



AL RAYAN BANK



Banking you can believe in

Limited Company Buy To Let

Terms and conditions

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Section 1: Glossary of terms

Words with special meanings

Term	Special meanings
1925 Act	The Law of Property Act 1925.
1995 Act	The Landlord and Tenant (Covenants) Act 1995.
2002 Act	The Land Registration Act 2002.
acquisition cost	The amount shown in the Limited Company Buy To Let Purchase Plan (BTLPP) Schedule as the Bank's payment to acquire the Bank's initial share .
acquisition payments	agreed acquisition payments and additional acquisition payments .
additional acquisition payments	Any extra payment towards the acquisition cost which the Company chooses to make under clause 2.4 of the DCA Terms in accordance with the terms of the Offer Letter to increase the Company's share of the property (and correspondingly to decrease the Bank's share of the property) and which is made in addition to the agreed acquisition payments due from the Company under the Diminishing Co-ownership Agreement .
adjustment notice	Any notice served by the Bank under Schedule 1 of the Diminishing Co-ownership Agreement or clause 4.1 of the Lease Agreement , in which the Bank notifies the Company of the agreed acquisition payments (if any) and the rent to be paid on each of the payment dates in a rent period .
administrator	An administrator appointed by the Bank pursuant to the terms of the Legal Charge and Paragraph 14 of Schedule B1 of the Insolvency Act 1986.
agreed acquisition payments	Each monthly acquisition payment together with the final acquisition payment payable in accordance with the terms of the Diminishing Co-ownership Agreement .
AST	An assured shorthold tenancy as provided under the Housing Act 1988 as subsequently amended in relation to such tenancies.
Bank	Al Rayan Bank PLC, registered in England and Wales with number 04483430 and includes its successors or assigns or any person to whom Al Rayan Bank PLC, may transfer its interest in the Property from time to time.

Term	Special meanings
Bank's contribution	The amount to be contributed by the Bank to the purchase price of the property or the amount payable by the Bank in relation to a refinancing of the finance balance outstanding following entry into a Deed of Variation .
Bank's initial share	The Bank's share at the date of entry into the Diminishing Co-ownership Agreement or following entry into a Deed of Variation but prior to the receipt of any subsequent acquisition payment .
Bank's share	The Bank's share of the beneficial interest in the Property from time to time which is equal to the finance balance divided by the valuation undertaken with effect on the date of purchase or date of refinancing.
Base Rate	The rate set from time to time by the Bank of England for deposits in Sterling on a monthly basis or if the Bank of England ceases to set such rates, such alternative rate as the Bank may choose, or if such rate is set by the Bank of England at less than 0%, then 0%.
Bank Variable Rental Rate	Base Rate together with the margin .
charged property	The property and any interest that the Company may have in the property whether under the Lease Agreement or the Diminishing Co-ownership Agreement together with any other property (including any shares in any management company) or other assets, interests or the Company's undertaking, property, assets and rights that may be charged or be intended to be charged under the Legal Charge .
Company	The person or persons (other than the Bank) executing the Offer Letter and the other Limited Company BTLPP Agreements as a customer, lessee and purchaser of the property from the Bank and as service agent under the Service Agency Agreement .
Company's contribution	The amount that the Company will contribute to the purchase price of the property being the balance of the purchase price after taking account of the Bank's contribution and including any deposit paid on entry into the Property Purchase Contract as shown in the Limited Company BTLPP Schedule .
Company's initial share	At the date of entry into the Diminishing Co-ownership Agreement or following entry into the Deed of Variation but prior to the payment of any subsequent acquisition payment , the share of the beneficial interest in the property which is equal to the entire beneficial interest in the property less the Bank's initial share .
Company's share	The share of the beneficial interest in the property which is equal to the entire beneficial interest in the property less the Bank's share at the relevant time.
control	Means controlling or being able to control the composition of the board of directors of the Company or being able to direct how the majority of the board of directors of the Company act.
DCA Terms	The terms of the Diminishing Co-ownership Agreement contained in Section 2 of the T&Cs.

Term	Special meanings
Deed of Variation	A deed entered into between the Company and the Bank varying the terms of some or all of the Limited Company BTLPP Agreements in existence between the Bank and the Company pursuant to a new Offer Letter as therein defined.
delay payment	<p>With respect to any sum owed by and demanded from the Company but not paid on its due date such additional sum determined by the Bank to be the amount after applying the formula below:</p> $\frac{A \times B \times C}{360}$ <p>Where</p> <p>“A” means the amount of such unpaid amount</p> <p>“B” means the percentage published and issued by the Bank from time to time on its website</p> <p>“C” means the number of days from and including such date on which the unpaid amount was due and payable to and including the date of actual payment (whether before or after judgment) in cleared funds.</p>
Diminishing Co-ownership Agreement	The agreement between the Company and the Bank on the DCA Terms relating to the Bank’s ownership of the property and the Company’s rights to acquire the Bank’s interest in the property and otherwise known as a “Diminishing Musharakah Agreement”.
discount	The percentage shown in the Limited Company BTLPP Schedule which will be deducted from the margin in calculating the rent on all rent review dates prior to the discount end date .
discount end date	The first rent review date when the discount ceases to apply to the calculation of rent under a Lease Agreement .
Event of Default	<p>Each of the following events or circumstances</p> <ol style="list-style-type: none"> 1. The Company fails to pay any agreed acquisition payment on its due date for payment. 2. Any representation, warranty or other statement made by the Company in, or in connection with any Limited Company BTLPP Agreement, is incorrect or misleading when made. 3. The Company is in default under any Limited Company BTLPP Agreement and/or in breach, or fails to observe or perform any of the covenants or undertakings under or contained in any Limited Company BTLPP Agreement. 4. The Company is in default under any other agreement pursuant to which the Company provides the Bank with security for any of its obligations to the Bank. 5. If the Company does not obtain or renew the insurance on the property in accordance with the Lease Agreement, the Service Agency Agreement and/or the Notice to Insure. 6. The Company lets out, re-lets, shares occupation of or fails to occupy the property without the Bank’s consent as set out in the Offer Letter, the Lease Agreement Terms or a Letting Consent Letter.

Term	Special meanings
Event of Default	<p>7. There is a material adverse change in the Company's position or circumstances which might prevent the Company from complying with any material provisions of any Limited Company BTLPP Agreement or there is a material adverse change in the position of a Guarantor which might prevent the Guarantor from complying with his or her obligations under the Guarantee or any Guarantor Security.</p> <p>8. The Company makes any actual, or attempted, repudiation of any Limited Company BTLPP Agreement.</p> <p>9. The Bank exercises its rights to terminate the Lease Agreement.</p> <p>10. A change occurs in the persons or person exercising or capable of exercising control over the Company without the Bank having given prior written consent to such change.</p> <p>11. Any further Events of Default included as special conditions in the Offer Letter shall be treated as set out here.</p>
final acquisition costs	<p>The amount at which the Bank agrees under the Diminishing Co-ownership Agreement to sell its share of the property to the Company if the Company exercises its right under clause 7 of the Diminishing Co-ownership Agreement or the Bank exercises its right under clause 6 of the Diminishing Co-ownership Agreement. The final acquisition costs will be equal to the finance balance together with any extra cost incurred by the Bank under the Service Agency Agreement but not been recovered through the supplemental rent.</p>
final acquisition payment	<p>The amount shown in the Limited Company BTLPP Schedule or in any subsequent adjustment notice as being payable on the final completion date being the finance balance.</p>
final completion	<p>Actual legal completion of the sale of all of the Bank's interest in the property evidenced by the Bank transferring the Bank's title to the property to the Company or as directed by the Company under clause 7.</p>
final completion date	<p>The fifth (5th) working day following expiry of the payment term or (if later) the date that the finance balance is reduced to zero by the acquisition cost having been paid in full, or in each case such earlier date as may be fixed by notice served under clause 6 or 7 of the Diminishing Co-ownership Agreement.</p>
finance balance	<p>At any time, the acquisition cost less all acquisition payments made prior to that time.</p>
finance to value	<p>At any time, the percentage that the finance balance bears to the relevant valuation.</p>

Term	Special meanings
Financial Quotation Statement	A statement setting out the key terms of the Limited Company Buy to Let Purchase Plan into which the Company is intending to enter.
first rent period	The period commencing from and including the date of the Lease Agreement until and including the payment date falling immediately following the first rent review date .
first rent review date	The date specified in the Limited Company BTLPP Schedule which is the first date upon which a rent review takes place.
fixed rental rate	A rental rate agreed for a fixed rental rate period which will be used to calculate the rent instead of the Bank Variable Rental Rate .
fixed rental rate letter	A letter setting out the fixed rental rate and fixed rental rate period agreed between the Bank and the Company .
fixed rental rate period	A period during which it has been agreed between the Company and the Bank that a fixed rental rate will apply in calculating the rent .
floating charge	The charge qualifying as a floating charge under paragraph 14 of Schedule B1 to the Insolvency Act 1986 and created under clause 2 of the Legal Charge .
guarantee	The guarantee of the Company's obligations under the Limited Company BTLPP Agreements given by a guarantor .
guarantor	A person who provides a guarantee of the Company's obligations under the Limited Company BTLPP Agreements .
guarantor security	Security provided by a guarantor to the Bank in respect of the obligations of the guarantor under a guarantee .
Initial Payments Schedule	The schedule showing the acquisition cost on entry into the transaction, the monthly payments as calculated prior to the first rent review date , the total of monthly payments payable up to and including the payment date following immediately after the first rent review date and the finance balance on the payment date following immediately after the first rent review date , such schedule having been sent to the Company shortly after the entry by the parties into the Diminishing Co-ownership Agreement .
initial rental rate	The rental rate applicable from the start of the payment term until the end of the first rent period.
initial valuation	The valuation of the property to be delivered to the Bank as a condition precedent to entry into the Diminishing Co-ownership Agreement or a Deed of Variation .

Term	Special meanings
insured risks	<p>Insurance of the property and any plant and machinery on the property including fixtures and improvements on a full reinstatement basis, including, without limitation, site clearance, professional fees and value added tax against: loss or damage by</p> <p>(a) fire, explosion, subsidence, earthquake, riot and civil commotion, acts of terrorism, malicious damage, impact, flood, storm and tempest (including lightning), aircraft (other than hostile aircraft) and articles dropped from them, bursting or overflowing of water tanks apparatus and pipes, boilers or heating equipment</p> <p>(b) subsidence; and</p> <p>(c) such other risks that would normally be covered under a buildings risks policy taken by a reasonable and prudent person carrying on similar activities to the Company,</p> <p>and appropriate third party and public liability cover relating to the occupation and the use of the property by the Company and ownership of the property by the Company and by the Bank.</p>
Lease Agreement	The lease agreement entered into between the Bank and the Company under which the Company is entitled to occupy the property in exchange for the payment of rent and the observation of the Lease Agreement Terms .
Lease Agreement Terms	The terms of the Lease Agreement contained in Section 3 of the T&Cs .
lease term	The period from the date of execution of the Lease Agreement until the date 50 years thereafter.
Legal Charge	The first legal mortgage and debenture to be granted by the Company to the Bank over, amongst other rights, its right, title and interest under the Lease Agreement and the Diminishing Co-ownership Agreement as security for all of the Company's liabilities and obligations to the Bank under the Limited Company BTLPP Agreements , together with a floating charge over all the present and future acquired undertaking, property, assets and rights of the Company .
Legal Charge Terms	The terms of the Legal Charge contained in Section 5 of the T&Cs .
Limited Company Buy to Let Purchase Plan or Limited Company BTLPP	The Diminishing Musharakah arrangements as documented by the Limited Company BTLPP Agreements .
Limited Company BTLPP Agreements	The Offer Letter , the Diminishing Co-ownership Agreement , the Lease Agreement , the Service Agency Agreement and the Legal Charge , in each case incorporating the T&Cs .
Limited Company BTLPP Schedule	The financial details of the Limited Company Buy to Let Purchase Plan as set out and so described in the Offer Letter .
margin	The percentage rate set out in the Limited Company BTLPP Schedule subject to increase under clause 4.3 of the Lease Agreement Terms to an amount not exceeding the margin cap .

Term	Special meanings
margin cap	The maximum increase in the margin under clause 4.3 of the Lease Agreement Terms referred to in the Limited Company BTLPP Schedule being not more than 2% higher than the margin .
maximum finance to value	The percentage set out in the Limited Company BTLPP Schedule being the finance to value that may not be exceeded throughout the payment term .
monthly acquisition payment	Each acquisition payment that the Company makes as part of a monthly payment in accordance with the terms of the Diminishing Co-ownership Agreement .
monthly payment	The aggregate of the rent and the monthly acquisition payment payable each month on the payment date in that month.
Notice to Insure	The notice to insure addressed by the Bank to the Company and headed as such.
Offer Letter	The offer letter setting out the terms of the agreement between the Company and the Bank in relation to the property .
payment date	The day in each month for payment of the monthly payment as specified in the Limited Company BTLPP Schedule .
payment term	The term of the Limited Company Buy to Let Purchase Plan set out in the Initial Payments Schedule over which the Company will acquire the Bank's share in the property by payment of the agreed acquisition payments .
property	The property let under the Lease Agreement .
Property Purchase Contract	A contract between the Company and the seller for the acquisition of the Property .
purchase price	The purchase price of the Property payable to the seller under the terms of the Property Purchase Contract or, where there is a refinancing or entry into a Deed of Variation an amount equal to the initial valuation , in each case as set out in the Limited Company BTLPP Schedule .
receiver	A receiver, receiver and manager or administrative receiver of any or all of the charged property appointed by the Bank pursuant to the Legal Charge .
registered address	The Company's registered office address as shown on the front page of the Diminishing Co-ownership Agreement .
rent	The amount payable under the Lease Agreement for the exclusive use of the property calculated in accordance with clause 4 of the Lease Agreement Terms .
rent period	A period of three (3) months commencing on the day immediately after the end of the first rent period and (where applicable) each successive period of three (3) months commencing on the day immediately following the end of the previous rent period , or where such period would extend beyond the final completion date , such shorter period as will end on the final completion date .

Term	Special meanings
rental rate	The percentage found by adding the Base Rate to the margin less any applicable discount or, if the relevant rent period falls within a fixed rental rate period , the applicable fixed rental rate .
rent review	A review of the rent payable under the Lease Agreement conducted in accordance with clause 4 of the Lease Agreement Terms .
rent review date	In relation to any rent period , the last day of the month before the start of that rent period .
SAA Terms	The terms of the Service Agency Agreement contained in Section 4 of the T&Cs .
secured obligations	All present and future obligations and liabilities (whether actual or contingent and whether accrued jointly or severally or in any other capacity whatsoever) of the Company to the Bank , whatever their nature or basis, in any currency or currencies and however they are described including (without limitation) <ul style="list-style-type: none"> a) All sums due to the Bank from time to time under the Limited Company BTLPP Agreements as each of them become due for payment. b) All costs and expenses incurred by the Bank and/or any receiver (including any receiver's remuneration) in relation to the Limited Company BTLPP Agreements on a full indemnity basis. c) All costs, charges and expenses incurred by the Bank in connection with the protection, preservation or enforcement of its rights under the Limited Company BTLPP Agreements.
seller	The seller of the property under the Property Purchase Contract .
Service Agency Agreement	The service agency agreement entered into between the Company and the Bank under which the Company agrees to insure the property in accordance with the Notice to Insure , to perform structural maintenance of the property , to discharge expenses relating to the property and to provide other services and to discharge other obligations as the Bank's agent on the SAA Terms .
service charge amount	The expenses incurred by the Company in the course of providing the services , which expenses shall be charged to the Bank in accordance with clause 4 of the Service Agency Agreement .
service charge amount payment date	The third payment date following the next rent review date after the month the Bank receives a notice from the Company to pay any service charge amount in accordance with the Service Agency Agreement .
services	The services carried out by the Company under the Service Agency Agreement in accordance with clause 3.1 of the SAA Terms .
Sharia	The rules, principles and parameters of Islamic law as interpreted by the Sharia Supervisory Committee .
Sharia Supervisory Committee	The religious scholars appointed to advise the Bank on the way in which Sharia will be applied to all activities carried on by the Bank .
special condition	The special conditions (if any) set out in paragraph 6 of the Offer Letter which may include undertakings, representations, Events of Default and agreement to the way in which the Company may sub-let the property .

Term	Special meanings
statutory rights	Rights which are granted by statute, statutory instrument or other legislation (including European Union Legislation) to enable tenants of long leases to enfranchise, extend the term of their leases or acquire the immediate reversion or freehold interest to their lease or to cancel any buildings insurance policy or any interest or policy created under any buildings insurance policy the Bank takes out whether under the Leasehold Reform Act 1967, the Landlord and Tenant Act 1987, the Leasehold Reform, Housing and Urban Development Act 1993, the Commonhold and Leasehold Reform Act 2002, the Distance Marketing of Consumer Financial Services Directive (2002/65/EC), the Financial Conduct Authority's Conduct of Business Sourcebook Instrument or other similar legislation (as amended or replaced from time to time) or otherwise.
superior landlord (if any)	The person entitled immediately to the reversion of the superior lease at the end of the term of the superior lease .
superior lease	The lease (if any) by which the property is vested in the Bank .
superior lease charges	Any charge or other outgoings which the Bank are obliged under the superior lease to pay to any superior landlord .
supplemental rent	The amount charged to the Company by the Bank equal to the amount charged by the Company to the Bank under the Service Agency Agreement .
T&Cs	The terms and conditions applicable to the Limited Company BTLP Agreements including this glossary of defined terms used in the Limited Company BTLP Agreements .
Tariff List	At any time and from time to time, the list of charges that the Bank make for carrying out certain tasks or which are payable by the Company in certain circumstances, the Tariff List applicable at the date of the Offer Letter has been sent to the Company with the Offer Letter but the charges may be varied from time to time in accordance with clause 5.3 of the Diminishing Co-ownership Agreement and the current Tariff List is available from the Bank on request or through the Bank's website.
total loss	Any event which results in the property being destroyed or damaged beyond repair, or permanently rendered unfit for its current use for any reason whatsoever.
transfer	The transfer of the Bank's legal interest in the property by the Bank to the Company (or as the Company may direct) under the Diminishing Co-ownership Agreement .
transferee	A person to whom the Bank transfers, or agrees to transfer, the Legal Charge or any of the Bank's rights under it.
valuation	The open market value of the property as shown in the most recent valuation of the property obtained pursuant to or in relation to the Offer Letter or the Diminishing Co-ownership Agreement .
working day	Any day on which banks are open for general non electronic or automated business in the City of London, excluding Saturdays, Sundays and bank or other public holidays.

Section 2: Diminishing Co-ownership Agreement (the “DCA terms”)

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Sharia compliance guaranteed

As an Islamic bank, you can be assured that our Home Purchase Plan (HPP) products follow the Sharia rules and requirements for Diminishing Musharaka and Ijara. Where the Offer letter and / or HPP agreement is silent about the Bank's approach in relation to Sharia; the default position is to apply Sharia requirements regarding such matters even if not stated clearly in these terms and conditions.

Our commitment to you, is that Sharia principles will form an integral part of the agreement between you and us at all times. The Bank will fulfill its legal and Sharia requirements regarding its duties and obligations in relation to its share of the property in accordance with the requirements of the Diminishing Musharaka principle whether such obligations are listed in this agreement or not.

We assure you that:

- We will treat you fairly in accordance with the Sharia ethical conduct
- We will always follow our Sharia governance and the guidance provided by our Sharia Supervisory Committee, and where applicable assess matters on a case by case basis to ensure that Sharia requirements are not compromised.

1. Words with special meanings and interpretation

- 1.1 In this deed, unless the context otherwise requires, words and expressions shown in bold type in this deed have the meanings defined in the glossary forming part of these terms and conditions.
- 1.2 For the purposes of Section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 the terms of the **Offer Letter** are incorporated into this deed.
- 1.3 In this deed, unless the context otherwise requires:
 - (a) words in the masculine form also include the feminine and neuter;
 - (b) where any obligation is undertaken by two or more persons, that obligation shall apply to all such persons jointly and each of them individually;
 - (c) words importing persons include an individual, company, corporation, firm, partnership, unincorporated association or body of persons, and any state, or governmental or local division or agency of a state;
 - (d) unless otherwise provided, references to clauses or schedules are references to the relevant clause or schedule in this deed;
 - (e) references to any statute or statutory provision shall include (a) any subordinate legislation made under it, (b) any provision which it has superseded or re-enacted (whether with or without modification), and (c) any provision superseding it or re-enacting it (whether with or without modification);
 - (f) the descriptive headings to clauses and schedules are inserted for convenience only, have no legal effect and shall be ignored in interpreting this deed; and
 - (g) an **Event of Default** is "continuing" if it has not been remedied or waived in accordance with clause 12; and the words and phrases "other", "including" and "in particular" shall not limit the generality of the words preceding or succeeding them or be construed as limiting the succeeding words to the same class as the preceding words.

2. Sale and purchase

- 2.1 The **Company** agrees to buy the **Bank's initial share** of the **property** for the **acquisition cost** in accordance with and subject to the terms and conditions of this deed.
- 2.2 Where the **property** is being purchased pursuant to a **Property Purchase Contract** from a **seller**, the **Company** agrees to pay the **Company's contribution** to the **seller** in accordance with the terms of the **Property Purchase Contract** and no later than the date of this deed.
- 2.3 The **acquisition cost** shall be payable by the **Company** by way of the **agreed acquisition payments** as referred to in Schedule 1.
- 2.4 The **Company** may make **additional acquisition payments** in accordance with the terms of the **Offer Letter**.
- 2.5 Each **acquisition payment** made by the **Company** shall result in an increase in the **Company's share** and a decrease in the **Bank's share** of the **property**.
- 2.6 The **Company** acknowledges and agrees that the **agreed acquisition payments** due from the **Company** to the **Bank** must be paid by the **Company** to such bank account in the United Kingdom as the **Bank** may from time to time require and the **Company** will provide and maintain a direct debit mandate in the **Bank's** favour entitling the **Bank** to debit the agreed acquisition payments from the **Company's** bank account.
- 2.7 The **Bank** shall not be obliged to complete the transfer of the **property** while any sums (including but not limited to any part of the **finance balance**) are owing or unpaid by the **Company** under this deed or otherwise to the **Bank** under any other agreement.
- 2.8 Any payments received by the **Bank** from the **Company** pursuant to this deed, the **Lease Agreement**, the **Legal Charge** or the **Service Agency Agreement** shall be applied in the following order:
 - (a) firstly in meeting any charges which have become payable under the **Tariff List** (which for the avoidance of doubt includes (without limitation) legal costs and expenses incurred as a result of the **Bank** enforcing this deed or any other **Limited Company BTLPP Agreement**) but which the **Company** have failed to pay;
 - (b) secondly in paying any sums due but unpaid under the **Legal Charge**;
 - (c) thirdly in paying any sums due but unpaid by the **Company** as the **Bank's** agent under the **Service Agency Agreement**;
 - (d) fourthly in paying any sums due but unpaid under the **Lease Agreement**;
 - (e) fifthly in paying any **acquisition payments** which are due but unpaid; and
 - (f) sixthly in reducing or discharging the **finance balance** or the **final acquisition costs** (as the case may be).

3. Final completion

- 3.1 Provided that the **Company** has made all the **acquisition payments** required to purchase the **Bank's share** of the **property** and paid all sums due but unpaid from the **Company** under this deed and each other **Limited Company BTLPP Agreement**, the legal sale and purchase of the **property** shall be completed on the **final completion date**, and on **final completion** a transfer shall be executed by the **Bank** so as to transfer the legal interest in the **property** to the **Company** or into the name of such other person as the **Company** may nominate.
- 3.2 If the **Bank** holds any shares in a management or lessor company relating to the **property** then on **final completion** the **Company** promises to buy them, at the price (if any) which the **Bank** paid for them. The **Bank** shall also resign from any directorships or

other offices which the **Bank** may hold in such management or lessor company by virtue of the **Bank's** ownership of the legal title to the **property** or the shares in such company.

- 3.3 **Rent** and all other sums outstanding, payable or due during the **rent period** in which **final completion** occurs and other sums payable under the **Lease Agreement** or any other **Limited Company BTLPP Agreement** shall be payable on **final completion**.
- 3.4 If there is a default by the **Company** in performing any of the **Company's** obligations under this deed and **final completion** is delayed, then the **Bank** shall continue to be entitled to the **rent** and all other sums due under the **Lease Agreement** until actual **final completion**.
- 3.5 The **Bank** shall only be required to execute one transfer of the whole of the legal title to the **property** on **final completion** and if the transfer is not to the **Company**, then the **Company**, as beneficial owner will be required to join in such transfer so as to effectively transfer both legal and beneficial interests.
- 3.6 The transfer shall contain a covenant by the transferee in the **Bank's** favour by way of indemnity to observe and perform all covenants and other matters affecting the **property** and for the observance or performance of which the **Bank** would or might remain liable after **final completion**.
- 3.7 On **final completion**, the **Company** shall deliver to the **Bank** a deed in such form as the **Bank** may reasonably require releasing the **Bank** from all liability under the **Bank's** covenants in the **Lease Agreement**.

4. Title

- 4.1 For the duration of this deed, legal title to the **property** shall vest in the **Bank** unless otherwise transferred in accordance with the terms of this deed to the **Bank** and an additional trustee or to a trust corporation holding the legal title in each case on the trusts established by this deed.
- 4.2 The **property** is sold to the **Company** subject to and, where appropriate, with the benefit of the **Lease Agreement** and all matters of any sort affecting the **property**, whether registered or not and whether discoverable by inspection or not except for:
- (a) the **Legal Charge**, which the **Bank** will release on **final completion**; and
 - (b) any agreement adversely affecting the **property** entered into by the **Bank** after the date of this deed without the **Company's** consent.
- 4.3 The **Company** hereby confirms and authorises the **Bank** at any time and at the **Bank's** discretion to appoint an additional trustee to hold the legal title jointly with the **Bank**; or, to transfer the legal title to a trust corporation established in England and Wales and in either case to hold the legal title on the trusts established by this deed and, in particular, subject to the obligation to transfer the legal title to the **Company** following **final completion** pursuant to clause 3.

5. Costs and expenses

- 5.1 Without prejudice to clause 14.8, if the **Company** fails to pay the **Bank** any sum on its due date for payment under this deed, the **Company** hereby agrees that the **Company** shall, in addition, pay to the **Bank** on demand any and all of the **Bank's** actual costs and expenses (including legal fees of any collection agents) incurred in connection with recovering any unpaid amount (including without limitation **agreed acquisition payments** or **final acquisition costs**) due to the **Bank** under this deed.
- 5.2 In addition to clause 5.1 above, if the **Company** fails to pay to the **Bank** any sum (including without limitation **agreed acquisition payments** or **final acquisition costs** payable hereunder) on its due date for payment, or in the case of a sum payable on

demand, on the due date of demand, the **Company** agrees to pay to the **Bank** a **delay payment** in the relevant amount (save as otherwise expressly provided in this deed). Any amount received by the **Bank** pursuant to this clause 5.2 in excess of its actual losses caused by such delay (but excluding any opportunity costs of reinvesting any unpaid amounts) shall be donated by the **Bank** to charity in accordance with the guidance received from the **Sharia Supervisory Committee**.

- 5.3 The **Company** agrees to pay the charges shown in the **Tariff List**. The **Bank** may vary the charges or include new charges in the **Tariff List** so as to reflect reasonable changes in the cost of administration associated with this deed, any other **Limited Company BTLPP Agreement** or in the cost of services provided by the **Bank** or by the solicitors acting for the **Bank** in connection with any of the **Limited Company BTLPP Agreements**, including this deed (or matters arising under such documents) referred to in this clause 5.3.

6. Termination

- 6.1 In each of the following circumstances if:

- (a) the **property** is destroyed or damaged by an **insured risk** and in the **Bank's** reasonable opinion the **property** cannot be completely rebuilt or reinstated from the insurance proceeds available or from the **Company's** other available resources so that the **finance to value** does not exceed the **maximum finance to value** or if the **Company** notifies the **Bank** of the occurrence of a **total loss** under clause 6 of the **Lease Agreement**;
- (b) the **Bank** lawfully exercises or seeks to exercise its power of sale under the **Legal Charge**;
- (c) an **Event of Default** occurs that is continuing;
- (d) the **Company** serves a Notice of Tenant's Claim under the Leasehold and Commonhold Reform Act 2002 (or any Act amending or replacing the same); or
- (e) the **Company** exercises or purports to exercise any **statutory rights** other than those described in 6.1(d),

the **Bank** may serve not less than ten (10) working days' notice on the **Company** nominating a new **final completion date** and requiring the **Company** to complete the purchase of the **property** by payment of the **final acquisition costs** and the **Company** undertakes to the **Bank** to complete the purchase of the **property** by purchasing the **Bank's share** of the **Property** on such **final completion date** on payment of such **final acquisition costs**.

- 6.2 If the **Company** fails to complete the purchase of the **property** on the **final completion date** nominated under clause 6.1 the **Bank** may (but shall not be obliged to) serve a further written notice on the **Company** to exercise the **Bank's** rights to determine the **Lease Agreement** and to terminate the **Company's** rights under this deed and on expiry of that notice the **Company's** right to acquire the **property** pursuant to the terms of this deed shall immediately cease and determine but without prejudice to any previous breach by the **Company** of the **Company's** obligations, and the **Company** shall immediately procure that any registration of this deed against either the **Bank** or its title to the **property** at the Land Registry shall at the **Company's** cost be cancelled. By way of security, the **Company** appoints the **Bank** as the **Company's** attorney with full power in the **Company's** name and on the **Company's** behalf to procure the cancellation of any entry relating to this deed at the Land Registry which the **Company** is obliged to cancel under this clause 6.2 and to do anything to give full effect to this clause.

- 6.3 After the expiry of the notice referred to in clause 6.2 and subject to clause 6.4, the **Bank** shall be entitled to sell the **property** free of the **Company's** rights to the **property** under this deed and or the **Lease Agreement** and the **Company** acknowledges and accepts that upon the sale of the **property** by the **Bank**, the **Company's** beneficial interest in the

property shall be treated as having ceased and such rights or interest in the **property** shall be deemed to have been converted into an interest in the proceeds (if any) resulting from the disposal of the **property** by the **Bank**. The **Bank** undertakes to the **Company** to pay any balance of the proceeds of such sale (if any) and, if applicable any insurance proceeds to the **Company** after deducting the following amounts (in the following order of priority):

- (a) firstly, by deducting any amounts payable to discharge all outgoing affecting the **property**;
- (b) secondly, by deducting amounts payable for discharging all costs and expenses incurred by the **Bank** in selling the **property**;
- (c) thirdly, in paying the **Bank** the aggregate of all sums due but unpaid under the **Legal Charge**;
- (d) fourthly, in paying the aggregate of all sums due but unpaid by the **Company** as the **Bank's** agent under the **Service Agency Agreement**;
- (e) fifthly, in paying the **Bank** the aggregate of all sums due but unpaid under the **Lease Agreement**;
- (f) sixthly, in paying to the **Bank** any **acquisition payments** which are due but unpaid under this deed;
- (g) seventhly, in reducing or discharging the balance of the **finance balance** or the **final acquisition costs** (as the case maybe); and
- (h) eighthly (if applicable), in paying any charge or other encumbrancer (including the **Bank**, if applicable) whose interest is registered against the register of title at the Land Registry for the **Lease Agreement**.

6.4 The **Company** acknowledges and agrees that a sale of the **property** by the **Bank** in accordance with clause 6.3 shall, to the extent (if any) that it involves the transfer of the **Company's** beneficial interest in the **property** be pursuant to the exercise of the **Bank's** power of sale under the **Legal Charge**.

6.5 The **Company** agrees diligently to take all steps as are necessary and are required by the **Bank** to obtain all requisite consents and permissions which without limitation to the foregoing shall include a landlord's licence to assign if the **property** is a leasehold in accordance with clause 8.1.

6.6 The **Bank** shall not be liable to the **Company** for any loss, damage or expense which arises out of the exercise or purported exercise of its powers under this clause 6, the **Legal Charge** or the **Lease Agreement**, unless such loss, damage or expense is due to the **Bank's** wilful default or gross negligence.

7. Sale at the Company's request

7.1 The **Company** may at any time by not less than ten (10) working days' written notice to the **Bank** nominate any **payment date** within six (6) months from the date of such written notice being received by the **Bank** as the **final completion date** and require the **Bank** to transfer the **property** either to the **Company** upon payment of the **final acquisition costs** or by way of sale to a third party at such price (being not less than the **final acquisition costs**) as the **Company** may require.

7.2 The **Bank** is not obliged to complete any transfer of the **property** until the **Bank** is satisfied that all sums due under this deed (including without limitation all **acquisition payments** necessary for the **Company** to purchase the **Bank's share** of the **property**) and to discharge all liabilities arising under the **Lease Agreement**, the **Service Agency Agreement** and the **Legal Charge** will be paid in full on such transfer. The **Bank** is not obliged to enter into a contract with any third party, but merely to execute a transfer

in favour of the third party to which the **Company** will also be a party in order for the **Company** to transfer the **Company's** beneficial interest in the **property**.

- 7.3 If **final completion** occurs pursuant to a notice served under clause 7.1 the proceeds of sale received by the **Bank** shall be applied in the order set out in clause 6.3.
- 7.4 The **Company** does not have the authority from the **Bank** to place the **property** on the market for sale to the public without the **Bank's** prior written consent.

8. Landlord's licence

If the **property** is leasehold and a landlord's licence is required to assign the lease to the **Bank** on the purchase of the **property** by the **Bank** or on the transfer of the **property** by the **Bank** on **final completion**:

- 8.1 the **Company** shall supply such information, references, rent deposit and guarantees as the landlord may lawfully require to enable any such assignment to take place;
- 8.2 the **Bank** shall use all reasonable efforts to obtain the landlord's licence, but this shall not extend to instituting or defending legal proceedings;
- 8.3 the **Company** shall pay to the **Bank** within five (5) working days of demand all costs and expenses reasonably incurred by the **Bank** in relation to the application for or obtaining of the licence, including, but not limited to, any costs of the landlord or the landlord's solicitors and the **Bank** shall require the **Company** to pay to the **Bank** an amount that the **Bank** specifies on account of such costs prior to the **Bank** commencing any formalities related to the application for the licence;
- 8.4 the **Bank** shall not be obliged to enter into an authorised guarantee agreement or otherwise to provide any security for the **Company** or any other person including without limitation any purchaser of the **property**; and
- 8.5 the **Company** shall deal promptly and reasonably with any draft licence documents, and shall in any event, if required by the landlord, covenant or procure that the prospective transferee of the **property** from the **Bank** covenants with the landlord to observe and perform the tenant's obligations under the lease from completion for the remainder of the term of the lease.

9. Matters occurring before final completion

- 9.1 The **Bank** shall not be liable to the **Company** in respect of, nor shall the **Company** be entitled to terminate this deed or claim any compensation or loss (of whatever nature) from the **Bank** as a result of any matter affecting the **Property** occurring whether before or after the date of this deed (including without limitation those referred to in clause 9.2) except where caused by the **Bank's** deliberate actions.
- 9.2 The matters referred to in clause 9.1 are:
- (a) any damage or defect in or to the **property** (whether insured or not) or any deterioration in the physical condition of the **property**;
 - (b) any occupation of the **property** by third parties;
 - (c) any breach by the **Company** of the **Lease Agreement**, the **Service Agency Agreement** or the **Legal Charge**; and
 - (d) any site conditions, environmental or geo-physical matters that may affect the **property**, all of which matters the **Company** shall be deemed to have knowledge of or have satisfied itself about prior to entry into this deed.

10. Representations and warranties

The **Company** makes each representation and warranty set out in Schedule 2 on (a) the date of this deed and (b) each **payment date** by reference to the facts and circumstances then existing.

11. Undertakings

- 11.1 The **Company** hereby undertakes to comply with each of the undertakings set out in Schedule 3 and to observe and perform all of the obligations expressed to be assumed therein.
- 11.2 If the **Company** fails to observe and perform any of the obligations expressed to be assumed in the provisions of paragraph 2 of Schedule 3, the **Bank** may, at the **Company's** expense, effect any insurance and generally do such things as it may reasonably consider necessary or desirable to prevent or remedy any breach of paragraph 2 of Schedule 3.

12. Events of Default

- 12.1 The **Company** shall promptly notify the **Bank** in writing of any matter which might adversely affect the **Company's** ability to perform any of the **Company's** obligations under this deed and of any **Event of Default** that has occurred or which may or is likely to occur with the lapse of time or otherwise.
- 12.2 Upon the occurrence of an **Event of Default**, the **Bank** shall send the **Company** a default notice which shall be in writing, sent by first class post pre-paid to the **Company's** **registered address** and deemed to be given two working days after it was posted.
- 12.3 Any default notice sent to the **Company** in accordance with clause 12.2 shall specify whether:
- (a) the **Bank** considers, in its absolute discretion, such **Event of Default** is incapable of remedy; or
 - (b) the **Company** is required to remedy such **Event of Default** within the period specified in such default notice; or
 - (c) the **Bank**, in its absolute discretion, waives such **Event of Default**.
- 12.4 Where the **Company** does not remedy an **Event of Default** within the period specified in a default notice or where the **Bank**, in its absolute discretion, deems an **Event of Default** to be irremediable and has so notified the **Company** under clause 12.3(a), then the **Bank** shall be entitled to exercise its rights of termination in accordance with clause 6 and, in particular, but without limitation clause 6.1(c).

13. Revaluations

- 13.1 The **Bank** may, at any time and at its discretion, procure that a **valuation** is carried out by an independent surveyor in the form of either an update of the **initial valuation** or a new valuation.
- 13.2 In relation to a **valuation** received by the **Bank** pursuant to clause 13.1:
- (a) If the relevant **finance to value** exceeds the **maximum finance to value** or the **Bank** is required to carry out the **valuation** for regulatory reasons, the **Company** shall be liable for the cost of that valuation; or
 - (b) If the relevant **finance to value** is less than the **maximum finance to value** and the **Bank** has no obligation to carry out the valuation for regulatory reasons, the **Bank** shall be liable for the cost of that **valuation**.

14. Miscellaneous

- 14.1 Both the **Bank's** and the **Company's** obligations shall continue after **final completion** insofar as they remain to be performed and observed.
- 14.2 The **Company** acknowledges that the **Company** has not entered into this deed, accepted the **Offer Letter** or entered into any of the other **Limited Company BTLPP Agreements** in reliance on any advertisement or other matter issued by the **Bank** or its agents or solicitors, or in reliance on any statements or representations made to the **Company** by the **Bank** or any of its agents or solicitors.
- 14.3 No term of this deed is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this deed.
- 14.4 Any notice to be served on the **Bank** under this deed must be served on the **Bank** in writing at its registered office or if it moves its registered office to another address, that new address. The **Bank** will notify the **Company** of the address of any new registered office to which it moves.
- 14.5 Any notice to be served on the **Company** under this deed must be in writing and shall be deemed sufficiently served if it is sent by first class post to the **property** and to the **Company's registered address** and shall be deemed to be received two (2) working days after posting.
- 14.6 The **Company** shall not assign the benefit of this deed or any rights under this deed or agree to do so save for any assignment or charge created by the **Legal Charge**.
- 14.7 In addition to the **Bank's** right to appoint an additional or substitute trustee of the legal title to the **property** under clause 4, the **Bank** is entitled to assign or otherwise transfer the benefit of this deed together with the benefit of all or any of the other **Limited Company BTLPP Agreements** including, without limitation the **Offer Letter** provided that the **Company's** rights to buy the **Bank's share** of the **property** under the terms of this deed are preserved against the **Bank** or its assigns and successors in title.
- 14.8 The **Company** shall, on an indemnity basis, pay to the **Bank** on demand all stamp duty land tax, land registry fees or other fees, costs, losses, damages and expenses incurred by the **Bank** in the purchase of the **property** (and the registration of any matters with any landlord), the sale of the **Bank's share** of the **property** pursuant to this deed, the letting of the **Bank's share** of the **property** under the **Lease Agreement**, the charging of any interest in the **property** under the **Legal Charge**, the carrying out by the **Company** of activities on behalf of the **Bank** under the **Service Agency Agreement** and any enforcement of this deed, the **Lease Agreement**, the **Service Agency Agreement** and/or the **Legal Charge**.
- 14.9 If the sale by the **Bank** of the **property**, whether to the **Company** or to a third party, is completed at a time when an insurance claim is outstanding in respect of damage to the **property** the **Bank** agrees to account to the **Company** for all insurance monies received by the **Bank** as a result of that claim (after deducting any sums payable (but unpaid) by the **Company** to the **Bank** under this deed, the **Offer Letter**, the **Lease Agreement**, the **Service Agency Agreement** or the **Legal Charge**) and not expended in reinstatement of the damage.
- 14.10 All sums to be paid by the **Company** to the **Bank** under this deed shall be paid without any withholding, deduction or set off of whatsoever nature and, whether legal or equitable save as may be required by any applicable law to which the **Company** is subject.
- 14.11 The **Company** acknowledges and agrees that the **Company's** sole right to occupy or enjoy the benefit of rents from the **property** arises under the **Lease Agreement**; and the **Company** waives any right to occupy the **property**, other than under the **Lease Agreement**, including any right that may arise under this deed to occupy or enjoy the benefit of rents from the **property** or enjoy the benefit of rent arising under the **Lease Agreement** by virtue of the **Company's** share of the **property**.

15. Governing law, jurisdiction and Sharia

- 15.1 The **Company** and the **Bank** agree that they have reviewed this deed, the **Offer Letter** and each other **Limited Company BTLPP Agreement** for the purposes of their compliance with **Sharia** and have, to the extent that the **Company** or the **Bank** consider necessary taken independent advice from advisers specialising in matters of **Sharia** and confirm that they are each satisfied that the provisions of this deed, the **Offer Letter** and each other **Limited Company BTLPP Agreement** do not contravene **Sharia** and neither the **Bank** nor the **Company** have any objection, nor will the **Company** raise any objections as to matters of **Sharia** compliance in respect of or otherwise in relation to the provisions of this deed, the **Offer Letter** and each other **Limited Company BTLPP Agreement**.
- 15.2 The **Company** and the **Bank** recognise and agree that the principle of the payment of interest is not permitted under **Sharia** and accordingly to the extent that any legal system would (but for the provisions of this clause) impose (whether by contract or by statute) any obligation to pay interest, the **Company** and the **Bank** each hereby irrevocably and unconditionally expressly waives and rejects any entitlement to recover interest from the other.
- 15.3 This deed, the **Offer Letter**, each other **Limited Company BTLPP Agreement** and all non-contractual obligations arising out of or in connection with any of them are governed by and shall be construed in accordance with English law.
- 15.4 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed, the **Offer Letter** or each other **Limited Company BTLPP Agreement** (including a dispute regarding the existence, validity or termination of any of them) (a "**Dispute**"). The **Bank** and the **Company** agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly neither of them will argue to the contrary.

Schedule 1: Payment profile

1. The **acquisition cost** shall be payable by the **Company** as follows:
 - (a) the **monthly acquisition payments**, which shall be paid in cleared funds on each **payment date**;
 - (b) the **final acquisition payment** shall be paid on the **final completion date**; and
 - (c) the **Company** is free to make any **additional acquisition payments** in accordance with clause 2.4.
2. Before the start of each **rent period** when there is a change to the **agreed acquisition payments** previously notified to the **Company**, the **Bank** shall send the **Company** an **adjustment notice** notifying the **Company** of the adjusted **monthly acquisition payments** and **rent** which shall be payable on each of the **payment dates** in that **rent period** and any changes to the previously notified **agreed acquisition payments** including any **final acquisition payment**.
3. The **Bank** shall calculate the adjusted **agreed acquisition payments** so that:
 - (a) the total of the **monthly acquisition payments** and the **rent** payable on each **payment date** in a **rent period** remains constant throughout that **rent period** (although the **monthly acquisition payments** will increase and the **rent** will reduce as a proportion of each successive **monthly payment** made during the **rent period**); and
 - (b) the **finance balance** is paid in full over the course of the remaining balance of the **payment term**.

Schedule 2: Representations and warranties

The **Company** hereby represents and warrants to the **Bank** that:

1. The **Company** is not in default under any contract other than this deed to which the **Company** is a party (including without limitation the **Offer Letter**, the **Legal Charge**, the **Service Agency Agreement** or the **Lease Agreement**).
2. No **Event of Default** has occurred or is likely to occur.
3. The **Company** has not entered into this deed, the **Offer Letter** or any other **Limited Company BTLPP Agreement** in reliance on, or as a result of, any statement or conduct of any kind by the **Bank** other than the issue of the **Offer Letter**.
4. All written information that the **Company** has provided to the **Bank**, including without limitation the information contained in the **Company's** application is complete, true, up to date and accurate and was so at the date that it was provided to the **Bank**.
5. All written information supplied by the **Company** or on the **Company's** behalf to a valuer for the purposes of a **valuation** including the **initial valuation** was (as at the date it was provided), true, complete, up to date, accurate and not misleading in any material respect and no information was omitted which, if disclosed, would be or would have been reasonably likely to adversely affect the accuracy of the **valuation** nor has anything occurred or information been received by the **Company** at any time up to and including completion of this agreement that would affect the accuracy of the **valuation**.
6. There has been no material adverse change in the **Company's** financial position or circumstances since the date of the **Company's** application or the last time that the **Company** gave this representation whichever is the later.
7. The **Company** has obtained and there is in full force and effect an insurance policy that conforms with the requirements of the **Notice to Insure** and is in accordance with the **Service Agency Agreement** and the **Company** has paid the premiums due thereunder in full and on their respective due dates.
8. The **Company** entered into this deed, the **Offer Letter** and the other **Limited Company BTLPP Agreements** after having reviewed each of them and the overall transaction to satisfy itself that they are compliant with **Sharia** and, to the extent the **Company** has considered this necessary, the **Company** have taken independent advice from advisers specialising in matters of **Sharia** and
 - (a) the **Company** is satisfied that the provisions of this deed, the **Offer Letter** and the other **Limited Company BTLPP Agreements** do not contravene **Sharia**; and
 - (b) the **Company** confirms that the **Company** does not have any objection, nor will the **Company** raise any objections as to matters of **Sharia** compliance in respect of or otherwise in relation to the provisions of this deed, the **Offer Letter** or the other **Limited Company BTLPP Agreements**.
9. Any representations under this deed included as special conditions in the **Offer Letter** are true.
10. All the matters described above are true on the date of this deed and on each payment date.

Schedule 3: Undertakings

1. Positive undertakings

The **Company** shall, from the date of this deed and so long as monies are outstanding under this deed:

- (a) ensure that the **Company's** payment obligations under this deed and the other **Limited Company BTLPP Agreements** rank at least equally and rateably to all the **Company's** other unsecured payment obligations except for obligations mandatorily preferred by law applying to the **Company**; and
- (b) provide the **Bank** with such financial and other information concerning the **Company** and the **Company's** financial affairs as the Bank may reasonably require.

2. Insurance undertakings

The **Company** shall, from the date of this deed and in accordance with the **Service Agency Agreement** and the **Notice to Insure** and so long as monies are owing under this deed:

- (a) promptly pay all premiums and do all other things necessary to keep insurance in conformity with the **Notice to Insure** in full force and effect;
- (b) when requested by the **Bank** produce evidence of any insurance premium paid;
- (c) the **Company** shall procure that the **Bank** receives any information in connection with the insurance and copies of the policy and the respective certificate;
- (d) the **Company** shall notify the **Bank** of renewals made and material variations or cancellations of the policy made or, to the **Company's** knowledge, threatened or pending;
- (e) the **Company** shall not do or knowingly permit anything to be done which may make void or voidable an insurance policy in connection with any part of the **property** or in respect of any other **insured risks**;
- (f) immediately notify the **Bank** of the occurrence of any **insured risk** or any other matter which ought reasonably to be notified to the insurers; and
- (g) comply with all the conditions of the insurance policy and all the requirements of the insurers.

3. Negative undertakings

The **Company** shall not, from the date of this deed and so long as monies are owing under this deed:

- (a) permit any encumbrance whatsoever to exist over any of the **Company's** assets (with the exception of any security over the **property** granted in favour of the **Bank** by virtue of the **Legal Charge**);
- (b) grant credit or give any guarantee to or for the benefit of any person, without the **Bank's** prior written consent.

4. Financial undertakings

The **Company** shall, from the date of this deed and so long as monies are owing under this deed, ensure that the **finance to value** does not exceed the **maximum finance to value**.

5. Special conditions

Any undertakings or covenants under this deed included as **special conditions** in the **Offer Letter** shall be treated as set out here and included as undertakings or covenants under this deed.



Section 3: Lease Agreement Terms

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1. Words with special meanings

- 1.1 In this **Lease Agreement**, unless the context otherwise requires, words and expressions shown in bold type in this **Lease Agreement** have the meanings defined in the glossary forming part of these terms and conditions.
- 1.2 In this **Lease Agreement**, unless the context otherwise requires:
- (a) words in the masculine form also include the feminine and neuter;
 - (b) where any obligation is undertaken by two or more persons, that obligation shall apply to all such persons jointly and each of them individually;
 - (c) words importing persons include an individual, company, corporation, firm, partnership, unincorporated association or body of persons, and any state, or governmental or local division or agency of a state;
 - (d) unless otherwise provided, references to clauses or schedules are references to the relevant clause or schedule in this **Lease Agreement**;
 - (e) references to any statute or statutory provision shall include (a) any subordinate legislation made under it, (b) any provision which it has superseded or re-enacted (whether with or without modification), and (c) any provision superseding it or re-enacting it (whether with or without modification);
 - (f) the descriptive headings to clauses and schedules are inserted for convenience only, have no legal effect and shall be ignored in interpreting this **Lease Agreement**;
 - (g) an **Event of Default** is "continuing" if it has not been remedied or waived in accordance with clause 12 of the **Diminishing Co-ownership Agreement**; and the words and phrases "other", "including" and "in particular" shall not limit the generality of the words preceding or succeeding them or be construed as limiting the succeeding words to the same class as the preceding words.
- 1.3 References to any right for the **Bank** to have access to the **property** shall be treated as also applying to any superior landlord.
- 1.4 Any covenant by the **Company** not to do or omit any act or thing shall be deemed to include an obligation not to permit or suffer such act or thing to be done or omitted by another person.
- 1.5 Any reference to the end of the **lease term** means the expiry or earlier termination of the **lease term** and any reference to the last year of the **lease term** means the period of twelve (12) calendar months immediately preceding such expiry or earlier termination.
- 1.6 Any provisions in this **Lease Agreement** which require the **Company** to obtain the **Bank's** consent or approval also require the **Company** to obtain any necessary consent or approval of any **superior landlord** but nothing in this **Lease Agreement** implies any obligation upon any **superior landlord** not to refuse any such consent or approval unreasonably.
- 1.7 References to any legislation, statute, rule or order (other than the Town and Country Planning (Use Classes) Order 1987) shall be deemed to include every statutory modification re-enactment or replacement of it for the time being in force and every bye-law statutory instrument rule order notice direction and regulation from time to time made or in force under it.
- 1.8 Wherever and to the extent that any provision of this **Lease Agreement** would or might contravene the provisions of section 25 of the 1995 Act then:
- (a) such provision is to take effect only in so far as it may do so without contravening section 25 of the 1995 Act;
 - (b) where such provision is incapable of having any effect without contravening section 25 of the 1995 Act this **Lease Agreement** is to be construed and interpreted as if such provision was deleted; and

- (c) the legality validity and enforceability of any of the remaining provisions of this **Lease Agreement** is not in any way to be affected or impaired as a result of any such deletion of a provision.
- 1.9 References to tax or taxation are to present and future taxes together with any penalties, additions, fines or surcharges or any extra payments properly payable on such taxes.

2. The letting

The **Bank** hereby leases the **property** to the **Company** for the **lease term** TOGETHER with any rights (if any) granted under the **superior lease** and the rights and easements set out in Schedule 2 EXCEPTING AND RESERVING to the **Bank** (and where applicable the **superior landlord**) the rights reserved to the **Bank** and/or the **superior landlord** TO HOLD the same unto the **Company** for the **lease term** SUBJECT TO the matters and items affecting the title to the **property** which has already been deduced to the **Company**.

3. Rent and other payments

- 3.1 Subject to any variation under clause 4, during the **payment term**, **rent** is payable as follows:
- (a) the **rent** accruing from the date of this **Lease Agreement** to the next to occur **payment date** shall be payable on that **payment date**. The **Bank** will notify the **Company** of the amount payable no later than the date on which this **Lease Agreement** is executed;
 - (b) the **rent** accruing during the **first rent period** shall be payable as part of the **monthly payments** on the relevant **payment dates** as notified to the **Company** in the **Initial Payments Schedule**;
 - (c) thereafter, the **rent** accruing during each **rent period** is payable in monthly instalments on the relevant **payment dates** as part of the **monthly payments** specified in the **Limited Company BTLPP Schedule** as modified by any **adjustment notice**;
 - (d) from the end of the **payment term** until the end of the **lease term**, a **rent** of one (1) peppercorn is payable (if demanded) (but without prejudice to the **Company's** obligation to pay any amounts in relation to **supplemental rent**); and
 - (e) the **rent** and other sums due under this **Lease Agreement** shall be paid by the **Company** to such bank account in the United Kingdom as the **Bank** may from time to time require, and the **Company** will provide and maintain a direct debit mandate in the **Bank's** favour entitling the **Bank** to debit the **rent** and other sums due under this **Lease Agreement** and other **Limited Company BTLPP Agreements** from the **Company's** bank account.
- 3.2 If the **Company** fails to pay the **Bank** any sum on its due date for payment under this **Lease Agreement**, the **Company** hereby agrees that the **Company** will pay to the **Bank** on demand any and all of the **Bank's** actual costs and expenses (including legal fees of any collection agents) incurred in connection with recovering any unpaid amount (including without limitation **rent**) due to the **Bank** under this **Lease Agreement**.
- 3.3 In addition to any amounts payable to the **Bank** under clause 3.2 above, if the **Company** fails to pay to the **Bank** any sum (including without limitation, the **rent** payable hereunder) on its due date for payment, or in the case of a sum payable on demand, on the due date of demand, the **Company** agrees to pay to the **Bank** a **delay payment** on the relevant amount (save as otherwise expressly provided in this **Lease Agreement**). Any amount received by the **Bank** pursuant to this clause 3.3 in excess of its actual losses caused by such delay (but excluding any opportunity costs of reinvesting such unpaid amounts), shall be donated by the **Bank** to charity in accordance with the guidance received from the **Sharia Supervisory Committee**.

- 3.4 The **Company** agrees to pay the charges shown in the **Tariff List**. The **Bank** may vary the charges so as to reflect reasonable changes in the cost of administration associated with this **Lease Agreement**, any other **Limited Company BTLPP Agreement** or associated with the **Property** or the cost of services provided by the **Bank** or by the solicitors acting for the **Bank** in connection with any of the matters referred to in the **Tariff List**.
- 3.5 In a case where the **Bank** holds the **property** as tenant under a **superior lease**, the **Company** agrees that:
- (a) unless and until the **Bank** gives the **Company** a direction to the contrary under this clause 3.5, the **Company** will make prompt payment to the **superior landlord** of any sums due and payable from the **Bank** to the **superior landlord** in accordance with and in satisfaction of the **Bank's** obligations under the **superior lease**, including (but not limited to) any sums due in respect of **rent**, insurance and superior lease charges and any payments in respect of any late payment; and
 - (b) if the **Bank** so directs in writing, the **Company** will instead pay the sums mentioned in clause 3.5(a) to the **Bank** by way of additional rent within fourteen (14) days of its written demand.
- 3.6 The **Company** will also pay to the **Bank** or as directed by the **Bank** within fourteen (14) days of written demand the following sums:
- (a) any costs reasonably incurred by the **Bank** as a result of any application for consent or approval under this **Lease Agreement**, or any other request from the **Company** relating to this **Lease Agreement**;
 - (b) by way of indemnity, all fees, damages, costs, losses and expenses incurred by the **Bank** as a result of any breach by the **Company** of the **Company's** obligations under this **Lease Agreement**; and
 - (c) any **supplemental rent** due to the **Bank** by the **Company** which the **Bank** will calculate to be equivalent to any service charges amount the **Company** charges the **Bank** under the **Service Agency Agreement**.
- 3.7 If any letter, notice or other communication addressed to the **Bank** is sent or delivered to the **Property**, the **Company** agrees that the **Company** will immediately forward the letter, notice or other communication to the **Bank** by first class post addressed to its registered office or if the **Bank** moves its registered office to a new address, to the new address. The **Bank** will notify the **Company** of any new address to which it moves its registered office.
- 3.8 All sums due to the **Bank** under this **Lease Agreement** shall be:
- (a) paid by the **Company** without any withholding set-off or deduction of whatsoever nature, and whether legal or equitable other than may be required by law;
 - (b) applied, when received, in the following order:
 - (i) firstly, in meeting any charges which have become payable (which for the avoidance of doubt includes (without limitation) legal costs and expenses incurred as a result of the **Bank** enforcing this **Lease Agreement**) under the **Tariff List** but which the **Company** has failed to pay;
 - (ii) secondly, in paying any sums due but unpaid under clauses 3.1 to 3.6 inclusive and/or under clause 2.1 and clause 8 of the **Legal Charge**;
 - (iii) thirdly, in paying any **rent**;
 - (iv) fourthly, in paying any **acquisition payments** which are due but unpaid under the **Diminishing Co-ownership Agreement**; and
 - (v) fifthly, in reducing the **finance balance**, the **final acquisition payment** or any other **final acquisition costs** (as the case may be) due under the **Diminishing Co-ownership Agreement**.

4. Variation of the rent and margin

- 4.1 Before the start of each **rent period**, the **Bank** will send the **Company** an **adjustment notice** notifying the **Company** of the **rent** and **monthly acquisition payments** which will be payable on each of the **payment dates** in that **rent period**. The **rent** payable shall be calculated on a monthly basis on the **rent review date** and on the assumption that all **monthly payments** are paid on time and by applying the following formula:

$$\frac{(\text{rental rate} \times \text{finance balance})}{12}$$

- 4.2 The **rent** payable shall be paid in the amounts and on the **payment dates** specified in the relevant **adjustment notice** (plus any **supplemental rent** the **Bank** may charge).
- 4.3 The **Bank** shall be entitled at any time, at its absolute discretion, to vary, by increasing or decreasing, the **margin** applicable to the calculation of the **rent**, save that the **Bank** shall not be entitled to increase the **margin** at any time when a **discount** is applicable, or to increase the **margin** at any time to an amount in excess of the **margin cap**.

5. Continuing rent provision

- 5.1 The **Company** acknowledges and agrees that:
- (a) the **Company's** obligations to pay **rent** under this **Lease Agreement** shall be absolute, unconditional and irrevocable and the **Bank's** rights to such **rent** shall be absolute, unconditional and irrevocable;
 - (b) the **Company's** obligations to pay **rent** under this **Lease Agreement** shall not be affected nor shall the **Bank's** right under this **Lease Agreement** to receive the **rent** be affected by reason of:
 - (i) any default by the **Bank** under this **Lease Agreement** or under any other **Limited Company BTLPP Agreement** or the **superior lease** (if any);
 - (ii) any action of any government or other competent authority; or
 - (iii) any other cause whatsoever whether similar or dissimilar to the foregoing.

6. Total loss and termination

- 6.1 If the **property** suffers a **total loss**, then:
- (a) the **Company** shall promptly notify the **Bank** of such event on the day that it occurs;
 - (b) the **Company's** obligation to pay **rent** in respect of the **property** shall terminate forthwith from the date upon which the **Company** notifies the **Bank** of such **total loss**; and
 - (c) the **Bank** shall be entitled to exercise its rights of termination under clause 6 of the **Diminishing Co-ownership Agreement** and/or under this **Lease Agreement**.
- 6.2 If either the **Bank** or the **Company** exercises its respective rights under the **Diminishing Co-ownership Agreement** to nominate a **final completion date**, then this **Lease Agreement** shall terminate on the actual **final completion**, without prejudice to the **Bank's** rights in connection with any antecedent breach by the **Company** of the terms of this **Lease Agreement**.

7. Insurance

- 7.1 Except to the extent that the **property** is insured by a **superior landlord**, the **Company** is obliged to insure the **property** against the **insured risks** in accordance with the **Service Agency Agreement** and the **Notice to Insure**.
- 7.2 If the **property** is damaged or destroyed by an **insured risk** the **Bank** will apply all insurance proceeds received by the **Bank** in rebuilding or reinstating the **property** except in the circumstances referred to in clause 6.1(a) of the **Diminishing Co-ownership Agreement** in which case the insurance proceeds will be applied in accordance with clause 6.4 of the **Diminishing Co-ownership Agreement**.
- 7.3 The **Company** will allow the **Bank** or its agents or representatives, and procure that they are afforded all necessary facilities, to inspect or survey the **property** at any reasonable time. The **Bank** will notify the **Company** of the **Bank's** proposed visit to the **property** in writing at least two (2) days before the date of the scheduled visit.

8. Superior lease

The **Company** covenants with the **Bank** to observe and perform and comply with the lessee's covenants in any **superior lease** (if any) but only to the extent that those covenants are not already required to be complied with under the provisions of this **Lease Agreement**.

9. Service

- 9.1 Any notice to be served on the **Bank** under this **Lease Agreement** must be served on the **Bank** in writing at its registered office or if the **Bank** moves its registered office to a new address, to the new address. The **Bank** will notify the **Company** of any new address to which it moves its registered office.
- 9.2 Any notice to be served on the **Company** under this **Lease Agreement** must be in writing and shall be deemed sufficiently served if it is sent by first class pre-paid post to the **property** and to the **Company's registered address** and shall be deemed to be received two working days after posting.

10. Re-entry

- 10.1 If any of the following events occurs:
- (a) the whole or any part of the **rent** payable under this **Lease Agreement** is in arrears for 60 days (whether legally demanded or not);
 - (b) the **Company** is in breach of, or neglects to perform or observe, any of the **Company's** covenants or the terms and conditions contained in this **Lease Agreement** and such breach is not remedied within five (5) working days of notice being given by the **Bank**; or
 - (c) without prejudice to the terms of clause 10.1(a) or 10.1(b) an **Event of Default** occurs and is continuing
- then clause 10.2 applies.
- 10.2 In circumstances where any of the events described in 10.1 above occurs then the **Bank** may determine this **Lease Agreement** at any time on or after such event has occurred by giving to the **Company** a notice in writing and upon service of such written notice the term of years granted by this **Lease Agreement** shall immediately cease and determine and any letting of the **property** by the **Bank** to the **Company** shall terminate and the **Bank** may recover possession of the **property** but without prejudice to the respective rights of either party in respect of any antecedent claim or breach of covenant.

11. No implied easements

This **Lease Agreement** does not (by implication or otherwise) confer upon the **Company** any rights or privileges not expressly set out in this **Lease Agreement**.

12. Landlord not liable for damage

The **Bank** will not be liable to the **Company** or to any other person for any accident, loss or damage which may be caused to the **Company** or any other person or caused to the **property** or to any goods or property of the **Company's** or any other person as a result of any act, neglect, default or omission of any kind whatever of the **Bank's** or of its employees, agents, lessees or invitees or any other person or as a result of any breach of any obligation in this **Lease Agreement** or the **Service Agency Agreement** whether express or implied or as a result of any fire or leakage or overflow from any pipes, taps, mains, cisterns or other appliances in or near the **property** or as a result of any other cause whatever and the **Bank** will not be liable to any person not a party to this **Lease Agreement** to perform any of the covenants in this **Lease Agreement** whether express or implied insofar as such covenants impose obligations going beyond the common duty of care imposed by the Occupiers Liability Acts 1957 and 1984 or the Defective Premises Act 1972.

13. Compensation

Except where any statutory provision prohibits the **Company's** right to compensation being reduced or excluded by agreement, the **Company** will not be entitled to claim from the **Bank** on quitting the **property** or any part of it or otherwise at the end of the **lease term**, any compensation under statute or otherwise.

14. Covenants

- 14.1 Throughout the **lease term**, the **Company** covenants with the **Bank** to observe and perform the covenants set out in Schedule 1.
- 14.2 The **Bank** covenants with the **Company** that if the **Company** pays the **rent** and observes and performs the **Company's** covenants and the conditions contained in this **Lease Agreement**, the **Company** may quietly enjoy the **property** during the **lease term** without any interruption by the **Bank** or any person lawfully claiming under or in trust for the **Bank**.

15. Third party rights

No term of this **Lease Agreement** is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this lease.

16. Agreement for lease

This **Lease Agreement** is not granted pursuant to any agreement for lease.

Schedule 1: Covenants

The **Company** covenants with the **Bank** throughout the **lease term**:

1. To pay and discharge all outgoings including charges for electricity and gas and metered water (if any) drainage and telecommunications facilities supplied to the **property** (including any reconnection fees and standing charges);
2. To pay all assessments, charges, impositions, outgoings, rates and taxes, Council Tax (or any tax introduced to replace Council Tax) and water rates (if any) assessed on the **property** or the occupation of the **property** or otherwise;
3. To keep the **property** and all its fixtures and fittings in good and substantial repair and condition and forthwith to replace all broken glass and windows of the **property**;
4. Not to pull down alter, add to or in any way interfere with the construction or arrangement of the **property** without the **Bank's** consent (not to be unreasonably withheld provided that any requisite statutory or public authority consent has been obtained);
5. To comply with all statutory or other obligations and recommendations and requirements of insurers and competent authorities relating to the **property** and promptly to forward to the **Bank** any notices received in relation to the **property**;
6. Not to use the **property** for any trade or business purpose whatsoever other than letting the **property** for residential use under **ASTs** in accordance with paragraph 14 of this schedule;
7. To use the **property** in a tenant like manner and not to commit any waste;
8. To use the **property** in a peaceful and quiet manner and not to use or permit the use of the **property** for any improper immoral or illegal purpose nor to do or suffer to be done in the **property** or any part of it any act or thing which may be a nuisance damage or annoyance to the **Bank** or to the owners or occupiers of any neighbouring property;
9. Not to do anything at the **property** whereby the policy of insurance of the **property** for the time being in force may become void or voidable or whereby the premium for such insurance may be increased;
10. To comply in all respects with all rules and regulations from time to time in force relating to the occupation and use of the **property** and to the extent that an occupier of the **property** is required to do so to comply in all respects with the provisions of all statutes bye-laws and other orders and regulations and the requirements of all competent authorities relating to the **property** or to the use and occupation thereof;

11. To perform and observe and procure the performance and observance at all times during this **Lease Agreement** of the tenant's covenants and the conditions and stipulations in the **superior lease** and all restrictive and other covenants stipulations exceptions reservations and other matters affecting the **Bank's** title to the **property** and to indemnify the **Bank** from and against all actions costs claims and demands arising out of any breach non-observance or non-performance thereof provided always that the covenants conditions and stipulations aforesaid shall not operate to confer upon the **Company** any right power or privilege which is not expressly granted by this **Lease Agreement**;
12. To enter into any documents required under the terms of the **superior lease** and not to do any act matter or thing which under the terms of the **superior lease** requires the approval of the **superior landlord** without first obtaining such approval and any approval from the **Bank** under the terms of this **Lease Agreement** in all cases at the **Company's** expense in respect of all fees and expenses incurred relating to such approvals whether or not such approvals are granted;
13. To take all reasonable steps at all times to prevent unauthorised entry to the **property** and to keep it secure;
14. Not to assign, hold on trust, underlet, deal with or part with possession of the **property** or any part of it save that the **property** may be underlet at any one time under the terms of one **AST** which shall not last for more than 12 months and shall not constitute a house in multiple occupation requiring local authority licensing without the **Bank's** written consent;
15. To notify the **Bank** of any defect or want of repair in the **property**;
16. To permit the **Bank** or any **superior landlord** or their respective agents with or without workmen and others at any time during the **lease term** (at convenient hours in the daytime on reasonable notice, except in the case of emergency when no notice shall be required) to enter the **property** for the purpose of:
 - (a) repairing and painting the outside of the **property** or any adjoining property or carrying out or completing any structural or other repairs necessary or required to the **property** or any adjoining property;
 - (b) examining the state and condition of the **property** and (if necessary) giving to the **Company** notice in writing to make good and amend within the three (3) months next following all wants of repair to the **property** then found;
 - (c) repairing and amending at the **Company's** expense the wants of repair referred to in paragraph (b) if the **Company** shall have failed to do so within the time specified; or
 - (d) exercising any rights granted under the **superior lease** (if any);
17. To permit the **Bank** or its agents or those with written authority from the **Bank** or its agents to view the **property** at reasonable times of the day in the event of the **Bank** wishing to dispose of its interest in the **property**;
18. At the end of the **lease term** or otherwise on the termination of this **Lease Agreement** to deliver up possession of the **property** to the **Bank**; and
19. To comply with the **Company's** obligations under the **Diminishing Co-ownership Agreement**, the **Service Agency Agreement** and the **Legal Charge**.

Schedule 2: Rights and Easements

All those rights and easements benefitting the **Property** and contained or referred to in the transfer of the **Property** to the **Bank**.



Banking you can believe in

Section 4: Service Agency Agreement Terms (“SAA Terms”)

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3. The Company’s obligations under this Service Agency Agreement	37
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1. Words with special meanings

- 1.1 In this **Service Agency Agreement**, unless the context otherwise requires, words and expressions shown in bold type have the meanings defined in the glossary forming part of these terms and conditions.
- 1.2 In this **Service Agency Agreement** unless the context otherwise requires:
- (a) words in the masculine form also include the feminine and neuter;
 - (b) where any obligation is undertaken by two or more persons, that obligation shall apply to all such persons jointly and each of them individually;
 - (c) words importing persons include an individual, company, corporation, firm, partnership, unincorporated association or body of persons, and any state, or governmental or local division or agency of a state;
 - (d) unless otherwise provided, references to clauses or schedules are references to the relevant clause or schedule in this deed;
 - (e) references to any statute or statutory provision shall include (a) any subordinate legislation made under it, (b) any provision which it has superseded or re-enacted (whether with or without modification), and (c) any provision superseding it or re-enacting it (whether with or without modification);
 - (f) the descriptive headings to clauses and schedules are inserted for convenience only, have no legal effect and shall be ignored in interpreting this deed; and
 - (g) an **Event of Default** is “continuing” if it has not been remedied or waived in accordance with clause 12 of the **Diminishing Co-ownership Agreement** and the words and phrases “other”, “including” and “in particular” shall not limit the generality of the words preceding or succeeding them or be construed as limiting the succeeding words to the same class as the preceding words.

2. Appointment and fee

- 2.1 The **Bank** hereby appoints the **Company** as its service agent and the **Company** hereby agrees to act as service agent to perform and discharge the services during the **lease term** and in accordance with the terms of the **Lease Agreement**.
- 2.2 In consideration of the **Company** acting as the **Bank's** service agent, the **Company** shall receive on written demand, a fee in the amount of £1, and by signing this **Service Agency Agreement** the **Company** hereby acknowledges the receipt of this fee.

3. The Company's obligations under this Service Agency Agreement

- 3.1 From the date of this deed and so long as any monies are, or may become outstanding under any of the **Limited Company BTLPP Agreements** the **Company** agrees, as the **Bank's** service agent to:
- (a) carry out all structural maintenance and repairs to the **property** to the extent that such obligation is not the obligation of a **superior landlord**;
 - (b) make payment or procure the payment of any charges affecting the **property**;
 - (c) obtain and maintain adequate insurances to cover the **insured risks** as required in accordance with the **Notice to Insure**;
 - (d) promptly pay all premiums and do all other things necessary to keep an insurance policy in force and in conformity with the **Notice to Insure**;
 - (e) produce evidence of any insurance premium paid at the **Bank's** reasonable request;
 - (f) procure that the **Bank** receives any information in connection with the insurance and copies of the policy and the respective certificate;

- (g) notify the **Bank** of renewals made and material variations or cancellations of the policy made or, to the **Company's** knowledge, threatened or pending;
 - (h) not do or knowingly permit anything to be done which may make void or voidable an insurance policy in connection with any part of the **property**;
 - (i) immediately notify the **Bank** of the occurrence of any **insured risk** or any other matter which ought reasonably to be notified to the insurers; and
 - (j) comply with all the conditions of the insurance policy and all the requirements of the insurers and in the event the **Company** fails to renew the insurance policy, the **Bank** shall pay the insurance premium and deduct from the **Company's** account the amount of the insurance premium and any administration fees and costs in accordance with the **Tariff List**.
- 3.2 If the **Company** fails to effect any of the **Company's** obligations under clause 3.1 and the **Bank** has notified the **Company** of such failures, the **Bank** shall be entitled but shall not be bound to carry out any or all of the services and the **Company** shall indemnify the **Bank** for the full cost of and any associated expenses paid by the **Bank**, and the **Company** shall pay to the **Bank** any reasonable administration costs that the **Bank** might charge as a result of the **Company's** failure to comply with the **Company's** obligations under this **Service Agency Agreement**, including, but not limited to, any renewal insurance premiums and administrative fees and costs in the event the **Company** fails to renew the insurance policy in respect of the **property**.

4. Costs and expenses

- 4.1 As the **Bank's** service agent, the **Company** hereby undertakes to pay or procure payment in a timely fashion any and all costs, fees and expenses in connection with and related to, and necessary or desirable for the performance and discharge of the services in respect of the **property**.
- 4.2 Subject always to clause 4.4, and provided that no **Event of Default** has occurred and is continuing, the **Bank** hereby undertakes and agrees to pay the **Company** on each **service charge amount payment date**, the **service charge amount** due on such date in respect of the **property**.
- 4.3 The **Bank** shall be entitled to set-off against its obligations to pay the **service charge amount** in respect of the **property** the **Bank's** right to receive sums from the **Company** (including **supplemental rent**) under clause 3.6 of the **Lease Agreement** (regardless of whether such sums are actually received in whole or in part).
- 4.4 For the avoidance of doubt, the **Bank** shall not be obliged to make any cash payments to the **Company** under this **Service Agency Agreement**.
- 4.5 The **Bank's** obligation to pay the **service charge amount** shall terminate automatically in full at the same time as the **Lease Agreement** terminates for any reason whatsoever.

5. Covenants and undertakings

- 5.1 The **Company** covenants and undertakes to the **Bank**, from the date of this deed until all the **Company's** liabilities and obligations under this deed and under the other **Limited Company BTLPP Agreements** have been discharged:
- (a) to provide the **Bank** promptly with such information regarding the condition of the **Property** as the **Bank** may from time to time reasonably require;
 - (b) to permit the **Bank** or its agents or representatives, and procure that they are afforded all necessary facilities, to inspect or survey the **property** at any reasonable time provided that such inspections are carried out in accordance with the **Lease Agreement**;

- (c) not to attempt or hold the **Company** out as having any power to sell, charge, lease or otherwise encumber or dispose of the **property**, nor create, incur or suffer to exist any encumbrance (other than the **Legal Charge**) over the **property** save for the ability to grant **ASTs** in accordance with the right conferred on the **Company** under the **Lease Agreement**; and
- (d) not to do or permit to be done any act or thing which might jeopardise the **Bank's** legal and beneficial title to, rights and interest in or security over the **property** and/or not to omit or permit to be omitted or do or permit to be done any act which might jeopardise that legal and beneficial title, those rights and interest or security over the **property**.

6. Termination events

- 6.1 The **Bank** may, by sending a notice to the **Company**, immediately terminate this deed following the occurrence of any of the following events and/or circumstances:
- (a) the insurances are not obtained and maintained in full force and effect in accordance with the **Notice to Insure** and/or the **Lease Agreement**; or
 - (b) breach by the **Company** of any of the **Company's** obligations hereunder; or
 - (c) the occurrence of an **Event of Default** (and provided at the relevant time the **Event of Default** is continuing); or
 - (d) the termination by the **Bank** of any of the other **Limited Company BTLP Agreements**.
- 6.2 The **Bank's** rights and remedies provided in this deed are cumulative and are not exclusive of any rights and remedies provided by law.

7. Indemnity

- 7.1 The **Company** shall indemnify the **Bank** and hold the **Bank** harmless on a full indemnity basis against any and all obligations, fees, liabilities, claims, losses, costs, damages, penalties, demands, actions, proceedings, judgments and expenses, including without limitation all reasonable legal fees and expenses (including, without limitation, any legal fees and expenses incurred in connection with the enforcement of this deed), of every kind and nature whatsoever imposed on, incurred by, or asserted against the **Bank** arising out of any failure whatsoever on the **Company's** part in performing any of the **Company's** obligations under this deed including without limitation any failure in procuring and/or maintaining the insurances in accordance with the **Notice to Insure**.
- 7.2 The provisions of clause 7.1 above shall apply from the date of the execution of this deed and clause 7.1 shall survive the expiration or earlier termination of this deed or any other **Limited Company BTLP Agreement** and all documents and contracts entered into in relation hereto or otherwise in relation to the **property**.

8. Miscellaneous

- 8.1 Third party rights – A person who is not a party to this **deed** shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any of the terms of this **deed**.
- 8.2 Assignment – The **Company** is not entitled to assign the **Company's** obligations under this deed without the **Bank's** prior written consent.

9. Governing law and jurisdiction

This deed and all non-contractual obligations arising out of it shall be governed by and construed in accordance with English law and the parties submit to the exclusive jurisdiction of the English Courts.



Section 5: Legal Charge Terms

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1. Words with special meanings

- 1.1 In this deed, unless the context otherwise requires, words and expressions shown in bold type in this deed have the meanings defined in the glossary forming part of these terms and conditions.
- 1.2 In this deed, unless the context otherwise requires:
- (a) references to a clause by number shall mean the relevant clause in these **Legal Charge Terms** references to clauses means references to the clauses of this **Legal Charge**;
 - (b) references to (or to any specified provisions of) these **Legal Charge Terms** or any other document shall mean these **Legal Charge Terms**, that provision or that document as it may be amended, varied, novated or supplemented from time to time with the agreement of the parties and with our prior written consent;
 - (c) words in the singular shall include the plural and the plural shall include the singular;
 - (d) references to a person shall include that person's assignees, transferees or successors in title and can mean an individual, firm, partnership, joint venture, company, corporation, unincorporated body of persons or any state or any agency of it or them;
 - (e) references to any statute or statutory provision shall include references to that statute or those provisions as replaced, amended or re-enacted from time to time;
 - (f) the **Legal Charge Terms** form part of the **Legal Charge** and the **Legal Charge** and **Legal Charge Terms** shall be read as one document; and
 - (g) headings are for ease of reference only and shall be ignored in the interpretation of the **Legal Charge**.

2. Payment obligations

- 2.1 The **Company** covenants to pay and discharge on demand to the **Bank** all **secured obligations** under this **Legal Charge**;
- 2.2 If the **Company** fails to pay to the **Bank** any sum referred to in clause 2.1 or otherwise due under this **Legal Charge** on the due date for payment, the **Company** will pay to the **Bank** with respect to the period during which such sum is due but remains unpaid a **delay payment**. Any amounts received by the **Bank** pursuant to this clause 2.2 in excess of the **Bank's** actual losses caused by such delay (but excluding any opportunity costs of reinvesting such unpaid amounts) shall be donated by the **Bank** to charity in accordance with the guidance received from the **Sharia Supervisory Committee**.
- 2.3 All sums that the **Bank** pays or may have to pay in order to protect its interests in the **Property** shall be reimbursed to the **Bank** by the **Company**.
- 2.4 The **Company** agrees that the **Bank** can collect all amounts payable by the **Company** to the **Bank** by way of a direct debit from the **Company's** account upon the **Bank** giving the **Company** reasonable notice that such payment is due.

3. Notices and indemnities

- 3.1 Any notice, demand or certificate due or issued by the **Bank** to the **Company** shall (except in the case of obvious error) be conclusive evidence against and binding on the **Company** if signed by one of the **Bank's** officers.
- 3.2 The **Bank** and any **receiver, administrator**, attorney, agent or other person appointed by the **Bank** under the **Legal Charge** and its officers and employees (each an "Indemnified Party") shall be entitled to be indemnified out of the **charged property** in respect of all costs, losses, actions, claims, expenses, demands or liabilities whether in contract, tort,

delict, or otherwise and whether arising at common law, in equity or by structure, which may be incurred by, or made against, any of them (or by or against any manager, agent, officer or employee in whose liability, act or omission any of them may be answerable) at any time relating to or arising directly or indirectly out of or as a consequence of anything done or omitted in the exercise or purported exercise of the powers contained in the **Legal Charge** and/or any breach by the **Company** of any of the **Company's** obligations under the **Legal Charge**.

- 3.3 The **Company** shall indemnify the **Bank** and any **receiver** or other person mentioned in clause 3.2 against matters referred to in clause 3.2; and pay the **Bank** all monies and discharge all obligations and all other indebtedness and/or liabilities which are now or may in the future at any time or from time to time be due, outstanding or incurred to the **Bank** under the **Legal Charge** when the same become due for payment or discharge whether such moneys, obligations or liabilities are expressed or implied, present, future or contingent.

4. The Legal Charge and what it secures

- 4.1 Payment by the **Company** of the **secured obligations** and other amounts referred to in clause 2 are secured by the **Legal Charge**.

- 4.2 In addition to the charges created by the **Legal Charge** and as a continuing security for the payment and discharge of the **secured obligations** the **Company**, with full title guarantee charges to the **Bank** by way of separate first fixed charge;

- (a) all of the **Company's** rights in any policies of insurance relating to the **charged property** including the proceeds of any claims under such policies, and all rent arising from any letting of the **charged property**;
- (b) the benefit of all contracts, guarantees, appointments, warranties and other documents to which the **Company** is a party or which are in the **Company's** favour or of which the **Company** has the benefit relating to any letting, development, sale, purchase or the operation or otherwise related to the **charged property**, including in each case, but without limitation, the right to demand and receive all monies whatsoever payable to or for the **Company's** benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests, benefits whatsoever accruing to or for the **Company's** benefit arising from any of them; and
- (c) all authorisations (statutory or otherwise) held or required in connection with the use of the **charged property** and all rights in connection with them.

- 4.3 The **Bank** is, or any **receiver** or **administrator** is (as the case may be) hereby irrevocably authorised as agent for the **Company** at any time after the **Legal Charge** shall have become enforceable to use, remove, store, sell or otherwise deal with any moveable plant, machinery, implements, utensils, fittings, furniture, equipment and other personal property (but without thereby becoming mortgagee in possession of the **charged property**), and neither the **Bank** nor any **receiver** or **administrator** shall be liable for any loss or damage occasioned to the **Company**. The **Company** shall indemnify the **Bank** and/or any **receiver** and/or **administrator** and keep the **Bank** and/or any **receiver** and/or **administrator** indemnified against all expenses suffered or incurred in relation to any such items. The **Bank** or any **receiver** and/or **administrator** (as the case may be) shall pay to the **Company** the proceeds of sale (net of any sums the **Company** owe the **Bank** under any **Limited Company BTLPP Agreement**) arising from any sale of such items under the provisions of this clause 4.3.

- 4.4 The **Legal Charge** shall be in addition to and shall not either prejudice or be prejudiced by:
- (a) any other security, guarantee, remedy or lien, now or at any time while the **Legal Charge** is in force, held by or available to the **Bank**;
 - (b) any invalidity of any such other security;
 - (c) at any time and from time to time the **Bank** releasing, varying or not enforcing any such other security; or
 - (d) at any time and from time to time the **Bank** giving time for payment to, or reaching any agreement with, or failing to enforce any rights it has against, any other person other than the **Company** which is liable to the **Bank** in respect of the money owed by the **Company** to the **Bank** or otherwise in respect of any **secured obligations**.
- 4.5 If:
- (a) the **Bank** receives a payment from the **Company** or for the **Company's** benefit;
 - (b) the payment is not made under an existing arrangement which makes it clear how the payment is to be used; and
 - (c) the **Company** do not tell the **Bank** what to do with the payment, the **Bank** will use the payment to pay off any sums which are in arrears at the time when the **Bank** receives the payment, and then credit it to whichever part of the sums the **Bank** chooses.

5. The Company's obligations

- 5.1 The **Company** will observe and perform all the covenants and obligations given or entered into by the **Company** in the **Limited Company BTLPP Agreements** and all obligations and/or restrictions of whatever kind affecting the **charged property** or any part or parts thereof.
- 5.2 The **Company** undertakes to the **Bank**:
- (a) not to create or attempt to create or allow to be created or exist any mortgage, charge or other encumbrance in favour of any other party affecting the **Limited Company BTLPP Agreements**, the **charged property** or other assets of the **Company** without the **Bank's** prior written consent;
 - (b) not to sell, transfer, lease or otherwise dispose of the **property**, the **charged property** or any part thereof without the **Bank's** prior written consent;
 - (c) not, without the **Bank's** prior written consent, to or agree to, grant or accept the surrender of any lease or tenancy of all or part of the **charged property** whether under the powers given by Section 99 and 100 of the 1925 act or otherwise;
 - (d) not, without the **Bank's** prior written consent, to or agree to, extend, renew or vary either the lease or tenancy in favour of any third party of all or part of the **charged property**;
 - (e) not to do, or allow to be done, nor omit to do, anything on the charged property which may prejudicially affect any insurance policy in respect of the **charged property**;
 - (f) if the title to the **charged property** is not registered under the 2002 Act, to ensure that no person shall be registered under the 2002 Act as proprietors of all or any part of the **charged property** without the **Bank's** prior written consent whilst the **Legal Charge** is in force;

- (g) whether or not title to the **charged property** is registered under the 2002 Act, in the event that any caution against first registration or any notice (whether agreed or unilateral) is registered against the title of all or part of the **charged property**, to give the **Bank** full particulars of the circumstances relating to such registration and if such caution or notice shall have been registered in order to protect a purported interest the creation of which is contrary to the **Company's** obligations under this **Legal Charge**, immediately at the **Company's** expense to take such steps as the **Bank** may require to ensure that the caution or notice (as applicable) is withdrawn or cancelled;
- (h) not to deal with any claim for compensation, arising in any fashion in respect of all or part of the **charged property** other than in accordance with requirements of the **Limited Company BTLPP Agreements**, and if required by the **Bank** to pay to the **Bank** in reduction of the money payable to the **Bank** by the **Company** all or part of such compensation;
- (i) if any works of construction or refurbishment are at any time carried out upon the **charged property**, at the **Bank's** request to assign to the **Bank** as further security for the money due to the **Bank** by the **Company**, and in such form as it shall require:
 - (i) the benefit of all the **Company's** rights and claims with regard to such work against the building contractor and any other person carrying out services for the **Company** in connection with such works, and their respective subcontractors and suppliers; and
 - (ii) any rights, licences, warranties, guarantees or maintenance agreements in connection with such works of which the **Company** have the benefit;
- (j) without the **Bank's** prior written consent, not to do or allow to be done or omit to do on the **charged property** anything which might lead either to the **Company** or the **Bank** incurring any liabilities or committing any offence under the Environmental Protection Act 1990 or incur any other liability as a result of the pollution of the **charged property** or to the **charged property** being entered upon any registers of land which may have been put to a contaminative use under the Environmental Protection Act 1990 and further to send copies to the **Bank** of any notice received in connection with environmental matters relating to the **charged property**; and
- (k) if the **charged property** has the benefit of any rights under any agreement with the National House Builders Council or other similar body or under any arrangement giving similar rights not to deal with any claim under such agreement other than in accordance with the **Bank's** requirements, and if required by the **Bank** either to pay to the **Bank** in reduction of the money due to the **Bank** by the **Company** the proceeds of any such claim or to use such proceeds in reinstatement of the **charged property**.

6. Crystallisation of floating charge

6.1 The **floating charge** shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to the floating charge if;

- (a) the **Company**
 - (i) creates or attempts to create, without the consent of the **Bank**, security or a trust in favour of another person over all or any part of the **charged property** (except as expressly permitted by the terms of the **Legal Charge** or any other **Limited Company BTLPP Agreement**);
 - (ii) disposes, or attempts to dispose of, all or any part of the **charged property** (other than **charged property** that is only subject to the **floating charge** while it remain uncrystallised);

- (b) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the **charged property**; or
 - (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the **Company**.
- 6.2 The **Bank** may, in its sole discretion, at any time and by written notice to the **Company**, convert the **floating charge** created under this deed into a fixed charge as regards any part of the **charged property** specified by the **Bank** in that notice.
- 6.3 Any asset acquired by the **Company** after any crystallisation of the **floating charge** created under this deed that, but for that crystallisation, would be subject to a **floating charge** under this deed, shall (unless the **Bank** confirms otherwise to the **Company** in writing) be charged to the **Bank** by way of first fixed charge.

7. Dealing with the Company's account

If the **Bank** receives notice of any subsequent charge or other encumbrance affecting the **charged property**, the **Bank** may close any accounts the **Company** has in its books and open a new account or accounts in their place. If the **Bank** does not do so, it shall nevertheless be treated as if it had done so at the time when the **Bank** received notice. From that time onwards, all payments made by the **Company** to the **Bank** will be credited or treated as credited to the new account or accounts and shall not operate to reduce the amount due from the **Company** to the **Bank** when the **Bank** received the notice.

8. Further assurance

The **Company** will, at the **Company's** own cost and whenever required to do so by the **Bank**, execute and deliver such other instruments and documents and take such other action as may be required to perfect the **Bank's** security under the **Legal Charge**, preserve the **charged property** or to enable the **Bank** either to enforce the **Legal Charge** or to exercise any of the powers and rights given by these **Legal Charge Terms** or by law to the **Bank** or the **receiver** including (without limitation) the sale of the **charged property** or any part thereof.

9. Protecting the Bank's rights

- 9.1 The **Bank's** rights under the **Legal Charge** will not be lost or limited:
- (a) by any earlier exercise of them;
 - (b) by any failure to exercise them;
 - (c) by any delay in exercising them; or
 - (d) by exercising them in part only.
- 9.2 The **Bank's** rights and remedies under these legal charge conditions are in addition to those the **Bank** has according to **English** law.
- 9.3 A purchaser may treat the statutory power of sale as arising on the date of the **Legal Charge**.

10. Enforcement

- 10.1 Sections 93 and 103 of the 1925 Act shall not apply to this **Legal Charge**.
- 10.2 The **Company** must immediately pay the **Bank** all sums secured by the **Legal Charge** and the **Legal Charge** shall become immediately enforceable if any of the following events happen:

- (a) any **Event of Default** occurs;
 - (b) where applicable an order is made against the **Company** or any step is taken by any person to put the **Company** into bankruptcy, administration or liquidation;
 - (c) the **Company** makes a voluntary arrangement with the **Company's** creditors;
 - (d) the **charged property** or any material part thereof is compulsorily purchased;
 - (e) the **Company** gives up possession of any of the **charged property** or the **property** to the **Bank**;
 - (f) the **Bank** reasonably believes that the **Company** has abandoned the **property** (in which case, the **Bank** may recover possession of it without obtaining a court order); or
 - (g) a judgment or order is made against the **Company** in relation to the **charged property** which would lead to the **Company** having to give up possession of the **charged property** if the **Company** fails to satisfy the judgement or order.
- 10.3 For the purposes of all powers implied by statute, the **secured liabilities** are deemed to have become due and payable on the date of the **Legal Charge**.
- 10.4 The power of sale and other powers conferred by section 101 of the 1925 Act (as varied or extended by this deed) shall be immediately exercisable at any time after the security constituted by this deed has become enforceable under clause 10.2.
- 10.5 If the **Bank** becomes entitled to exercise the power of sale it may:
- (a) take physical possession of the **charged property** or give notice to any tenants to pay their rent to the **Bank**;
 - (b) exercise all powers of sale or powers of mortgagees conferred by the 1925 Act (as extended or varied by these **Legal Charge Terms**). In exercising this power, the **Bank** may agree whatever terms and conditions of sale it thinks fit in order to obtain the best price for the **charged property** that it reasonably can; or
 - (c) appoint a **receiver** or **administrator**.

11. Powers of a receiver

- 11.1 The **Bank** may appoint a **receiver**:
- (a) where clause 10.3 applies; or
 - (b) if the **Company** asks the **Bank** to appoint one.
- 11.2 The **Bank** may appoint a **receiver** for the whole of the **charged property** or for any part of it.
- 11.3 The **Bank** may appoint one of its employees or officers as a **receiver**.
- 11.4 The **Bank** may fix the **receiver's** remuneration at any reasonable rate.
- 11.5 The **Bank** may remove the **receiver** at any time and appoint another in his place.
- 11.6 The **Bank** may appoint more than one **receiver**, who shall have the power to act severally as well as jointly in relation to all or part of the **charged property**.
- 11.7 If the **Bank** appoints a **receiver** over only a part of the **charged property**, it shall be entitled to appoint the same or another **receiver** over any other part of the **charged property**.
- 11.8 The **receiver** will be the **Company's** agent. Unless the **receiver** is one of the **Bank's** employees, the **Company** will be responsible for his remuneration and the **Company** will be solely responsible for everything he does or fails to do.
- 11.9 The **receiver** will have the following powers (in addition to those given to receivers by the Insolvency Act 1986 and secondary legislation made under it, and the 1925 Act):

- (a) to take possession of the **charged property**;
- (b) after taking possession of the **charged property**, to do any of the things which the **Bank** could do under clause 10.3 if it had taken possession;
- (c) to let the **charged property** on any reasonable terms (but without any other restrictions on the nature, terms and length of the lease, or on the rent due);
- (d) to allow anyone who holds a lease or tenancy of the **charged property** to surrender the lease on any reasonable terms;
- (e) to agree to any reasonable variation, extension or renewal of any lease under which the **charged property** is let;
- (f) to act as manager of the **charged property**;
- (g) to complete any unfinished buildings on the **charged property**;
- (h) if the **charged property** or any part of it is held under a lease:
 - (i) to agree any variation, extension or renewal of the lease and/or take a new lease of all or part of the charged property; or
 - (ii) to acquire the freehold or an interest in it;

and so that such new lease shall become charged to the **Bank** on the terms of the **Legal Charge** so far as applicable and to execute a formal legal mortgage over any such new lease in the **Bank's** favour in such form as it may require;

- (i) to take possession of, collect and get in all or any part of the **charged property** and all rents and other income of the **charged property**;
- (j) to apply for and obtain any permissions, approvals, consents or licences as the **receiver** may in his absolute discretion think fit;
- (k) to make any arrangement or to reach any agreement with regard to any claim which the **receiver** or the **Bank** may think fit;
- (l) to bring or defend any proceedings in the **Company's** name in relation to the **charged property** as the **receiver** shall think fit;
- (m) to appoint, employ or dismiss professional advisers, managers, officers, contractors and agents previously approved in writing by the **Bank** for any of the purposes set out in this clause 11.9 including but not limited to the management of the **charged property** on such terms as the **receiver** may think fit;
- (n) to exercise on the **Company's** behalf all or any of the powers given to landlords or tenants (as the case may be) by the Landlord and Tenant Acts 1927 to 1988 in respect of the **charged property** but without incurring any liability in respect of the powers so exercised; and
- (o) to do all such other acts and things as may be considered by the **receiver** to be incidental to or necessary for any of the powers contained in these **Legal Charge Terms** or otherwise to preserve, improve or sell the **charged property**.

11.10 The **Bank** may exclude or limit any of the powers in clause 11.9 when it appoints the **receiver** or later.

12. Appointment of administrator

12.1 The **Bank** may, without notice to the **Company** appoint any one or more persons to be an administrator of the **Company** pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable or if clause 6 applies.

12.2 Any appointment under this clause 12 shall:

- (a) be in writing signed by a duly authorised signatory of the **Bank**; and
- (b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.

- 12.3 The **Bank** may apply to the court for an order removing an administrator from office and may by notice in writing in accordance with this clause 12 appoint a replacement for any administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

13. Power of attorney

- 13.1 The **Company** appoints the **Bank** and (as a separate appointment) any **receiver** the **Bank** appoints to be the **Company's** attorney by way of security and to do the following things in the **Company's** name and on the **Company's** behalf:
- (a) to execute any document which is needed to make good any defect in the **Bank's** title to the **charged property** or in the **Bank's** title to the **Legal Charge**;
 - (b) to execute any document which is needed to pass a good title to a purchaser or lessee of the **charged property**;
 - (c) to transfer to a purchaser any shares or other membership rights which the **Company** holds in a management or lessor company by virtue of the **Company's** interest in the **charged property**;
 - (d) to receive any money payable to the **Company** in connection with the **charged property** or any insurance of it and to do anything which the **Bank** or the **receiver** need to do to exercise its rights under the **Legal Charge Terms**;
 - (e) to exercise all or any of the powers, authorities and discretions conferred by the **Legal Charge Terms** upon the **Bank** or any **receiver**;
 - (f) to do anything which the **Bank** or any **receiver** shall think fit for carrying out any sale, lease, charge or dealing by the **Bank** or any **receiver** with all or any part of the **charged property**; and
 - (g) to execute such documents and instruments and take such action as specified in clause 7.
- 13.2 The appointment in clause 13.1 is irrevocable.
- 13.3 If the **Bank** asks the **Company** to, the **Company** will confirm and ratify anything done by the **Bank** or a **receiver** while acting under the power of attorney granted under clause 13.1.

14. Protection of purchasers

No purchaser or other person dealing with the **Bank** or any person appointed by the **Bank** or any **receiver** appointed hereunder shall be bound to see or enquire whether the right of the **Bank** or such **receiver** to exercise any of the powers conferred by the **Legal Charge** has arisen or become exercisable or be concerned with notice to the contrary, or with the proper exercise or purported exercise of such powers, or be concerned to see whether any such delegation by the **Bank** shall have lapsed or shall have been revoked for any reason.

15. Prior charges

If there is any charge which ranks in priority to the **Legal Charge** over all or any part of the **charged property**, and the person with the benefit of such charge does anything to enforce that charge against the **charged property**, the **Bank** or any **receiver** may repay the money payable under that charge, or arrange for such charge to be transferred to the **Bank** or the **receiver**, and the costs of so doing shall be an expense borne by the **Company** in accordance with clause 2.3.

16. Transfer by the Bank

- 16.1 The **Bank** may transfer to any other person the benefit of the **Legal Charge** (either at law or in equity) together with all of its rights in respect of the money payable to it and the person to whom the benefit of the **Legal Charge** or the money owed is transferred may enforce the **Legal Charge** in the same way as if it had been party to the **Legal Charge** instead of the **Bank**.
- 16.2 The **Company** agrees that if the **Bank** transfers part only of its rights in respect of the money payable to any other person, then the **Legal Charge** shall be treated as if it had been given to the **Bank** as trustee for itself and such other person.

17. Disclosure of information

The **Company** irrevocably authorises the **Bank** to pass on to:

- (a) any person to whom the **Bank** has delegated any of its functions under the **Legal Charge**; or
- (b) any person to whom the **Bank** has transferred or intends to transfer any interest under the **Legal Charge** and the advisers of such person;

such information in relation to the **Company**, the money due or the **Property** as the **Bank** shall think fit.

18. Notices

- 18.1 The **Bank** may give the **Company** notice under the **Legal Charge**:
- (a) by posting or delivering it to the **Company** at the **Company's registered address**; or
 - (b) by sending it by electronic mail to the **Company's** electronic mail address (or any of which the **Company** has notified the **Bank** (if any)).
- 18.2 Notices given by the methods described in condition 16.1 will be treated as given on the following dates depending upon the method used.

Method	Date
First Class Post	The first working day after the date of posting.
Second Class Post	The second working day after the date of posting.
Electronic Mail	The date of actual transmission provided that the Bank does not receive any indication that the electronic mail message has not been successfully received at the Company's electronic mail address.

- 18.3 The **Company** may give notice to the **Bank** by posting or delivering it to the **Bank's** Secretary at its registered office. If the **Company** posts a notice to the **Bank**, it will only be treated as given when it is actually received by the **Bank**.

19. Merger/Construction

The **Legal Charge** shall remain binding on the **Company** notwithstanding any change in the **Bank's** constitution or its amalgamation with, or the acquisition of all or part of its undertaking by, any other person or any reconstruction or reorganisation of any kind. The security granted shall remain valid and effective in all respects in favour of any assignee, transferee or other successor in title of the **Bank**.

20. Miscellaneous

Each provision of the **Legal Charge** is severable and distinct from the others and if at any time any one or more of such provisions is or becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions of the **Legal Charge** shall not in any way be affected thereby.

21. Set-off

If the **Legal Charge** shall become enforceable in accordance with its terms the **Bank** may use any money which the **Company** has deposited in any account (current, savings or other account) with the **Bank** to pay all or any part of the **secured obligations** which, to the extent not then payable, shall automatically become payable to the extent necessary to affect such set-off.

22. Governing law and jurisdiction

This **Legal Charge** shall be governed and construed in accordance with the laws of England and the parties hereto irrevocably submit to the exclusive jurisdiction of the English Courts.



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