



**SKIPTON
INTERNATIONAL**

**GENERAL TERMS AND CONDITIONS
OF LENDING (ENGLAND AND WALES)**

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THESE GENERAL TERMS GOVERN THE FACILITY ADVANCED BY SKIPTON INTERNATIONAL LIMITED TO THE BORROWER.

THIS DOCUMENT AND THE FACILITY LETTER ARE TO BE READ TOGETHER AND CONSTRUED AS A SINGLE DOCUMENT.

LEGAL ADVICE SHOULD BE TAKEN.

1 Definitions and interpretation

In these General Terms, unless otherwise specified:

"Borrower"	has the meaning given in the Facility Letter;
"Business Day"	means a day (other than Saturdays, Sundays and bank holidays) on which banks are open for normal banking business in Guernsey and London;
"Early Repayment Date"	means the date set out in the Facility Letter on or prior to which prepayments of the Loan may be made by the Borrower in accordance with these General Terms;
"Early Repayment"	means the amount which may be payable by the Borrower on making prepayments under clause 6;
"Encumbrance"	means any interest or equity of any person including an option or pre-emption right, security interest, charge, bond, mortgage, pledge, hypothecation, lien, title retention, assignment or other arrangement having a similar effect;
"Event of Default"	any of the events set out in clause 9;
"Facility Amount"	means the amount advanced to the Borrower as set out in the Facility Letter;
"Facility Letter"	means the facility letter issued by SIL to the Borrower setting out the offer of facilities to the Borrower;
"Facility"	means the facility granted or to be granted by SIL to the Borrower as detailed in the Facility Letter and subject to these General Terms;
"General Terms"	means the general terms and conditions of lending set out in this document, as may be amended from time to time;
"Insolvency Event"	means in respect of the relevant person: a) any distress, execution or other legal process is levied or enforced upon any of its property; or b) any action is taken against it with a view to it being declared en désastre; or

- c) saisie proceedings are commenced against it or a preliminary vesting order is granted against its real property; or
- d) a resolution is passed or an application is presented to a court for its winding up; or
- e) negotiations are commenced with one or more of its creditors with a view to the general readjustment or rescheduling of indebtedness or a general assignment is made of its assets for the benefit of its creditors; or
- f) an application is presented to a court for an administration order in respect of it; or
- g) a receiver or commissioner or similar officer is appointed in respect of its assets; or
- h) some event of equivalent or analogous effect to those listed above occurs in any jurisdiction;

"interest"

means interest at the Initial Interest Rate from the date of drawdown of the Facility until the Early Repayment Date and thereafter at the rate or rates agreed between SIL and the Borrower in writing, or in the absence of agreement, at SIL's standard variable rate from time to time;

"Loan Agreement"

means the Facility Letter and the General Terms, which together constitute the agreement between SIL and the Borrower;

"Loan"

means the amount outstanding from time to time under the Loan Agreement and includes all interest accrued on it;

"Mortgage"

means a first legal charge over the Property in favour of SIL governed by English law;

"Obligor"

means a person (other than the Borrower) providing Security to SIL under the Loan Agreement;

"Property"

has the meaning given in the Facility Letter;

"Repayment Date"

means the last day of the Term subject to early repayment of the Facility in full;

"Payment Makeup"

means the option selected by the Borrower and set out in the Facility Letter, which may be:

- a) capital and interest repayment; or
- b) interest only repayment; or
- c) a combination of both a) and b);

"Related Party"	means:
	<ul style="list-style-type: none"> a) the Borrower's spouse or civil partner; b) any person whose relationship to the Borrower is analogous to that of a spouse or civil partner; or c) the Borrower's parent(s), brother(s), sister(s), child(ren), grandparent(s) or grandchild(ren).
"Security"	means the item(s) of security set out in the Facility Letter, in form and substance satisfactory to SIL;
"SIL"	means Skipton International Limited, registered in Guernsey as a company limited by shares with registration number 30112, having its registered office at Tudor House, The Bordage, St Peter Port, Guernsey, GY1 6DS, Great Britain. SIL is a wholly owned subsidiary of Skipton Building Society. References to "SIL" include its successors, assignees and transferees and any entity into or with which SIL may be amalgamated or merged;
"Special Conditions"	means the special conditions, if any, set out in the Facility Letter;
"Term"	means the period commencing on drawdown of the Facility and expiring on the Repayment Date;

any capitalised terms not defined in these General Conditions have the meanings given to them in the Facility Letter;

headings in this document are inserted for convenience only and shall be ignored in construing these General Terms;

unless the context otherwise requires, words denoting the singular number only shall include the plural and vice versa;

references to "**General Terms**", "**clause**" or a "**schedule**" are references to this document or a clause in or schedule to it;

references to statutes and/or statutory provisions shall be construed as referring to such statutes or statutory provisions as respectively replaced, amended, extended or consolidated;

references in the Loan Agreement to any document shall be construed as a reference to such document as may be amended, supplemented, varied, substituted, novated or assigned;

references to any party to the Loan Agreement or any Security shall include a reference to any successor company and permitted assigns and transferees;

references to a document being "**certified**" means certified as a true, complete and up to date copy of the original by a director or secretary of the relevant entity or by a professional person acceptable to SIL;

any discretion or power which may be exercised or any determination which may be made under the Loan Agreement by SIL may (unless otherwise provided) be exercised or made in its absolute and unfettered discretion;

the expression "**person**" shall be construed to include references to any individual person;

if the Borrower comprises more than one person, the liabilities and obligations of the Borrower under the Loan Agreement will be joint and several, meaning that (without in any way limiting the foregoing):

- 1.1.1 Both or all persons are individually responsible for the terms of the agreement between SIL and the Borrower, including, for example, making any payments due;
- 1.1.2 If the terms of the Facility Letter and/or these General Terms are breached, SIL can take action against any one or all of the persons comprising the Borrower;
- 1.1.3 If any notice or communication is given to one borrower, it is deemed to be given to all persons comprising the Borrower; and
- 1.1.4 Any notices, instructions, agreements, consents or information provided by one borrower is deemed to be given by all persons comprising the Borrower.

2 Advance of the Facility Amount

- 2.1 The Borrower may draw down the Facility when SIL has confirmed that the conditions set out in Schedule 1 have been met to SIL's satisfaction.
- 2.2 Notwithstanding the covenants in Schedule 3, in circumstances where the Borrower or a Related Party resides in the Property or has informed SIL that they intend to do so, no extension or addition to the Facility amount shall be permitted under this Loan Agreement once the initial Facility has already been accepted and drawn down by the Borrower.

3 Interest

- 3.1 Interest will be chargeable on the Facility at the rate(s) set out in the Facility Letter.
- 3.2 The Borrower may select in the Facility Letter the Payment Makeup applicable to the Facility.
- 3.3 Interest will be calculated on the Loan at close of business each day and debited to the Borrower's account with SIL:
 - 3.3.1 at the end of March, June, September and December of each year; and
 - 3.3.2 on the Repayment Date.
- 3.4 SIL may change the rate of interest charge at any time in order to reasonably reflect the fact that any of the following have occurred or are about to occur, provided that SIL does not do so for any arbitrary or improper purpose:
 - 3.4.1 any change in the Bank Rate of the Bank of England (or any rate that replaces it);
 - 3.4.2 any change in interest rates charged by major banks or financial institutions in the mortgage market;
 - 3.4.3 any change in the cost to SIL of the money it lends;

- 3.4.4 any event which requires a change to the interest rate in order to comply with any rate guarantee given by SIL;
- 3.4.5 any change in the law, regulation or in any codes of practice applicable to SIL or the making of a recommendation, requirement or decision made by any court, regulator or similar body;
- 3.4.6 any reorganisation of SIL's business by it being acquired by or by SIL acquiring another entity (so that customers with similar categories of agreements can be treated in a similar way);
- 3.4.7 any event beyond the control of SIL; and
- 3.4.8 any other valid reason.

4 Payment Makeup

4.1 Interest only repayment

- 4.1.1 Payments of interest will be collected on the first Business Day of each month by direct debit through BACs from a bank account designated by the Borrower.
- 4.1.2 The capital element of the Loan will be repaid in full at the end of the Term from a source acceptable to SIL.

4.2 Capital and Interest

- 4.2.1 Payments of capital and interest will be collected on the first Business Day of each month by direct debit through BACs from a bank account designated by the Borrower.
- 4.2.2 Any payments made to SIL will be applied as follows:
 - 4.2.2.1 firstly, towards payments of interest due; and
 - 4.2.2.2 any balance towards reduction of the capital element of the Loan.
- 4.2.3 SIL may vary the amount of the monthly payments deducted to reflect the amount outstanding under the Loan, any previous payments paid or unpaid by the Borrower, and the remainder of the Term, with a view to ensuring that the Loan is repaid by the end of the Term.

5 Default interest

5.1 If:

- 5.1.1 any amount payable by the Borrower under the Loan Agreement or Security is not paid when due; or
- 5.1.2 SIL demands repayment of the Loan

interest will accrue on the amount outstanding from the date on which payment is due up to the date upon which such amount is subsequently paid, at the rate of 2% per month or such other rate notified by SIL to the Borrower.

5.2 Such interest will accrue from day to day and shall be payable on the last Business Day of each month (before and after judgment and notwithstanding the Borrower's insolvency).

6 Prepayments

6.1 The Borrower may prepay part of the Loan on giving not less than 5 Business Days' notice.

6.2 A prepayment made on or before the Early Repayment Date (if stated in the Loan Agreement) shall be subject to the following conditions:

6.2.1 The amount of any prepayment in any year shall not exceed, in total, such portion of the Loan specified in the Facility Letter (**Prepayment Allowance**) in any twelve month period commencing on the date on which the Borrower and SIL agree a new rate of interest applicable to the Loan (**Revised Rate Date**), and thereafter on each anniversary of such date.

6.2.2 Any amount prepaid by the Borrower in excess of the Prepayment Allowance will be subject to an Early Repayment Charge, payable on the first anniversary of the Revised Rate Date. The Early Repayment Charge may be debited from the Borrower's account with SIL.

6.2.3 Any unused Prepayment Allowance may not be carried forward to subsequent years.

6.2.4 No prepayments can be made within the first 3 months following drawdown of the Facility.

6.3 The Borrower may make prepayments after the Early Repayment Date free of any Early Repayment Charge.

6.4 The Borrower agrees that the amount payable in respect of the Early Repayment Charge is a genuine pre-estimate of the loss SIL will suffer as a consequence of the prepayment of the Loan.

6.5 Any amount prepaid may not be reborrowed by the Borrower.

6.6 Other than as set out in this clause, the Borrower may not make any prepayments.

6.7 A notice of prepayment once given is irrevocable.

7 Repayment of the Loan

7.1 The Loan will be repaid on the Repayment Date.

7.2 The Loan will become due and payable prior to the Repayment Date if:

7.2.1 an Event of Default occurs, following which SIL makes a demand for repayment of the Loan; or

7.2.2 as a result of any change in SIL's circumstances or the laws, rules and regulations under which SIL is bound, it becomes illegal or it ceases to be economically viable for SIL to make or to continue to fund the Loan, and SIL notifies the Borrower that the Loan is to be terminated with effect from a specified date.

8 Representations, Warranties and Covenants

- 8.1 The Borrower hereby makes the representations and warranties set out in Schedule 2 to SIL (and so that each representation and warranty is deemed repeated on each date on which interest is due for payment and at such other intervals as SIL may specify by notice to the Borrower, in each case by reference to the circumstances then existing).
- 8.2 The Borrower covenants to SIL in the terms set out in Schedule 3 for the duration of the Term and for so long as the Loan is outstanding.
- 8.3 If the Borrower does not comply with any of the covenants set out in Schedule 3 (in particular relating to insurance, repair and maintenance and gas and electricity requirements) SIL may carry out any matter which in its view may be necessary or desirable to protect its interest, at the Borrower's expense.

9 Event of Default

- 9.1 The following events are Events of Default under the Loan Agreement:
- 9.1.1 the Borrower or any Obligor is in breach of the Loan Agreement or any Security; or
- 9.1.2 any representation or warranty given by the Borrower or any Obligor under the Loan Agreement or the Security or for the purpose of obtaining the Facility is or becomes inaccurate; or
- 9.1.3 any Obligor giving or purporting to give notice to terminate its liability under any guarantee in respect of the Facility; or
- 9.1.4 any approval, authorisation or consent required either to ensure that the Loan Agreement and the Security are valid, binding and enforceable or to enable the obligations of the Borrower or any Obligor to be performed, ceasing to be in full force and effect or it becoming unlawful for the Borrower or any Obligor to perform all or any of its obligations under the Loan Agreement or any Security, or any such document not being or ceasing to be legal, valid and binding on the Borrower or any Obligor; or
- 9.1.5 an Insolvency Event occurs in respect of the Borrower or any Obligor; or
- 9.1.6 the death of the Borrower or any Obligor (being an individual); or
- 9.1.7 any adverse change occurring in the circumstances, financial position or prospects of the Borrower or any Obligor which, in SIL's opinion, is likely materially to affect its ability to perform or comply with its obligations under the Loan Agreement or any Security; or
- 9.1.8 if the Property is located in England or Wales, a notice is served under section 146 of the UK Law of Property Act 1925 with the aim of forfeiting any lease under which the Property is held and (where the notice requires it) the breach is not remedied within the period stated in the notice period or (if no period is stated) within a reasonable time; or
- 9.1.9 the Borrower or any Obligor yields up possession of the Property.

- 9.2 SIL may in its discretion waive any Event of Default in whole or in part and subject to any condition it deems appropriate in its discretion, including the provision by the Borrower of additional security to SIL.

10 Security

- 10.1 To secure its obligations to SIL under the Loan Agreement, the Borrower will provide or will procure that any Obligor will provide the Security to SIL.
- 10.2 SIL may from time to time require the Borrower to deliver to SIL additional items of security.

11 Costs and Fees

- 11.1 The Borrower is responsible on a full indemnity basis for all fees, charges, expenses (including, where applicable, stamp duty, land tax and land registration fees), liabilities and legal and other costs incurred or charged by SIL, its agents and advisors in connection with:
- 11.1.1 the preparation, negotiation, completion, registration, re-registration (if applicable) administration, protection, termination (however it shall occur) and enforcement (including costs of any proceedings) of the Loan Agreement and the Security;
 - 11.1.2 the review and approval (or otherwise) of any tenancy/licence agreements in respect of the Property;
 - 11.1.3 the exercise by SIL of its rights and powers under the Loan Agreement and any Security;
 - 11.1.4 the enforcement of any Security including SIL's possession of the Property as mortgagee.
- 11.2 The Borrower will pay the Arrangement Fee upon signing of the Facility Letter. The Arrangement Fee once paid is not refundable regardless of whether the Facility is drawn down or not.
- 11.3 Any amount due from the Borrower in respect of costs and fees is payable on demand, or will be added to the Loan at the discretion of SIL.

12 Changes to General Terms

- 12.1 SIL may change these General Terms in order to reasonably reflect the fact that any of the following have occurred or are about to occur, provided that SIL does not do so for any arbitrary or improper purpose:
- 12.1.1 any material change in conditions in or affecting mortgage markets;
 - 12.1.2 any change in the lending practices of banks and other financial organisations offering similar services (including the terms on which they offer such services);
 - 12.1.3 any change in the law, regulation or in codes of practice or the making of a recommendation, requirement or decision by any court, regulator or similar body;
 - 12.1.4 any change to the systems SIL uses to manage its accounts, including changes in the technology it uses;

- 12.1.5 any reorganisation of the business undertaken by SIL following it being acquired by or by SIL acquiring another bank or organisation (so that customers with similar categories of agreements can be treated in a similar way);
 - 12.1.6 any event beyond the control of SIL;
 - 12.1.7 if the substitution of Sterling by the Euro results or will result in the opinion of SIL in a change in money market conditions; and
 - 12.1.8 any other valid reason.
- 12.2 SIL will give the Borrower 30 days' written notice of any changes to these General Terms.

13 Right of Set-Off

- 13.1 Any moneys standing to the credit of the Borrower with SIL on any account may at any time be applied by SIL (without notice) in or towards the payment or discharge of any money or liabilities then due or owing to SIL by the Borrower.
- 13.2 The Borrower may not exercise any set-off in respect of the Loan.

14 Renewal of initial terms

- 14.1 If SIL has offered certain terms (the "**Initial Terms**") in respect of the Facility for a limited initial period (the "**Initial Period**"), prior to the expiry of the Initial Period, SIL may, in its sole discretion, send a notice (the "**Renewal Notice**") to the Borrower setting out the terms upon which it is willing to renew the Initial Terms applicable to the Facility (the "**Renewal Terms**"). If the Borrower agrees with the Renewal Terms, it will notify SIL of its agreement in the manner specified in the Renewal Notice. Provided that SIL receives the Borrower's agreement to the Renewal Terms prior to:

14.1.1 the expiry date of the Initial Period; or

14.1.2 the expiry date of the Renewal Terms (as set out in the Renewal Notice),

then, the Facility will be provided on the Renewal Terms from the following date (being the "**Renewal Date**"):

14.1.3 in the case of clause 14.1.1, from the expiry date of the Initial Period; and

14.1.4 in the case of clause 14.1.2, from the date which is 3 Business Days following receipt by SIL of the agreement to the Renewal Terms.

- 14.2 Without prejudice to clause 17, the Renewal Notice may (a) be sent by electronic mail to the electronic mail address provided by the Borrower to SIL, and (b) require that the Borrower's agreement to the Renewal Terms is provided in electronic format, without any need for the Borrower to sign the Renewal Notice or the Renewal Terms. In such case, SIL will promptly confirm to the Borrower by letter the Renewal Terms and Renewal Date.
- 14.3 Without prejudice to clause 1.1.4, where two or more people are named in the Facility Letter as the Borrower, SIL may send the Renewal Notice to any person named as a borrower. The agreement of any one borrower to the Renewal Terms shall be deemed to be the agreement of all persons comprising the Borrower.

15 General

15.1 No warranty by SIL

SIL does not give any warranty as to the purchase price, value or condition of the Property.

15.2 Binding Effect

The Loan Agreement is binding on and inures to the benefit of the successors and permitted assigns of SIL, and the successors of the Borrower.

15.3 Payments

All payments to be made by the Borrower under the Loan Agreement shall be made in cleared funds and without set off, counterclaim, deduction or withholding, including for or on account of tax unless the Borrower is required by law to make such a payment subject to the deduction or withholding of tax, in which case the sum payable by the Borrower in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, SIL receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

15.4 Assignment and Transfer

15.4.1 SIL may assign any of its rights or transfer its obligations under the Loan Agreement and the Security without the consent of the Borrower or any Obligor. If a transfer or assignment by SIL takes place the Borrower and any Obligor will become bound to the transferee or assignee in the same way as they are bound to SIL; SIL will be released from any further obligation to the Borrower and any Obligor in respect of the interest transferred or assigned.

15.4.2 SIL may disclose without the consent of the Borrower or any Obligor to any actual or potential assignee, transferee, chargee, sub-participant or other contracting or interested party any information which any such person would reasonably be expected to be given in the circumstances, including information contained in the application for the Facility, supporting documentation provided by the Borrower or the Obligor, information or documents relating to the Facility or Security and the history and conduct of the Facility.

15.4.3 The Borrower may not assign any of its rights or transfer its obligations under the Loan Agreement and the Security.

15.5 SIL's Certificates

SIL's certificates and any determinations given or made by SIL as to the amounts payable by the Borrower under the Loan Agreement and any Security is conclusive and binding on the Borrower in the absence of manifest error.

15.6 Severability and Release

15.6.1 If any part of the Loan Agreement become invalid or unenforceable in any way under any law, the validity of the remaining terms will not in any way be affected or impaired. If any invalid or unenforceable terms would not be invalid or unenforceable

if its form or effect were modified in any way, it will be deemed to have such modified form or effect if SIL consents to such modification.

15.6.2 If any term of the Loan Agreement is unenforceable against any Borrower (if there is more than one Borrower) the remaining Borrower(s) will not be released from their obligations to SIL under the Loan Agreement or any Security.

15.7 Waiver of Rights

No failure to exercise or single or partial exercise and no delay in exercising on the part of SIL any right, power or privilege under the Loan Agreement will operate as a waiver of any of SIL's rights.

15.8 Remedies cumulative

The rights, powers and remedies provided in the Loan Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

15.9 Regulatory

Nothing in the Loan Agreement shall be construed as SIL carrying on any activity which is regulated in the United Kingdom and SIL is not required to take any action or accede to any request of the Borrower under the Loan Agreement to the extent that such action or accession may cause SIL to be carrying on an activity which is regulated in the United Kingdom.

16 Conflicts

If there is any conflict between these General Terms and the Facility Letter, the Facility Letter shall take precedence.

17 Notices

17.1 Notices under the Loan Agreement must be in writing and may be delivered personally, sent by post or facsimile, and will be deemed to be received:

17.1.1 by the Borrower:

17.1.1.1 if delivered personally: on the day of delivery if it is a working day in the place which it is delivered, or otherwise at the start of the next Business Day;

17.1.1.2 if sent by pre-paid post to the Borrower's last known address in the Bailiwick of Guernsey, Bailiwick of Jersey or the United Kingdom: at midday on the second Business Day following posting;

17.1.1.3 if sent by pre-paid airmail to the Borrower's last known address outside the Bailiwick of Guernsey, Bailiwick of Jersey or the United Kingdom: at midday on the fifth day after posting;

17.1.1.4 if sent by facsimile to the Borrower's number last known to SIL: at the time of transmission during normal business hours in the place of receipt, on a working day in the place of receipt, or otherwise at the start of the next working day in the place of receipt

17.1.2 by SIL: only upon actual receipt by SIL at its place of business at:

Tudor House, The Bordage, St Peter Port, Guernsey, GY1 6DS.

Facsimile No: +44 1481 712279

Marked for the attention of: the Mortgage Department

- 17.2 Any notice from SIL is effective despite the death, dissolution or liquidation of the Borrower.
- 17.3 If there is more than one Borrower, a notice served on any one Borrower is binding on all the persons comprising the Borrower.
- 17.4 The date on the duplicate of the notice retained by SIL is conclusive proof of date of posting.

18 Jurisdiction and Governing Law

The Loan Agreement shall be governed by and construed in accordance with the laws of the Island of Guernsey. The Borrower and SIL hereby agree, for the exclusive benefit of SIL, to submit to the jurisdiction of the courts of the Island of Guernsey to settle any disputes which arise out of or in connection with the Loan Agreement.

Schedule 1

Conditions to Drawdown

The following documents in form and substance satisfactory to SIL:

1 Facility and Security Documents

- 1.1 signed Facility Letter;
- 1.2 signed and completed Security documents;
- 1.3 all share certificates and blank share transfers relating to the security interest agreement, if applicable;
- 1.4 signed notices relating to the Security, if applicable;
- 1.5 any other documents or matters required by SIL in connection with the Loan Agreement and any Security;

2 Property

- 2.1 a report on title to the Property satisfactory to SIL from SIL's legal advisors showing among other things that all necessary searches and enquires have been made and that the Borrower will at the date of advance of the Facility have good and marketable title to the Property;
- 2.2 a RICS surveyor's report addressed to SIL as to the condition and value of the Property (including reinstatement value);
- 2.3 copy of the Buildings Insurance policy including cover for subsidence and insuring the Property against, amongst other things, fire, damage or loss arising from the acts or omissions of the tenant for the full replacement value of the Property (including a reinstatement value at least equal to the amount recommended by SIL's surveyor) and confirmation that SIL's interest is noted as mortgagee on the relevant policy;
- 2.4 a copy of the tenancy agreement pursuant to which the Property is to be occupied, including (where the Property is to be let on an assured shorthold tenancy) evidence of service of a "Ground 2 Notice" on the tenant of any such occupational lease;
- 2.5 evident of compliance with an appropriate tenancy deposit scheme;

3 Mandates and Instructions

- 3.1 completed direct debit from the Borrower's bank account;
- 3.2 completed mandate for an account of the Borrower at SIL;

4 In relation to a corporate Borrower or Obligor

- 4.1 a certificate of incumbency with specimen signatures of all officers of the Borrower and Obligor;
- 4.2 a certified copy of the memorandum and articles of incorporation or association or other constitutive documents of the Borrower and Obligor;

- 4.3 a certified copy of the Certificate of Incorporation or registration of the Borrower and Obligor and a certificate of good standing of the Borrower and Obligor;
- 4.4 resolutions of the directors of the Borrower and Obligor approving the terms of the Loan Agreement and any Security and authorising its execution on behalf of the Borrower or Obligor by one or more persons;
- 4.5 such other resolutions, alterations to the constitutional documents and other acts required by SIL to create, perfect, register or complete the Security;
- 4.6 if the Borrower or Obligor is a corporate entity or a partnership or some other unincorporated entity, a legal opinion from SIL's legal advisors on, amongst other things, the capacity of the Borrower or Obligor to enter into the Loan Agreement and the Security, as applicable.

5 In relation to a corporate trustee Borrower or Obligor

- 5.1 a certified copy of the memorandum and articles of incorporation or association or other constitutional documents of the trustee;
- 5.2 a certified copy of the certificate of incorporation or registration of the trustee;
- 5.3 a certified copy of the documents constituting the trust, instruments of appointment of trustee, amending instruments and any ancillary documents relating to the trust;
- 5.4 resolutions of the trustee approving the terms of the Loan Agreement and any Security and authorising its execution on behalf of the trustee by one or more persons;
- 5.5 a legal opinion from SIL's legal advisors on, amongst other things, the capacity of the trustee to enter into the Loan Agreement and the Security, as applicable;

6 Other

- 6.1 such other resolutions, alterations to the constitutional documents and other acts required by SIL to create, perfect, register or complete the Loan Agreement and Security;

7 Fees

- 7.1 Payment of SIL's legal and other costs, fees (including its arrangement fees) and charges in respect of the preparation, negotiation and completion (and registration where necessary) of this Facility and the Security, of such amount to be notified by SIL to the Borrower.

Schedule 2

Representations and Warranties

The Borrower represents and warrants to SIL that:

- 1 the Borrower has full power and authority to borrow the Facility and perform the obligations under the Loan Agreement and Security and has taken all necessary corporate and other action to authorise their execution and performance;
- 2 the Loan Agreement and the Security constitute the legal and binding obligations of the Borrower enforceable in accordance with their respective terms;
- 3 the Borrower's execution of its borrowing, the performance of its obligations and the exercise of any of the Borrower's rights under the Loan Agreement and the Security do not and will not:
 - 3.1 infringe any law applicable to it or the Borrower's memorandum and articles of association or incorporation, or other constitutive documents (if any); or
 - 3.2 result in any breach of any agreement or obligation binding on the Borrower or any of the Borrower's assets; or
 - 3.3 result in the existence of, nor oblige the Borrower to create, any Encumbrance (other than in favour of SIL) over the Borrower's assets, present or future;
- 4 there are no Encumbrances affecting any of the assets of the Borrower other than those (if any) specified in the Facility Letter;
- 5 no Event of Default or potential Event of Default has occurred and is continuing;
- 6 there are no legal or other proceedings (including any Insolvency Event) pending or threatened before any court, tribunal, commission or other regulatory authority involving the Borrower;
- 7 the work undertaken in respect of the Property is in compliance with the terms of its licence, approvals and consents issued by the relevant authorities and all applicable laws and regulations (including environmental laws and regulations);
- 8 the Borrower has good unencumbered title to the Property, and such property has been acquired for good and valuable consideration, and not at an undervalue;
- 9 all information provided by or on behalf of the Borrower to SIL for the purpose of obtaining the Facility was true, complete and accurate in all material respects at the time it was provided;
- 10 the most recent financial statements (if any) provided by the Borrower give a true and fair view of the state of affairs of the Borrower and disclose all liabilities and unrealised or expected losses of the Borrower;
- 11 since the date to which the most recent financial statements (if any) were prepared, the Borrower has not incurred (other than in the ordinary course of trading) any material liability (actual or contingent);
- 12 each Obligor has the necessary ability and/or corporate power and authority to execute and observe its obligations under the Security all of which constitute its valid and binding

obligations and no Obligor is or would be in breach of any laws applicable to it or contractual arrangement of whatsoever nature by reason of its execution and performance of the Security;

- 13 at the time of entering into the Loan Agreement, where the Borrower is:
- 13.1 an individual or individuals, they are not normally resident in the United Kingdom;
 - 13.2 a trustee, none of the beneficiaries are normally resident in the United Kingdom;
or
 - 13.3 a company or partnership, it is not incorporated or otherwise deemed to be established in the United Kingdom.
- 14 the Borrower understands and accepts that in providing the Facility, SIL shall not be construed as carrying on any activity which is regulated in the United Kingdom and SIL will not be required to take any action or accede to any request of the Borrower to the extent that such action or accession may cause SIL to be carrying on an activity which is regulated in the United Kingdom.

Schedule 3

Property covenants

The Borrower covenants to SIL that:

- 1 the Borrower will, or will ensure that the relevant Obligor will, obtain, maintain and comply with the terms of a suitable buildings insurance policy, appropriate for a property that is let, for a sum insured to cover the full reinstatement value of the Property (for at least such risks including cover for subsidence and for such sum assured as SIL shall specify), with SIL's interest noted;
- 2 the Borrower will promptly provide to SIL a copy of the insurance policy upon SIL's request at any time;
- 3 the Borrower will, or will ensure that the relevant Obligor will, put and maintain the Property (including all fixtures) in good and substantial repair and condition and will not allow the Property to lapse into a state of disrepair;
- 4 the Borrower will, or will ensure that the relevant Obligor will, ensure that the electrical and gas installations at the Property meet all current regulatory requirements and that all necessary certificates are obtained and renewed when necessary;
- 5 the Borrower will ensure that if any furnishings are let or otherwise left at the Property during any tenancy, they fully comply with all fire and safety regulations;
- 6 the Borrower will not, and will procure that the relevant Obligor will not, allow any Encumbrance to be created over, nor sell lease or otherwise part with possession or occupation of the Property or any interest in the Property without the prior consent of SIL;
- 7 if the Borrower is:
 - 7.1 an individual, he will not, nor intends to, occupy the Property or allow any Related Party to occupy the Property; or
 - 7.2 a trustee, it will not, nor intends to, allow the Property to be occupied by a beneficiary of the trust or any Related Party of a beneficiary;
- 8 any occupation of the Property by a tenant will be subject to an assured shorthold tenancy agreement in a form previously approved by SIL prior to the start of the tenancy;
- 9 if the Property is subject to a tenancy agreement at the date of drawdown of the Facility, the Borrower will submit to SIL a copy of the tenancy agreement executed by the tenant or a draft of the proposed tenancy agreement executed by any tenant, for the approval of SIL;
- 10 any tenancy agreement or licence or draft must contain clauses setting out, amongst other things, the amount of rent payable, provision for its periodic review, the term of the proposed lease, the right of re-entry by the Borrower or the relevant Obligor in the event of non-payment of rent or breach of covenant, and additional suitable covenants regarding maintenance and repair of the Property. No premium shall be payable by the tenant or licensee. Suitable clauses must be included ensuring that the tenant or licensee is aware of SIL's interest in the Property and deferring to all of SIL's rights in the event of enforcement of the Mortgage;

- 11 the Borrower will do and cause to be done all things necessary or expedient for the protection, enforcement or maintenance of any rights of interest of SIL in the Property, including, amongst other things, the right to enter and take possession of security upon default.