

Mortgages

Leeds Building Society Mortgage Conditions 2015 (Scotland)

Relating to mortgages of heritable property in Scotland





Contents

Clause	Heading	Page
1	Definitions and interpretation.....	2
2	Membership of Society and Rules.....	4
3	Your obligation to pay	4
4	Interest - Where the Agreement provides for annual interest	6
5	Interest - Where the Agreement provides for daily interest.....	7
6	Interest - general provisions	8
7	Power to vary rate of interest	8
8	Fees and Costs	10
9	Monthly Payments	11
10	Insurance against fire etc.....	12
11	Your obligations	13
12	Restrictions on letting etc.....	14
13	The Society's powers	15
14	Our power to enter and repair etc	16
15	Related Rights	17
16	Consolidation and redemption	17
17	Power of attorney	18
18	Our power to transfer the Whole Debt, the Mortgage and other security	18
19	Miscellaneous.....	19
20	Notices	20
21	Law.....	20

Preliminary Note This document contains legal terms which apply to your mortgage. Other terms which apply to your mortgage are set out in the application form, the offer document, the mortgage deed and any other agreement you make with us which relates to your mortgage. It is important that you read each document containing terms which apply to your mortgage and make sure that you understand them. Where we have referred to provisions in Acts of Parliament, we have included a brief explanation of what the provision is about, but the explanation is a guide and should not be taken as a complete statement. The general law also implies some conditions into mortgage contracts, which are not set out. Ask your legal adviser to explain those conditions before you proceed with your mortgage.

We, Leeds Building Society, incorporated under the Building Societies Acts, and having our Principal Office at 26 Sovereign Street, Leeds LS1 4BJ, hereby declare that for the purpose of advances to be made by us secured by standard securities granted in our favour over heritable property in Scotland, the Standard Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 shall be subject to the following variations (to be referred to as the Scottish Mortgage Conditions 2015). Amongst other things, the Standard Conditions set out your obligations under the Mortgage to maintain, repair and insure the Property, the circumstances in which you may be in default and the rights we may exercise in those circumstances which include the power to sell the Property:

1 Definitions and interpretation

1.1 In these Conditions, unless the context requires otherwise:

“Advance” means each and every sum which we advance to you on the security of the Mortgage (including each and every further advance);

“Agreement” means the Offer of Advance and/or other documents issued by us to you setting out the terms on which we will make any Advance to you;

“Applicable Rate” means the Current Rate or, where there is more than one Current Rate, whichever Current Rate applies to the amount owing under the earliest Advance made to you in respect of which you still owe us money (and if there is still more than one Current Rate, the Current Rate which applies to the largest part of that Advance);

“Borrower” and *“you”* means the borrower named in the Mortgage and includes all your successors;

“Conditions” means these mortgage conditions;

“Costs” means all costs and expenses including our internal costs and third party expenses and full legal costs so long as they are of a reasonable amount and reasonably incurred which we incur in connection with the Mortgage including (but not limited to) the examples given in Condition 8.1(b);

“Current Rate” means the rate or rates of interest which apply for the time being to the Advance or (where there is more than one such rate) part of the Advance as set out in the Agreement and (where relevant) varied under Condition 7;

“Environmental Notice” means any notice in respect of any contamination or pollution issued under the provisions of sections 78A to 78YC of the Environmental Protection Act 1990 or under Part VI of the Water (Scotland) Act 1980 which relates to the Property or any neighbouring property. (Among other things, these statutory provisions provide for action to be taken in the event of any pollution that originates on the Property and for liability for remedial works);

“Fees” means the fees we charge for any document or service we provide in connection with the Mortgage including (but not limited to) the examples given in Condition 8.1(a);

“Monthly Payments” means the amounts calculated and notified to you in accordance with Condition 9;

“Mortgage” means the standard security granted by you to us in which the Conditions are expressed to be incorporated and, except in Condition 2.2, includes the Conditions;

“Offer of Advance” means our written offer setting out the terms on which we will make an Advance to you;

“Payment Date” means the date each month you have selected as the date on which you will pay us the Monthly Payments. You can vary this date from time to time (so long as it is not later than the 28th of each month) by giving us at least 30 days’ prior notice;

“Property” means the property described in the Mortgage and includes each and every part of such property and all heritable fixtures and fittings;

“Related Rights” bears the meaning set out in Condition 15;

“Repayment Period” in relation to each Advance means the repayment period specified in the Agreement;

“Rules” means the Rules of the Society for the time being in force;

“Society”, “we” “our” and “us” means Leeds Building Society and includes any person or persons who takes over our business or the Mortgage (whether or not by outright transfer and whether in relation to all or part of the Whole Debt) and may at any time mean more than one of them;

“Whole Debt” means all monies (including compounded interest) which you owe us at any time under these Conditions or any Offer of Advance; and

“Year” means each period of 12 months ending on 31 December or on such other date as we may notify to you from time to time.

- 1.2 References to *“person”* include a body corporate.
- 1.3 References to *“month”* and *“monthly”* mean a calendar month.

- 1.4 References to “*you*” include the person or persons entitled to act in your place should you die, become insolvent or become unable to manage your affairs.
- 1.5 Where there is more than one Borrower:
 - (a) “*you*” and “*your*” refer to both or all of you together and each of you separately; and
 - (b) if any of you dies, becomes insolvent or becomes unable to manage his affairs this will not affect the liability of the remainder of you; and
 - (c) your liability to us is both joint and several which means that we can enforce our rights to payment against any or all of you for the Whole Debt.
- 1.6 References to the masculine include the feminine and references to the singular include the plural, and the other way round in each case.
- 1.7 References to any provision of any Act of Parliament include that provision as updated or altered at any time whether before or after the date of the Mortgage.
- 1.8 Headings to Conditions are inserted for convenience only and have no legal effect.

2 Membership of Society and Rules

- 2.1 If not already a member, and if you are an Individual as defined by the Rules, you are admitted to membership of the Society.
- 2.2 Members of the Society are bound by the Rules. You agree to observe and perform the Rules while a member of the Society. In the event of any conflict between the Rules, any Agreement, the Mortgage and the Conditions, the following order of priority will prevail:
 - (a) the Agreement;
 - (b) the Mortgage;
 - (c) the Conditions; and
 - (d) the Rules.
- 2.3 If your membership of the Society arises solely out of the Mortgage, a transfer of the Mortgage by the Society may, if we so decide, result in your ceasing to be a member of the Society.

3 Your obligation to pay

- 3.1 You agree that you will punctually pay to us:

- (a) on the Payment Date, Monthly Payments comprising interest on the Advance at the Current Rate and (where the mortgage is a repayment mortgage) instalments of the Advance;
 - (b) at the end of the Repayment Period (if the Whole Debt has not become due earlier under the provisions of Condition 13.1 or Condition 3.2), the Whole Debt if any sums then remain unpaid;
 - (c) all Fees and Costs, immediately we require you to do so as set out in Condition 8.2; and
 - (d) interest on Fees and Costs at the Applicable Rate from the date we require payment of the Fees or Costs until they are paid, such interest to be paid on demand by us and if unpaid to attract interest calculated in the same manner as interest on the Advance to which the relevant Fees or Costs have been added.
- 3.2 We may at any time require you on the expiry of 2 months' written notice to repay the Whole Debt. We will only exercise this power if:
 - (a) we reasonably believe that you have been involved in fraudulent or serious criminal behaviour which is connected to the Mortgage; or
 - (b) we reasonably consider that our security is at risk.
- 3.3 All payments shall be made to us at our head office which is currently at 26 Sovereign Street, Leeds LS1 4BJ, or at such other address as we may notify to you. Payments will be made by direct debit or by such other method as we may reasonably specify. Payments are sent or transmitted at your risk. The time of payment is an important term of the Mortgage and you must comply with this exactly.
- 3.4 If we enforce the security given by you and sell the Property and the net proceeds are insufficient to pay off the Whole Debt you will immediately pay us the deficiency with interest at the Applicable Rate until payment.
- 3.5 If the Whole Debt has become due and payable under Condition 13.1 or Condition 3.2:
 - (a) if you are a sole Borrower:
 - (i) we may apply any sums received from you to reduce the amount you owe on any account with us which is secured by the Mortgage, unless when you make the payment you require us to apply the sum to a particular account or accounts or unless we have to apply the sum in a particular way to comply with a regulatory requirement or regulatory guidance;
 - (ii) we may use the money in any current or savings account you have with us in your sole name or jointly with another person or persons as set out in paragraph (i) above if the terms of that account allow us to do so and subject to any conditions in the terms of that account;

(b) if there is more than one Borrower:

(i) we may apply any sums received from you as set out in paragraph (a)(i) above, except that where under that provision we are free to apply the sum to any account we will apply it in reduction of sums owed on accounts in the name of both or all of you before applying any sum to an account in the name of one or some of you only;

(ii) we may use the money in any current or savings account you have with us in your joint names or in the sole name of any one of you or in the name of some only of you (and in each case whether or not jointly with another person who is not a party to the Mortgage) as set out in paragraph (i) above if the terms of that account allow us to do so and subject to any conditions in the terms of that account;

(c) we will inform you by written notice in advance of a proposed exercise of the power given by paragraphs (a)(ii) and (b)(ii) above unless we reasonably think that you or another account holder would remove the money from the account to prevent us from doing so. If we do not give advance notice, we will give you written notice as soon as reasonably practicable after we exercise the power.

4 Interest – Where the Agreement provides for annual interest

4.1 Where the Agreement provides for interest to be calculated by the annual interest method the provisions of this Condition 4 will apply.

4.2 We will charge, and you will pay, interest in each Year:

(a) on the amount of the Whole Debt outstanding on the last day of the preceding Year; and

(b) on any sum which is advanced to or becomes owing from you during the Year as from the date on which it is advanced or becomes owing.

4.3 We will enter interest charged under paragraph (a) of Condition 4.2 in your account provisionally on the first day of each Year and will enter interest charged under paragraph (b) of that Condition in your account provisionally on the day on which the relevant sum is advanced or becomes owing.

4.4 We may at any time by giving not less than 3 months' notice to you vary the period for the charging of interest for any one or more of the following reasons (which may relate to circumstances existing at the time or which we reasonably expect to apply in the near future) but so that it is not more than 1 Year or less than 1 day:

(a) to make the way in which we charge interest fairer to borrowers who make their Monthly Payments promptly;

- (b) to reflect the periods for which we are charged interest on the money we have lent you under the Mortgage;
 - (c) to respond, in a proportionate manner, to changes in the law or the interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any code of practice with which we intend to comply; or
 - (d) following a transfer of the Mortgage by us or the transfer of other mortgages to us, to enable us or our successors to treat borrowers fairly by treating borrowers with mortgages in a similar category in a similar way.
- 4.5 If we exercise our right under Condition 4.4 to vary the period for the charging of interest, Conditions 4.2 and 4.3 shall have effect as if the references to a Year were references to the new period for charging interest.

5 Interest - Where the Agreement provides for daily interest

- 5.1 Where the Agreement provides for interest to be calculated by the daily interest method the provisions of this Condition 5 will apply.
- 5.2 We will calculate interest in respect of each day on the debit balance shown on your Mortgage account at the end of that day and we will enter this interest on your account daily at the end of each day, increasing the debit balance by the amount of the interest.
- 5.3 Payments which are credited to your Mortgage account will, when cleared, reduce the balance on which interest is charged from the day when the payment was first credited.
- 5.4 We may at any time by giving not less than 3 months' notice to you without altering the principle that interest is charged on a daily basis alter our procedures for charging interest for any one or more of the following reasons (which may relate to circumstances existing at the time or which we reasonably expect to apply in the near future):
- (a) to make the way in which we charge interest fairer to borrowers who make their Monthly Payments promptly;
 - (b) to reflect the periods for which we are charged interest on the money we have lent to you under the Mortgage;
 - (c) to respond, in a proportionate manner, to changes in the law or the interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar persons, or any code of practice with which we intend to comply; or
 - (d) following a transfer of the Mortgage by us or the transfer of other mortgages to us, to enable us or our successors to treat borrowers fairly by treating borrowers with mortgages in a similar category in a similar way.

6 Interest - general provisions

- 6.1 You will pay interest calculated in accordance with Conditions 4.2 and 5.2 (whichever is applicable) at the Current Rate both before, and so far as allowed by law, after any money judgment we obtain. You also remain liable to pay interest at the Applicable Rate if you give us possession of the Property or we take the Property into possession, until the Property is sold and the Whole Debt is paid.
- 6.2 Interest will accrue from day to day and will be payable monthly by the Monthly Payments partly in advance and partly in arrears (depending on the Payment Date). Each month will be treated for this purpose as 1/12th of a Year.
- 6.3 For the purpose of calculating interest each day shall be treated as 1/365th of a Year (or 1/366th in any leap year).
- 6.4 Where interest is payable on unpaid interest it shall be paid at the Applicable Rate at the time the unpaid interest is entered in your Mortgage account.

7 Power to vary rate of interest

- 7.1 Where we have agreed in the Agreement a fixed rate of interest for any period in respect of any Advance we will not vary the interest rate for that period without your agreement.
- 7.2 Where we have agreed in the Agreement a rate of interest which is linked to or tracks an independently set rate such as (but not limited to) the Bank of England Official Bank Rate or LIBOR (a 'Base Rate') the interest rate will vary in line with changes in the Base Rate. The exact terms of any change will be set out in the Agreement. If the Base Rate ceases to exist or be available we may, for the purpose of calculating the interest rate, select such other independently set rate in substitution for the Base Rate as we may reasonably decide.
- 7.3 As a Building Society, we run our business in the interests of our members. Our members include borrowers and savers and we need to balance the interests of them all. In addition we are obliged to run our business prudently and in accordance with regulatory requirements.

When making any changes to our interest rate we will respond proportionately in terms of the reason for making the change. We will not discriminate against you individually or as a particular type of borrower, unless the reason in question relates to a particular type of borrower (in which case we will give you an explanation at the time we notify you of the increase in interest rate).

We can reduce the interest rate at any time. Where Conditions 7.1 and 7.2 do not apply, and subject to the terms of any particular Agreement, we can increase the Current Rate at any time if we reasonably believe that the increase is needed for any one or more of the following reasons (which may relate to circumstances existing at the time or which we reasonably expect to apply in the near future):

- (a) to respond, in a proportionate manner, to changes in the Bank of England repo or base rate or any other base rate which we reasonably believe reflects general economic circumstances;
- (b) where, in our reasonable opinion, the change is required because of the need to maintain our financial strength in the interests of the membership as a whole including both borrowers and savers, for example we may change the rate of interest to manage margins between interest rates charged to our borrowers, and interest rates paid to our investors or the providers of funds to us;
- (c) to respond, in a proportionate manner, to any increase or reduction in costs reasonably incurred by us in operating our mortgage business;
- (d) to enable us to harmonise, in a reasonable manner having regard to the interests of all our borrowers, the interest rates being paid by our borrowers following any acquisition or transfer of mortgages or any takeover of, or merger with, another mortgage provider;
- (e) to respond, in a proportionate manner, to changes in the law or the interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any code of practice with which we intend to comply.

7.4 In exceptional economic or financial circumstances which we reasonably believe have had or are likely to have a significant effect on the United Kingdom financial system, we may also increase the Current Rate for the purpose of enabling us to run our business prudently and in accordance with regulatory requirements. If we use this power to increase the Current Rate we will always:

- respond proportionately to the circumstances in question;
- give you personal notice under Condition 7.5, tell you that the Current Rate is being changed under this particular power and explain why the change is being made.
- reduce the Current Rate again when and as far as the relevant circumstances and the need to manage our business prudently permit.

This power to change the Current Rate is separate from, and in addition to, the power to change the Current Rate set out in Condition 7.3.

- 7.5 Whether the Agreement provides for daily or annual interest, we will notify you in accordance with Condition 20 of any variation under Condition 7.2, 7.3 or 7.4 either before or as soon as reasonably practicable after the variation is to take effect.
- 7.6 We will also notify you in accordance with Condition 20 at least once a year of any variations under Condition 7.2, 7.3 or 7.4 which have taken place since the last such notification, the Current Rate at the date of that notice and the amount of future Monthly Payments (payable from the date specified in that notice), as well as any other matters of which a regulator requires us to notify you.
- 7.7 Where there is more than one Current Rate, the provisions of this Condition 7 apply separately in respect of each Current Rate.

8 Fees and Costs

8.1 (a) In some circumstances we will charge a Fee for the provision of a document or service in connection with the Mortgage, whether to you or anyone else. The amount of any such Fee was notified to you before completion of the Mortgage and may only be changed in accordance with Conditions 8.3 and 8.4. Examples of activities we may charge a Fee for under this Condition include (but are not limited to):

- supplying or copying deeds or documents to you or anyone acting for you;
- discharging the Mortgage;
- releasing the Property or the Related Rights from our security;
- processing your application for any Advance and for any change in the terms of the Agreement;
- giving you any assistance or information in connection with the Property, the Agreement or the Mortgage.

(b) Where we incur a Cost to safeguard our security or because you fail to fulfil an obligation you have under the Agreement or the Mortgage you must pay us all reasonable Costs which we reasonably incur to protect our position or as a result of your failure. Where we are able to make a genuine pre-estimate of the expenses we are likely to incur, the amount of the Cost we will charge will be set out from time to time in our tariff of costs and will be limited to this amount but otherwise will be unlimited in amount. Examples of activities we may charge for under this Condition include (but are not limited to):

- any legal proceedings relating to the Mortgage (this applies whether or not you are a party to the proceedings);
- exercising any of the rights or powers given to us by statute or these Conditions;
- recovering any of the Whole Debt;
- protecting or preserving our security;
- insuring the Property.

(c) Where a Cost is an internal rather than a third party Cost, the amount will be equal to our reasonable estimate of the internal administrative Costs which will be or have been incurred. These Costs may include an allowance to reflect a reasonable share of the overheads we incur in providing and maintaining any accommodation, systems, facilities and resources which are used partly in undertaking the relevant activity and partly for other purposes.

8.2 We will tell you when you have incurred a Fee or a Cost and the amount of the Fee or Cost. If you do not pay the Fee or Cost by the date we tell you that we require payment, the Fee or Cost will be added to the Advance and interest will be charged on it at the Applicable Rate.

- 8.3 We can at any time vary the Fees notified to you or vary or add to the Costs set out in our tariff of costs if it is to your advantage (for example if we reduce or abolish any Fee or Cost) or for any one or more of the following reasons (which may relate to circumstances existing at the time or those which we reasonably expect to apply in the near future):
- (a) to respond, in a proportionate manner, to changes in the expenses which we reasonably incur in carrying out the relevant activities;
 - (b) to respond, in a proportionate manner, to changes in the law or the interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any code of practice with which we intend to comply;
 - (c) to enable us to harmonise in a reasonable manner having regard to the interests of all our borrowers the Fees and Costs concerned following any acquisition or transfer of mortgages or any takeover of, or merger with, another mortgage provider.
- 8.4 Where we vary a Fee under Condition 8.3 we will give you personal notification in advance of the change or at the earliest opportunity after the change. Where we add to or vary a Cost under Condition 8.3 we will include this in our tariff of costs and we will provide details of our current tariff of costs at least once a year.

9 Monthly Payments

- 9.1 We will calculate and notify to you in the Agreement the Monthly Payments which we require you to make.
- 9.2 We will calculate Monthly Payments with a view to ensuring that:
- (a) in the case of a repayment mortgage the sum of the Monthly Payments will repay the Whole Debt by the end of the Repayment Period; and
 - (b) in the case of a non-repayment mortgage the sum of the Monthly Payments will pay all interest, insurance and other costs during the Repayment Period with the Advance being repaid to us by you at the end of the Repayment Period from some other source.
- 9.3 We may from time to time by reasonable notice in writing to you vary the Monthly Payments so as:
- (a) to take account of any increase or reduction in the Current Rate; or
 - (b) to take account of any partial repayment of an Advance; or
 - (c) to include any additional amount which we may require to be paid in respect of a further advance, Fees, Costs, interest, arrears or any other sum owed to us; or

(d) otherwise to ensure that the Whole Debt is repaid on or immediately before the expiry of the Repayment Period.

9.4 If you do not pay the full Monthly Payment, then unless when you make any payment you require us to apply it in a particular way or unless we have to apply it in a particular way to comply with a regulatory requirement or regulatory guidance, we will apply sums received from you in the following order:

(a) to reduce or discharge arrears;

(b) to pay Fees and Costs;

(c) to pay interest;

(d) to repay the Advance.

9.5 If you are in breach of any of the provisions of the Mortgage or the Agreement so that the Whole Debt becomes due under Condition 13, and you fail to remedy the breach (if capable of remedy) within 21 days of our giving you notice requiring you to do so, then where the Mortgage is not a repayment mortgage we may, in addition to any other remedies, convert the Mortgage to a repayment mortgage and vary the Monthly Payments accordingly if we reasonably believe that do so will protect our ability to secure payment of the Whole Debt.

10 Insurance against fire etc

10.1 Subject to provisions of this clause 10 the Property shall be insured at your expense:

(a) in the joint names of you and us; or

(b) in such other manner as we approve with an insurer approved by us (and we will not unreasonably withhold our approval).

10.2 The Property must be insured to a minimum of its full replacement value from time to time (including architects' and other professional fees, demolition, site clearance, the cost of complying with the requirements of all competent authorities and an allowance for inflation).

10.3 We are not obliged to make sure that cover provided by any insurance policy arranged by you is adequate.

10.4 If you hold the Property under a lease which requires the Property to be insured with insurers nominated in the lease or by the landlord then we may accept such insurance as meeting your obligations in this Condition 10.

10.5 You must pay all premiums for effecting, maintaining or renewing insurance for the Property. If you fail to pay any such premiums, we may pay them for you and add these to the Advance and charge interest at the Applicable Rate until payment.

- 10.6 If we require a copy of the policy or policies of insurance in respect of the Property or a receipt of any insurance premium you have paid you shall deliver these to us on request.
- 10.7 You will not permit or do anything which may make the insurance of the Property invalid or more expensive.
- 10.8 We shall have full power on your behalf to deal with the insurers on all matters arising under the policy including power to settle any claim on reasonable terms and receive any insurance monies.
- 10.9 Instead of requiring any insurance monies to be applied in making good the insured loss or damage we may require any insurance monies to be applied in or towards repaying your indebtedness to us. We will not exercise this power in an unreasonable manner or without first seeking to consult with you.

11 Your obligations

11.1 You undertake as follows:

- (a) to complete to our reasonable satisfaction any building which is at any time in the course of erection on the Property;
- (b) to put and keep the Property in good and substantial repair and condition to our reasonable satisfaction;
- (c) to observe and perform all title conditions (if any) affecting the Property or its use;
- (d) punctually to pay all rates, taxes, rents, outgoings and other charges payable in respect of the Property and produce receipts for every such payment if required, and reimburse us if we are required to pay any charges you ought to have paid;
- (e) not without our prior written consent (which will not be unreasonably withheld) to make or allow to be made any structural or material alteration or addition to the Property or make or allow any change in the use of the Property which would require planning permission or approval under any building regulations;
- (f) to comply in all respects with all statutes and subordinate legislation (including those relating to planning and environmental matters) which apply to the Property and be responsible in full for and immediately on demand reimburse us in respect of any reasonable loss, liability or cost incurred as a result of all or any breaches of such statutes or legislation;
- (g) to observe and perform all the requirements and regulations of the local and other authorities in respect of the Property;
- (h) to give us any information about the Property which we may reasonably ask for;

- (i) within seven days of your receiving any notice, order or proposal given, made or issued by any competent authority concerning the Property to produce it to us, to make any reasonable representations about it which we ask you to make, and, unless we instruct you to the contrary, without delay to take all reasonable and necessary steps to comply with the same;
- (j) not without our prior written consent (which will not be unreasonably withheld) to apply for any improvement or similar grant in respect of the Property;
- (k) not without our prior written consent (which will not be unreasonably withheld) to create or agree to create a second or subsequent charge over the Property or any part of the Property; and
- (l) to ensure the Property is used as a residential property only.

11.2 Notwithstanding any other provision in the Mortgage:

- (a) we are not entitled to require any works to be carried out or to carry out any works ourselves in either case where such works are required either to remedy any circumstances which could lead to the issue of an Environmental Notice or to comply with an Environmental Notice;
- (b) you will immediately notify us if you become aware of any circumstances which may lead to the issue of an Environmental Notice or if an Environmental Notice is issued and in either case will provide written details of the steps you intend to take to remedy the circumstances or comply with the Environmental Notice;
- (c) if you have given us notice under paragraph (b) above you will thereafter permit us (by our employees or agents) to inspect the Property at any reasonable time (and, where practicable, upon reasonable notice) and to take samples or make trial pits or boreholes; and
- (d) you will not knowingly create or allow another person to create any circumstances which could lead to the issue of an Environmental Notice.

12 Restrictions on letting etc

- 12.1 You will not without our prior written consent (which will not be unreasonably withheld) grant or agree to grant or renew any lease or tenancy of the Property, or part with or share possession of the Property. As a condition of giving our consent we may impose reasonable conditions including an increase in the Current Rate of such an amount (if any, and not exceeding 1% in any case) as we reasonably consider represents the increased risk to us while such letting or occupation continues. If you let your property without our permission, or if we reasonably believe you have, we can charge you an increase in the Current Rate of such an amount (if any, and not exceeding 1% in any case) as we reasonably consider represents the increased risk to us. We can backdate the increase in the Current Rate to when you originally let your property, or to when we reasonably believe you did so.

13 The Society's powers

- 13.1 If any of the following events occur then notwithstanding any other provisions of these Conditions the Whole Debt shall immediately become due and payable:
- (a) if you are in default in paying 2 or more Monthly Payments;
 - (b) if you fail to observe and perform any of your obligations (other than for payment of the Monthly Payments) contained in the Agreement or the Mortgage and we reasonably regard the failure as serious;
 - (c) if you die;
 - (d) if (being an individual) you are sequestrated or enter into a trust deed for or voluntary arrangement with your creditors or in any way become apparently insolvent or if you or others take steps to bring about your bankruptcy or voluntary arrangement or (being a body corporate) you have a petition for winding up presented against you or pass a resolution for winding up or have an administrator or receiver appointed over all or any part of your assets;
 - (e) if the Property is compulsorily purchased or requisitioned;
 - (f) if you surrender possession of the Property to us;
 - (g) if the Property is abandoned;
 - (h) if it becomes clear that our security over the Property under the Mortgage is void or liable to be set aside or otherwise unenforceable; or
 - (i) if you have given us any materially false, inaccurate or misleading information or you made any material false, inaccurate or misleading statement in connection with your application for the Advance.
- 13.2 At any time after the Whole Debt has become due and payable we may without previous notice to or agreement from you:
- (a) take possession of the Property;
 - (b) sell the Property (whether or not we have taken possession); and
 - (c) exercise all the other powers of a heritable creditor at common law or under statute.
- 13.3 At any time after the Whole Debt has become due and payable, we may if we consider it necessary or desirable for the protection of our security or the better realisation of our security, and without being treated as a heritable creditor in possession or becoming liable to account as such:
- (a) carry out repairs, renewals or improvements to the Property;

- (b) carry out any building or development works on the Property and apply for and obtain any appropriate planning or other consents and approvals;
 - (c) receive or recover the rents of the Property and exercise your rights in relation to the granting of leases or rights of occupancy of the Property; and
 - (d) pay any charges (including arrears thereof) falling due under the title to the property.
- 13.4 After taking possession of the Property we may, as your agent and at your expense remove, store, sell or otherwise deal with any goods or animals which you have not removed from the Property. We will not be responsible for any loss caused by our so doing. We will account to you for all proceeds received less all expenses reasonably incurred in so acting. Nothing in this condition gives us a charge over any goods or animals at the Property.
- 13.5 We may in the exercise of our powers under this Mortgage employ and pay agents who shall be your agents and you will be responsible for their remuneration at such rates as we may reasonably agree.
- 13.6 Where the Property has been let furnished, we may apply all the rent as if it were rent of the Property and need not make any apportionment of such rent in respect of any furniture or goods.

14 Our power to enter and repair etc

- 14.1 While the Mortgage continues you will permit us and our agents, after reasonable notice, to enter and view the Property.
- 14.2 You will remedy any defect in the repair or condition of the Property within such reasonable time as we may require.
- 14.3 If you fail to remedy any such defect within the required time, or if you are in breach of any other obligation in these Conditions as to the carrying out of any works on the Property or the doing of any other act or thing, then we may enter upon the Property with workmen and others and may remedy such defect or breach and recover the reasonable cost of doing so from you as set out in Condition 8.2.
- 14.4 No exercise of any power contained in this Condition 14 shall make us liable as heritable creditor in possession.

15 Related Rights

15.1 In this Condition 15 “*Related Rights*” means:

- (a) any right to acquire further or additional shares or interests in the Property which are included in, or otherwise granted to you in, a shared ownership lease (or any documentation supplemental to or associated with such lease);
- (b) any right to receive money which becomes payable in respect of the Property or following any damage to or depreciation of the Property including money payable for mining subsidence or compulsory purchase;
- (c) any share or membership rights in a residents’ association or management company relating to the Property;
- (d) any guarantees or insurances relating to the Property including guarantees for work done to the Property; and
- (e) any other benefit or right of any kind relating to the Property or its construction or the title to the Property.

15.2 As further security for the monies and liabilities secured by the Mortgage you assign the Related Rights to us so far as you are able to do so and agree that we have full power to obtain, exercise and deal with all the Related Rights as if we were absolutely entitled to them.

15.3 If you receive any money in respect of any Related Rights you will hold it on trust for us.

15.4 Any proceeds arising from the Related Rights, after deducting all Costs incurred by us, will be applied in reducing the Whole Debt, and any surplus will be paid to you or any other person then entitled to the surplus.

16 Consolidation and redemption

16.1 If you wish to repay the Whole Debt and redeem the Mortgage we may require you to repay any money owed to us on any other account with us, including an account in respect of any other mortgage or charge, unless the money is owed under an agreement regulated by the Consumer Credit Act 1974 which does not refer to the Mortgage as security. We will only exercise this right if we reasonably believe that otherwise our security for the other money you owe us would or might be insufficient.

16.2 Subject to Condition 16.1 and to the provisions of any Agreement:

- (a) you may at any time on giving one month's notice redeem the Mortgage by paying the Whole Debt (including any early repayment charge applicable), whereupon we will at your expense (including any Fees associated with the discharge) discharge the Mortgage; and
- (b) you may make payments in advance.

17 Power of attorney

17.1 As security for your obligations under the Mortgage you irrevocably appoint us to be your attorney in your name and on your behalf to execute and deliver any deed or document, exercise any rights or powers which you have in respect of the Property or the Related Rights and do anything else which we reasonably think necessary or desirable to protect our security under this Mortgage or to exercise any powers contained in the Mortgage or to preserve the Property or the Related Rights or their value.

17.2 Where there is more than one of you our power under this Condition 17 will not arise until:

- (a) one of the events specified in Condition 13.1 has occurred; and
- (b) we have given you notice that our powers have arisen.

Our powers will then continue for a period of twelve months from the date of that notice.

18 Our power to transfer the Whole Debt, the Mortgage and other security

18.1 We may at any time in our discretion and without obtaining your consent or the consent of anyone else transfer to any other person all or any of our rights and obligations in relation to all or any part of the Whole Debt, the Mortgage and any related security. Any such transfer will be on terms that:

- (a) the person to whom the transfer is made will agree to exercise the rights we transfer to them in accordance with a statement of policy which we have approved; and
- (b) we reasonably believe that the policy described in the statement is no less favourable to you than the policy we follow in relation to the Mortgage and our relationship with you.

- 18.2 Such a transferee may or may not be a building society or a company associated with a building society.
- 18.3 You acknowledge that you will be bound to any such transferee in respect of the transferred obligations to the same extent as you were originally bound to us and we may release to any such transferee any information we hold about you, the conduct of your account and any related securities.

19 Miscellaneous

- 19.1 No forbearance or delay by us in enforcing the Mortgage or these Conditions will prejudice or restrict our rights under the Mortgage and no waiver by us of any breach of these Conditions will operate as a waiver of any subsequent or continuing breach.
- 19.2 Each of the provisions of the Mortgage is separate and distinct from the others and if at any time any one or more of such provisions becomes illegal, invalid or unenforceable, this will not impair or affect the legality, validity or enforceability of the remaining provisions.
- 19.3 We may on giving you 30 days advance notice in accordance with Condition 20 vary any of the Conditions on the following terms;
 - a) we will only exercise our power under this Condition for one or more of the following reasons:
 - (i) to respond, in a proportionate manner, to changes in the law or interpretation of the law, decisions or recommendations of an Ombudsman, regulator or similar person, or any code of practice which we intend to comply with;
 - (ii) to correct any typographical errors; or
 - (iii) to make the Conditions clearer and more easily understood; and
 - b) we will not exercise our power under this Condition in a way which would impose greater obligations on you than the obligations set out in the Conditions as they now stand (whether or not those obligations are valid and enforceable according to their terms).
- 19.4 Only you and we may enforce the terms of the Agreement and the Mortgage.

20 Notices

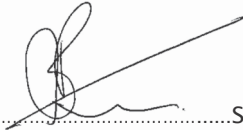
- 20.1 Any demand or notice by us shall be sufficiently served on you if in writing, addressed to you and left at or sent by prepaid post to your address last known to us or, if we have reason to believe it will not reach you at that address, the Property.
- 20.2 Where we send any demand or notice by post it will be treated as served on you 48 hours after posting

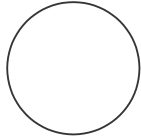
21 Law

The Mortgage will be governed by the law of Scotland.

In witness whereof: this deed printed on this and the preceding 19 pages is sealed with our Common Seal and subscribed for us and on our behalf by the Authorised Officer named below at Leeds on the date specified below.

Date.....3rd March 2015.....


.....Signature



PAUL JORDAN
.....Full Name
Authorised Officer





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