

## Standard Requirements for Option Agreements

### 1. Option Period

- 1.1 The maximum Option period the Mortgagee will allow is 12 months from the date of the Agreement with a completion date not later than 28 days from the exercise of the Option
- 1.2 There must be no provision for an extension period
- 1.3 If the Option is not exercised within the 12 month period, it will be necessary to contact us again if consent to a further Option is required

### 2. Planning

- 2.1 There must not be any obligation on the Mortgagee to consent to any future Planning Agreements
- 2.2 If consent is required to a Planning Agreement it will be subject to requirements at that time, the inclusion of the following clauses within the Planning Agreement:

'The owner hereby agrees to indemnify and keep indemnified the Mortgagee from and against all action, costs, claims and demands of whatsoever nature arising out of any breach or non-observance of the terms of this agreement'

"The Mortgagee consents to this agreement and acknowledges that the agreement binds the Property. The Mortgagee shall only be liable for a breach of the Agreement that it has itself caused whilst Mortgagee in possession but shall not be liable for any pre-existing breach"

### 3. Restrictions

- 3.1 There should be no obligation on the Mortgagee to consent to any restriction being entered onto the Register that will hinder the Mortgagees Power of Sale

### 4. Consent

- 4.1 We will not agree to be joined into the Agreement, but a letter of consent will be provided (if the proposal is agreed) which will satisfy the Land Registry's requirements

### 5. General Conditions of Consent

- 5.1 If consent is given to the Option, this may affect the Mortgagee's ability to provide further lending during the Option Period
- 5.2 If consent is given to the Option, this may affect the Mortgagee's ability to agree payment holidays/instalment breaks during the Option Period
- 5.3 Monthly mortgage payments must be maintained throughout the Option Period
- 5.4 If arrears have accrued during the Option Period, these must be cleared in full if an Option of Part is exercised prior to the Mortgagee signing a release document
- 5.5 If an Option of the whole security is exercised, the Mortgagee will require full repayment of all sums due under the mortgage (including interest, costs and expenses and any Early Repayment Charges due) before the security is released. It is the solicitor's responsibility to ensure that the Option Price will enable the mortgage to be repaid in full
- 5.6 If consent is given to the Option Agreement, it must be completed within 1 month of our formal consent
- 5.7 A revaluation of the security may be required to enable the Option to be considered
- 5.8 If an Option of part of the security is exercised, the net sales proceeds will be required to be paid to the account as a capital reduction (in addition to any Early Repayment Charges applicable and clearance of any arrears)

The right is reserved to apply any other conditions as appropriate upon receipt and assessment of the proposal.

Solicitors will be required to approve the documentation on behalf of the Mortgagee and confirm that the terms do not adversely affect the security.