

BRIDGING LOAN AGREEMENT

Date :

Account No:

PARTIES :

The Lender :

The Borrower : Miss _____ and Mrs _____ of _____

THE PROPERTIES: (1) _____, (2) _____
(3) _____ & (4) _____

TERM : 6 months

THE MORTGAGE ADVANCE : £320,000.00

STANDARD RATE OF INTEREST : 2.5% PER MONTH

REDUCED RATE OF INTEREST: 1.5% PER MONTH

STANDARD RATE MONTHLY PAYMENTS OF INTEREST : £8,000.00

REDUCED RATE MONTHLY PAYMENTS OF INTEREST : £4,800.00

NUMBER OF MONTHLY PAYMENTS TO BE MADE : 6

THE LOAN REPAYMENT DAY shall be 6 months from the date hereof.

1. The Borrower and Co-Borrower (if any) will pay the loan interest by the Standard Rate Monthly Payments of Interest specified above on the basis set out in the Offer Letter relating to this transaction.
2. If the borrower shall pay the installments due from time to time within seven days of their falling due for payment and there are no arrears of interest outstanding then the Lender shall accept the Reduced Rate Monthly Payments of Interest.
3. Where, after the Loan Repayment Day has passed the Borrower fails to discharge the balance due to the Lender, then the Lender shall charge interest at the Standard Rate of Interest until redemption.
4. The Mortgage is subject to the terms and conditions overleaf. All interest is charged on a compound basis with monthly rests. The Lender reserves the right to increase the rate of interest, charged from time to time, in line with but not exceeding any increase in the Bank of England Base Rate.
5. The Borrower and Co-Borrower acknowledge receipt of the mortgage advance and with full title guarantee charge the property by way of a standard security to the Lender with payment of all monies payable to the Lender by the Borrower hereunder or which at any time become due to the Lender on any account or howsoever arising.
6. The terms of any offer of advance relative to this transaction shall be deemed incorporated therein.

SIGNED AS A DEED BY THE BORROWER (AND CO-BORROWER) IN THE PRESENCE OF A WITNESS:-

Signature of Borrower: _____

Signature of Co-Borrower: _____

Signature of Witness: _____

Full Name of Witness:

Address of Witness:

1. **THE BORROWER'S POWER TO LEASE**

Powers of leasing, granting tenancies, accepting surrenders of lease or granting licences to occupy will not be exercisable by the Borrower without the previous consent in writing of the Lender.

2. **DEFAULT**

Default shall occur (a) when any capital, interest, administration fees, costs, expenses and any other liability arising under this Bridging Loan Agreement or any other document ancillary to the loan secured by this Bridging Loan Agreement is not paid by its due date, (b) in the event of repayment not taking place on the Loan Repayment Day, (c) in the event that the Property becomes a House in Multiple Occupancy (within the definition ascribed by the Housing Act 2004), (d) in the event of the Borrower intending for either the Borrower or a related person (within the definition ascribed by the Financial Services and Markets Act 2000) to use at least 40% of the Property as or in connection with a dwelling, (e) in the event of the death or bankruptcy of the Borrower, (f) the failure of the Borrower to discharge any monies owing to any contractor, sub contractor or third party or in the event of a cessation of the development works for which the loan or part of it were advanced. In the event of default, in addition to the Lender's rights and remedies set out below The Borrower shall pay interest from the date due until actual payment in full at the Standard Rate of Interest. The Standard Rate of Interest will be charged on all overdue bridging accounts on a monthly basis with monthly rests, commencing one month in arrears, after the bridging loan term ends.

3. **EARLY SETTLEMENT & REPAYMENT OF THE LOAN**

The minimum chargeable term will be 3 months. In the event that the Borrower or Co-Borrower wishes to redeem before the end of 6 months, no rebate of interest paid in advance shall be due to the Borrower or Co-Borrower. A sum equal to 2 months' interest at the Standard Rate of Interest will be charged on redemption or partial redemption of the loan at any time, on the greater of the mortgage advance or the balance outstanding, save that in the event that the loan is repaid on or before the Loan Repayment Day, and the loan has not gone into default at any time, then only a sum equal to 1 month's interest at the Reduced Rate of Interest will be charged. The amount of interest will be calculated with reference to the amount of the loan drawn down plus any interest accrued as at the date of redemption.

4. **TRANSFER**

The Borrower hereby authorizes (so far as any such authority is required) the transfer of the Mortgage by the Lender to any person firm or Company and after any transfer the transferee shall have the benefit of all covenants and provisions contained in the Mortgage or in these Conditions and may at any time thereafter exercise all rights and remedies of the Lender hereunder.

5. **THE CO-BORROWER**

If any person is named in the Mortgage as the Co-Borrower then:-

- (1) The Co-Borrower covenants with the Lender to observe and perform all the obligations of the Borrower under the Mortgage.
- (2) The Co-Borrower will as between himself and the Lender be deemed a principal debtor and not merely a surety and accordingly the Co-Borrower will not be discharged nor will his liability be affected by any act thing omission or means by which his liability would not have been discharged if he had been a principal debtor.
- (3) The Co-Borrower waives all rights to participate in the proceeds of any security held or acquired by the Lender whether from the Borrower or any other source in or towards the reduction of the Total Debt.

6. **COSTS**

- (1) All costs and expenses (including the cost of any legal proceedings) incurred by the Lender in connection with the Mortgage or the collection of any monies due under it will be payable by the Borrower on a basis of full indemnity and will be recoverable from him on demand.
- (2) The Lender may also recover from the Borrower on demand a reasonable administration fee in respect of any internal expenses reasonably incurred by the Lender:-
 - (a) in determining whether any and if so what steps are required to remedy any actual or apprehended breach by the Borrower of any of the covenants and obligations imposed on him by these conditions;

(b) in communicating with the Borrower or with anyone acting on his behalf or with the Lender's own professional advisers in relation to any actual or apprehended breach by the Borrower of any of those covenants and obligations.

(3) Any sum which has become payable under paragraph (1) and (2) above shall until payment be added to the total Debt and become a Charge on the property.

SIGNED

DATED

SIGNED

DATED

ALL PERSONS TO WHOM THIS DEED APPLIES MUST SIGN ABOVE

THE LENDER'S RIGHTS AND REMEDIES

- (1) All sums secured by the mortgage shall become due on the first Payment Day after the date of the Mortgage.
- (2) Interest at the Standard Rate of Interest shall accrue due and be payable by the Borrower and Co-Borrower upon any monies in arrear or upon any disbursements debited to the mortgage accounts pursuant to clause 4 hereof.
- (3) On any sale of the property by the Lender or any receiver appointed by if the Lender may deduct from the sale proceeds:
 - (i) the balance of the principal and interest accrued due;
 - (ii) any costs and expenses pursuant to clause 4 hereof;
 - (iii) interest as provided herein;
 - (iv) all costs and expenses of sale.
 - (v) any monies expended by the Lender in connection with the appointment of a receiver and / or the performance by the receiver of the function for which he / she was appointed.
- (4) Upon taking possession of the property the Lender may sell any chattels remaining upon the property which the Borrower or Co-Borrower has failed to remove after 14 days and credit the proceeds to the mortgage account.
- (5) The Lender shall not be liable to the Borrower or Co-Borrower for any damage caused to the property as a result of taking possession whether or not the Borrower or Co-Borrower is subsequently allowed back into possession.
- (6) The borrower agrees to keep the Property insured against all usual risks including but not limited to Fire, Explosion, Flood and Tempest with an Insurance Company acceptable to the Lender for a sum of not less than the re-instatement cost specified in the property valuation report carried out on behalf of the Lender. In default the Borrower agrees and hereby authorises the Lender to insure the Property in a manner satisfactory to the Lender at the Borrower's cost such costs being payable forthwith on demand and shall be added to the debt due by the Borrower to the Lender and bearing interest at the Standard Rate of Interest until payment.
- (7) Any life policy endowment or other mortgageable policy of insurance the benefit of which shall be identified by the Lender as being vested in the Borrower or Co-Borrower shall be deemed charged hereby to the Lender. The Borrower hereby appoints the Lender as his Attorney to carry out all acts and to sign or execute all documents as Landlord relating to any tenancy created by the Borrower with the Lender's prior consent provided that the Lender shall only exercise the Power of Attorney in the event of breach by the Borrower of any of the conditions or borrower's obligations hereunder.

SIGNED

DATED

SIGNED

DATED

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6. It is a condition of the loan that the security property must be kept insured with an insurer approved by the lender, at all times during the currency of the loan against damage by fire, including malicious damage and other perils specified by the lender, at its full reinstatement value of £75,000.00 for £175,000.00 for £220,000.00 for and reinstatement value for still to be confirmed. Where the borrower fails to insure (or keep insured) the security property to the satisfaction of the lender, the lender may effect insurance cover as it sees fit and an amount in respect of the insurance premium will be added to the loan. The borrower acknowledges that any insurance effected by the lender is for the lender's own benefit and may be cancelled by the lender at any time without notice to the borrower. Such action by the lender in insuring the property does not obviate the borrower's obligation to ensure that the property is insured to the lender's satisfaction.
7. Any survey and/or inspection of the above property carried out by or on behalf of us in connection with this offer is confidential and in the event of our making an advance to you, it will not imply any warranty by us as to the value or condition of the property.
8. We reserve the right to alter the terms hereof or to withdraw this offer at any time without assigning a reason. In the event of this offer being withdrawn under this, or any preceding clause, we shall in no way be liable for any liabilities incurred by you.
9. a) We have provided you with the original and a copy of this letter.
b) You should study the terms and conditions set out herein and compare them with any offers which you may be able to obtain from other willing lenders.
c) Once you have signed this offer letter you shall become liable for £635.00 title insurance fee which will be charged in the event that the loan does proceed to completion and will be deducted from the loan advance.
d) By signing this offer you also accept liability to discharge our solicitors reasonable costs for work done if the loan does not proceed to completion.
e) We strongly recommend that you seek independent legal or other professional advice.
f) If you then wish to accept the Loan Offer, please indicate this by signing below and returning it to us within ten days from the date hereof.
g) On redemption you shall be charged a redemption administration fee of £395 plus any legal fees or other disbursements which may be charged to the account. In addition, a sum equal to 2 months' interest at the Standard Rate of Interest will be charged on redemption or partial redemption of the loan at any time, on the greater of the mortgage advance or the balance outstanding, save that in the event that the loan is repaid on or before the Loan Repayment Day, and the loan has not gone into default at any time, then only a sum equal to 1 month's interest at the Reduced Rate of Interest will be charged. The amount of interest will be calculated with reference to the amount of the loan drawn down plus any interest accrued as at the date of redemption.
10. The offer will lapse if completion does not take place within two weeks of the date hereof, unless an extension of time has been confirmed by us, or unless availability of funds causes us to defer completion.
11. By signing this agreement you authorize us to include details of your loan (including photographs of your property, but not addresses or Borrowers names) on our websites or for other marketing purposes.
12. We have issued this offer on the basis of your representation(s) that (i) it is not your intention for either yourself or a related person (within the definition ascribed by the Financial Services and Markets Act 2000) to use at least 40% of the security property as or in connection with a dwelling and/or (ii) the Property is not, nor will become, a House in Multiple Occupancy ("HMO") (within the definition ascribed by the Housing Act 2004). This offer is therefore issued on the condition that you will immediately inform us if, at any time hereafter, it becomes your intention to occupy at least 40% of the security as or in connection with a dwelling by you, or if, at any time hereafter, the Property becomes an HMO. Please note however that such a change or changes in your position would exceed our lending criteria and the loan would become repayable forthwith in accordance with the terms and conditions for the legal charge. By signing and returning this letter of offer you confirm your agreement to the above conditions.

13. The offer is, where appropriate, subject to survey, local authority and title searches proving satisfactory. A broker fee of £5,400.00 will be deducted from the loan proceeds on completion and paid to Corporate Advances Ltd. The Broker is not an agent of the Lender, who is not responsible for anything intimated by the Broker to the Borrower and the Lender cannot be bound by the Broker in any way. We, the Lender, are unaware of any other fees which you may have agreed to pay the Broker. Any other such fees or commission, other than stated above, which you may have agreed to pay to the Broker are outwith this loan agreement. The Broker may be due additional future payments from the Lender based on the business introduced to the Lender by the Broker. By signing and returning this offer you authorize us to make these payments to the Broker and to correspond with the broker on all matters prior to and after completion of this loan, and up to the date of repayment of the loan.
14. By signing and returning this offer you will be liable for the arrangement fee to The Lender in the sum of £1,000.00 and the Lender's creation administration fee of £395 along with Legal costs of £1,920.00 including VAT plus bank charges and disbursements, whether or not the matter proceeds to completion, unless the offer is withdrawn due to non-availability of funds.
16. This offer is based on you (the Borrower) confirming, by signing below, that the purpose of the loan is to redeem the charge to Lowry Capital secured against _____, to also redeem the charge to Allied Irish Bank which is secured over _____ and to also provide funds to complete the refurbishment works at _____ and that the intended method of repayment of the loan is from refinance of _____ the 3 shops on _____ and from the sale / remortgage of _____.

Yours faithfully

Declaration for exemption relating to business (Sections 16B and 189(1) and (2) Consumer Credit Act 1974)

I am/We are* entering this agreement wholly or predominantly for the purposes of a business carried on by me/us* or intended to be carried by me/us*. I/We* understand that I/we* will not have the benefit of the protection and remedies that would be available to me/us* under the Consumer Credit Act 1974 if this agreement were a regulated agreement under that Act.

I/We* understand that this declaration does not affect the powers of the court to make an order under section 140B of the Consumer Credit Act 1974 in relation to a credit agreement where it determines that the relationship between the creditor and the debtor is unfair to the debtor.

I am/We are* aware that, if I am/we are* in any doubt as to the consequences of the agreement not being regulated by the Consumer Credit act 1974 I/we should seek independent legal advice.

*Delete as appropriate

I/we hereby accept the above offer of advance, the terms of which I/we fully understand and accept. I/we understand that any other parties concerned in this transaction are not acting as your agents and are not authorized to vary the terms of this offer in any way. I/we confirm receipt of a copy of this letter, which I have retained.

Date : _____ Signed.....

Date : _____ Signed

ALL PERSONS TO WHOM THIS LETTER IS ADDRESSED MUST SIGN ABOVE