<p>means Bluestone Mortgages Limited, a company incorporated under the Companies Acts in England and Wales with company number 02305213 and having its registered office at 3rd Floor, 22 Chancery Lane, London, WC2A 1LS.</p> <p>The term Bluestone shall include its successors and assignees.</p>
Postponed lender	<p>means _____ trading as _____, a company incorporated under the Companies Acts in _____ with company number _____ and having its registered office at _____.</p> <p>The term postponed lender shall include its successors and assignees.</p>
Borrower	<p>means _____ of _____</p> <p>The term borrower includes that person's executors and personal representatives and any person claiming any right or interest from or through the borrower or to whom title to the property passes. Where the borrower is more than one person, the term borrower shall mean all those persons. All obligations of the borrowers shall be treated as having been given by those persons jointly or severally.</p>
Property	<p>means the property known as _____,</p> <p>being the subjects registered in the Land Register of Scotland under title number _____.</p>
Bluestone's security	<p>means the standard security granted by the borrower in favour of Bluestone over the property dated _____ on or around the date of the borrower's execution of this ranking agreement and registered in the Land Register of Scotland under title number _____.</p>
Postponed lender's security	<p>means the standard security granted by the borrower in favour of the postponed lender over the property date _____ on or around the date of the borrower's execution of this ranking agreement and registered in the Land Register of Scotland under title number _____.</p>

- 1 The **postponed lender** consents to the **borrower** granting **Bluestone's security**.
- 2 The **postponed lender** acknowledges and agrees that **Bluestone** at any time may, but is not obliged to, grant further loans (to be secured by **Bluestone's security**) to the **borrower**, or transact and deal with any other securities or guarantees of any kind held or that may be held by **Bluestone** for any obligations of the **borrower** and may sell, dispose of, or realise such other securities or guarantees in such order as **Bluestone** may determine, without obtaining any consent from the **postponed lender**.
- 3 **Bluestone**, the **postponed lender** and the **borrower** agree that, notwithstanding the respective dates of creation of **Bluestone's security** and the **postponed lender's security** or any provision as to ranking they contain, **Bluestone's security** and all sums secured or to be secured by **Bluestone's security** shall be ranked and preferred on the **property** and on its rents and on the proceeds of the **property** (of any part of it) in the event of a sale of the **property** (or any part of it) prior and preferably to the **postponed lender's security** and all sums secured or to be secured by the **postponed lender's security**, and that to an unlimited extent.
- 4 The **postponed lender** undertakes to **Bluestone** that the **postponed lender** shall not enforce the **postponed lender's security** nor exercise or purport to exercise its power of sale or any other security enforcement power conferred on the **postponed lender** under or pursuant to the **postponed lender's security** without giving **Bluestone** not less than fourteen days' prior notice (except in the case of an emergency in which case the **postponed lender** undertakes to inform **Bluestone** as soon as possible).
- 5 Anything in the **postponed lender's security** conflicting with or prejudicing the rights of **Bluestone** under **Bluestone's security**, or this ranking agreement, shall be of no effect against **Bluestone** or (until all money and other obligations and liabilities secured by **Bluestone's security** have been paid or discharged in full) against the **borrower**.
- 6 The **postponed lender** shall hold on trust any money received pursuant to the **postponed lender's security** in order to give effect to the priorities declared by this ranking agreement.
- 7 The priorities declared by this ranking agreement shall not be prejudiced or affected by:
 - (a) any fluctuation from time to time of the sums secured by **Bluestone's security** or the **postponed lender's security** due to intermediate payments or satisfaction, in whole or in part, of such sums;
 - (b) any arrangement between **Bluestone** and/or the **borrower** and/or any other person;
 - (c) any sale or transfer, in whole or part, of this ranking agreement or of any rights arising under **Bluestone's security** or the **postponed lender's security**;
 - (d) the sequestration or other insolvency of the **borrower** or the **postponed lender**;
 - (e) any variation, waiver or release or discharge of any security for the benefit of **Bluestone** or of the **postponed lender**;
 - (f) any failure by **Bluestone** to perfect, maintain or enforce **Bluestone's security**;
 - (g) any failure by the **postponed lender** to perfect, maintain or enforce the **postponed lender's security**;
 - (h) any indulgence being granted or being agreed to be granted by **Bluestone** or the **postponed lender** to the **borrower** or any other person, including any guarantor;
- 8 Except as provided under this ranking agreement and applicable law, this ranking agreement shall not affect or prejudice any of the rights of the parties to **Bluestone's security** or the **postponed lender's security** respectively, which shall remain in full force subject to the provisions of this ranking agreement.

- 9 If any provision of this ranking agreement is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction, such provision shall be severed without effect to the remainder of the provisions. If a provision of this ranking agreement that is fundamental to the accomplishment of the purpose of this ranking agreement is held to any extent to be invalid, **Bluestone** and the **postponed lender** (and, if applicable, the **borrower**), shall immediately commence good faith negotiations to remedy such invalidity. No party shall unreasonably withhold or delay their agreement to any such matters.
- 10 **Bluestone's security** and the **postponed lender's security** are varied to the extent specified in this ranking agreement and this ranking agreement shall be construed and receive effect as a variation within the meaning of section 16 of the Conveyancing and Feudal Reform (Scotland) Act 1970.
- 11 This ranking agreement may be executed in any number of counterparts and by each of the parties on separate counterparts. Where executed in counterpart:
- (a) this ranking agreement will not take effect until each of the counterparts has been delivered;
 - (b) each counterpart will be held as undelivered until the parties agree a date on which the counterparts are to be treated as delivered;
 - (c) the date of delivery may be inserted in the testing clause in the blank provided for the effective date of this ranking agreement.
- 12 This ranking agreement is governed by and shall be construed in accordance with Scots law and the parties to this ranking agreement irrevocably submit to the exclusive jurisdiction of the courts of Scotland.

IN WITNESS WHEREOF this ranking agreement consisting of this and the two preceding pages is executed [in counterpart with an effective date of 20.... as follows:

Subscribed for and on behalf of **Bluestone Mortgages Limited**)
by (Print full name))
Authorized signatory)

at

on

Name of witness:

Signature of witness:

Address:

Subscribed for and on behalf of)
by (Print full name))
Authorized signatory)

at

on

Name of witness:

Signature of witness:

Address:

Subscribed by)
)

at

on

Name of witness:

Signature of witness:

Address:

Subscribed by)
)

at

on

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Signature of witness:

Address: