

CHARGE OVER SAVINGS ACCOUNT

BY SIGNING THIS CHARGE YOU AGREE THAT WE MAY USE THE MONEY IN YOUR SAVINGS ACCOUNT TO MAKE UP ANY SHORTFALL OF AMOUNTS DUE TO US FOLLOWING NON PAYMENT BY THE BORROWER UNDER THE TERMS OF THE LOAN AGREEMENT(S) SET OUT BELOW.

THE AMOUNT YOU MAY HAVE TO PAY IS LIMITED TO THE LOWER OF THE AMOUNT OF INVESTED MONEY IN YOUR SAVINGS ACCOUNT OR THE SALE SHORTFALL.

YOUR SIGNATURE ON THIS DEED MUST BE WITNESSED BY A SOLICITOR WHO HAS PROVIDED YOU WITH INDEPENDENT LEGAL ADVICE AND HAS FULLY EXPLAINED THE NATURE OF THE CHARGE OVER YOUR SAVINGS ACCOUNT TO YOU.

Date	
You (the Investor) <i>(Enter name and address of investor)</i>	
We, us, our (the Society)	Market Harborough Building Society whose principal office is at Welland House, The Square, Market Harborough, Leicestershire LE16 7PD
Borrower <i>(Enter name and address of borrower)</i>	
Loan Agreement	Mortgage Account Number:
Savings Account	Savings Account Number:
Invested Money <i>(Enter amount)</i>	All money now or at any time after the date of this charge held in the Savings Account. The amount in the Savings Account at the date of this charge is £
Charge Over Savings Account Conditions	The Market Harborough Building Society Charge Over Savings Account Conditions 2010 set out below
Debt	All the money the Borrower owes to the Society under the Loan Agreement at any time

- 1 We require you to enter into this charge as a condition of our lending or continuing to lend money to the Borrower under the Loan Agreement.
- 2 You hereby agree that the Charge Over Savings Account Conditions apply to this charge.

- 3 You hereby agree, with full title guarantee and as continuing security for the payment or discharge of the Debt, to charge to us by way of first fixed charge, all of your right, title and interest (present and future) in and to the Savings Account and the Invested Money.
- 4 You hereby agree that we may share any personal data necessary to administer the mortgage, including details of the Savings Account and Invested Money, with the Borrower and any solicitor or licensed conveyancer acting for the Borrower.

Signed as a deed and delivered by the Investor in the presence of the witness(es) who is a solicitor qualified to practise in England and Wales who has advised the Investor on the contents of the charge and the Charge Over Savings Account Conditions

Signed by the Investor	Signature, name and address of each witness

Charge Over Savings Account Conditions 2010

1 Interpretation

1.1 In these conditions the definitions in the Charge over Savings Account [overleaf] apply and in addition the following terms shall have the following meanings:

Borrower is the Borrower set out in the Charge above

Charge means the particular charge over a savings account to which these conditions apply

Debt is the debt set out in the Charge

Expenses means any expenses reasonably incurred in connection with the Charge and these conditions

Invested Money is the Invested Money set out in the Charge

Loan Agreement is the Loan Agreement set out in the Charge

Net Proceeds of Sale means the proceeds of the sale of the Property less any costs of realisation of sale including, but not limited to, agency fees, charges and/or Expenses due to the Society

Property means the property over which the Debt is secured

Sale Shortfall means, in relation to the mortgage, the amount by which the Debt exceeds the Net Proceeds of Sale of the Property following a sale by the Society on repossession of the Property by the Society (following a default under the terms of the mortgage by the Borrower)

Savings Account is the Savings Account set out in the Charge

Transferee means a person to whom the Society transfers, or agrees to transfer, any of its rights under the Charge

2 Charge over Savings Account

- 2.1 If, on repossession of the Property by the Society, a Sale Shortfall arises and the Borrower fails to pay immediately the Sale Shortfall to the Society which is due after the sale of the Property under the Loan Agreement, the Society may, at any time demand this payment from the Investor up to a maximum for such demand of the amount of the Invested Money. Following any such demand, the Society may appropriate, set-off or use the Invested Money, or any part of it, to discharge in whole or in part the Sale Shortfall. The Society will give the Investor 7 days' notice before enforcing their rights under the Charge.
- 2.2 The Investor authorises the Society to withdraw all or any part of the Invested Money and to apply it towards payment of the Sale Shortfall.

3 Restriction on Savings Account

- 3.1 While the Charge is in place over the Savings Account and the Invested Money, the Investor has no right to access or to withdraw any of the Invested Money until the Charge is released in accordance with condition 4.
- 3.2 The Investor may not invest further amounts in the Savings Account once the Charge is executed.
- 3.3 The Investor may not create or agree to create any security interest or right of set-off (except in favour of the Society) or declare any trust over the Savings Account and the Invested Money.

4 Release of Charge

- 4.1 The Charge will be released by the Society on the earlier to occur of the following:
- (a) on the occurrence of the full repayment of the Debt in accordance with the terms of the Loan Agreement;
 - (b) on the death of the Investor, or any sole remaining Investor in the case of a joint Savings Account;
 - (c) on the fifth anniversary of the date of the Loan Agreement providing there have been no mortgage arrears (defined as an amount equivalent to two missed monthly mortgage payments) in the last two years before the release, or, where mortgage arrears have arisen, release will be two years after the arrears have been discharged but not before the fifth anniversary of the date of the Loan Agreement; and
 - (d) where the value of the Debt expressed as a percentage of the value of the Property falls below 75% as determined in accordance with conditions 4.2, 4.3 and 4.4. providing there have been no mortgage arrears (defined as an amount equivalent to two missed monthly mortgage payments) in the last two years before the release, or,

where mortgage arrears have arisen, release will be two years after the arrears have been discharged.

- 4.2 The Society will release the Charge following a written request from the Borrower or the Investor at any time where the Society is satisfied (acting reasonably) that the value of the Debt outstanding at that time expressed as a percentage of the value of the Property at that time is or has fallen below 75%. The Society may require that a valuation of the Property is undertaken at that time to establish the value of the Property for these purposes. Where the Society requires a valuation of the Property following a request from the Investor or Borrower to release the Charge, the cost will be paid by the party who made the release request. The charge for any valuation to be undertaken in accordance with this condition 4.2 will be the Society's standard valuation fee at that time.
- 4.3 In conducting any valuation for the purposes of this condition 4, the Society shall act reasonably but will, at its discretion, use such reasonable valuation process and method and/or instruct such valuer as the Society considers reasonably appropriate in the circumstances.
- 4.4 The Society will notify the Borrower and the Investor at the time of the request for a valuation whether the Society requires a valuation of the Property.
- 4.5 If the Borrower seeks to move home or requests further borrowing, the Investor will be required to make an application to the Society to enter into a new charge over the Savings Account (New Charge) which reflects the new Property or amount of Debt. Where the Society approves the Investor's application for the New Charge, the original Charge will be released. For the avoidance of doubt, the Society may, using its reasonable discretion, refuse the Investor's request for the New Charge.

5 Continuing security

- 5.1 Subject to condition 4.1(b), the Charge is a continuing security and shall secure the Debt.
- 5.2 The Charge is in addition to and shall not merge with or otherwise prejudice or affect any other right, remedy, guarantee, indemnity or security available to the Society and may be enforced notwithstanding the same.

6 Protective clauses

- 6.1 If any purported obligation or liability of the Borrower to the Society which, if valid, would have been the subject of the Charge is not or ceases to be valid or enforceable against the Borrower on any ground whatsoever whether or not known to the Society including but not limited to any illegality or defect in or want of powers of the Borrower or irregular exercise thereof or lack of authority by any person purporting to act on behalf of the Borrower or any legal or other limitation (whether under the Limitation Acts or otherwise) disability, incapacity or any change in the constitution of or any amalgamation, reconstruction, bankruptcy, liquidation or administration of Borrower, the Charge shall nevertheless secure such obligation over the Savings Account and the Invested Money and shall be fully valid and enforceable.
- 6.2 The Investor's liability shall not be affected nor shall the Charge be discharged or diminished by reason of:
- (a) any present or future guarantee, indemnity, mortgage, charge pledge lien or other security or right or remedy held by or available to the Society being or becoming

wholly or in part void voidable or unenforceable on any ground whatsoever or by the Society from time to time dealing with exchanging, varying, realising, releasing or failing to perfect or enforce any of the same or;

- (b) the Society compounding with discharging, releasing or varying the liability of or granting any time, indulgence or concession to the Borrower or any other person or renewing, determining, varying or increasing any advance or transaction in any manner whatsoever or concurring in accepting or varying any compromise arrangement or settlement or omitting to claim or enforce payment from the Borrower or any other person; or
- (c) any act or omission which would not have discharged or affected the liability of the Investor had he been principal debtor instead of Investor or by anything done or omitted which but for this provision might operate to exonerate the Investor.

6.3 The Investor warrants to the Society that the Investor has not taken or received, and undertakes not to take or receive, the benefit of any security from the Borrower or any other person extending to liabilities under the Charge. If any such security is taken (or the Investor receives the benefit of the same) the Investor hereby declares that such security and all monies at any time received in respect of such security shall be held on trust for the Society as a continuing security for the liability of the Investor to the Society under the Charge.

6.4 Until the Charge is released in accordance with condition 4 (and notwithstanding payment of a dividend in any liquidation or bankruptcy or under any compromise or arrangement), the Investor waives all rights of subrogation and indemnity against the Borrower and agrees (unless so required by the Society) not to:

- (a) demand or accept or to negotiate, assign, charge or otherwise dispose of any monies obligations or liabilities now or hereafter due or owing to the Investor from the Borrower or any co-investor or any guarantee, indemnity, mortgage, charge or other security from the same;
- (b) take any steps to enforce any right against the Borrower or any co-investor or claim any set-off or counter-claim against the same;
- (c) claim or prove in competition with the Society in the bankruptcy or liquidation of the Borrower or any co-investor or have the benefit of or share in any payment or composition from the same or in any other guarantee, indemnity or security now or hereafter held by the Society for any monies obligations or liabilities of the Borrower.

6.5 If the Investor is required by the Society to do any of the actions in condition 6.4 above or otherwise receives any payment, promissory, note, bill of exchange, guarantee, indemnity, mortgage, charge or other security or other benefit or exercises any set off or counter-claim or otherwise acts in breach of condition 6.4, anything so received and any benefit derived directly or indirectly by the Investor therefrom shall be held in trust for the Society as a continuing security for the liability of the Investor to the Society thereunder.

7 Application and enforcement

7.1 The Society has the right to decide which part of the Debt is to be repaid with any money it receives from the Investor under the Charge.

7.2 The Society may choose the order in which it enforces:

- (a) its rights against the Investor under the Charge and these conditions;
- (b) its rights against the Borrower;
- (c) its rights under any mortgage or other document which provides it with security for the Loan Agreement.

8 Preserving the Society's rights where a discharge is found to be ineffective

8.1 This condition applies if:

- (a) the Borrower or any other person makes a payment to reduce or pay off the Debt or provides the Society with a security for the payment of the Debt;
- (b) the Society gives a release or discharge, or enters into a settlement, as a result of the payment being made or the security being provided; and
- (c) the payment or security is found to be void or is set aside or the Society is ordered to refund or restore it.

8.2 Where this condition applies, the Society will be entitled to enforce the Charge as if the release, discharge or settlement mentioned in condition 8.1(b) had not been made.

9 Expenses

9.1 The Society's Expenses include (but are not limited to) the following:

- (a) any costs the Society has to pay in any legal proceedings relating to the Charge (this applies whether the proceedings are brought by or against the Investor or another person);
- (b) any expenses the Society has to pay in exercising or enforcing the Society's rights under the Charge and these conditions;
- (c) any expenses the Society has to pay in putting right any failure of the Investor to keep to the terms of the Charge and these conditions;
- (d) any administration costs the Society has to bear in carrying out any function in connection with the Charge or these conditions.

9.2 The Investor must pay the Society's Expenses in full unless:

- (a) the Society acted unreasonably in incurring the Expenses;
- (b) the amount of the Expenses is unreasonable.

9.3 If any Expenses become due from the Investor:

- (a) the Investor must pay the Expenses as soon as the Society asks;
- (b) the Society may charge interest on the Expenses at the interest rate applicable to the mortgage from the date the Society asks the Investor to pay them until the date on which they are paid.

10 Society's power to transfer the Charge

- 10.1 The Society may transfer, or agree to transfer, any of its rights under the Charge, to a Transferee at any time.
- 10.2 On any transfer under condition 10.1:
- (a) the Transferee will be able to enforce the transferred rights against the Investor in the same way and to the same extent that the Society could enforce them before the transfer; and
 - (b) the Society may pass any information or documents relating to the Charge to any Transferee or prospective Transferee.

11 Set off

The Society will not at any time combine or consolidate all or any accounts (including accounts in the name of the Society) of the Investor (alone or jointly with others) and set-off or transfer any sum standing to the credit of any one or more such accounts in or towards satisfaction of any obligations or liabilities of the Investor to the Society. The Investor's exposure to the Society is therefore limited to the sum of the Invested Money.

12 Miscellaneous

- 12.1 The age of any Investor at the date of the Charge must not exceed 65 years.
- 12.2 Any notice or demand for payment by the Society under the Charge shall without prejudice to any other effective mode or making the same be deemed to have been properly served on the Investor if served on the Investor or his personal representatives personally or delivered or sent by first class post, fax or secure email message to the Investor or his personal representatives personally at his or their usual or last known place of abode or business. Any such notice or demand sent by first class post shall, if posted before the last scheduled collection of letters from the place of posting on any day, be deemed to have been served on the addressee at 10a.m. on the next business day following the day of posting (notwithstanding that it be undelivered or returned undelivered) and in proving such service it shall be sufficient to prove that the notice or demand was properly addressed and posted. Any notice or demand sent by fax on a business day shall be deemed to have been served at the time of dispatch. In the case of death of the Investor, and until receipt by the Society of notice in writing of the grant of representation to the estate of the deceased, any notice or demand by the Society sent by first class post, fax or secure email addressed to the deceased or to his personal representatives at the usual or last known place of abode or business of the deceased shall for all purposes be deemed a sufficient service of notice or demand by the Society on the deceased and his personal representatives and shall be as effectual as if the deceased were still living.
- 12.3 No failure or delay by the Society in exercising any right or remedy shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any right or remedy preclude its further exercise or the exercise of any other right to remedy.
- 12.4 Each of the provisions of the Charge and these conditions is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid, illegal or unenforceable the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

12.5 The headings to the Charge and these conditions are for convenience only and have no legal effect.

12.6 The Charge is and will remain the property of the Society.

13 Jurisdiction

13.1 The Charge shall be governed by and interpreted in accordance with English Law.

13.2 The Investor hereby irrevocably submits to the non-exclusive jurisdiction of the High Court of Justice in England but the Charge may be enforced in any Court of competent jurisdiction.