

Loan Conditions (2023 Edition)

INTRODUCTION

These terms and conditions form part of our standard client agreement upon which we intend to rely. Their purpose is to set out the basis upon which you appoint us - Butterfield Mortgages Limited ("BML"), to operate lending products and services. For your own benefit and protection you should read these terms carefully as they are an important document, which set out the terms on which we agree to act for you and contains our responsibilities to you. These terms and conditions also set out your responsibilities to us. If you have any queries or do not understand any point, please contact your relationship manager, or telephone us on 020 3871 6900. These terms and conditions are effective from 1st January 2023.

Please see Condition 12 for the meanings of certain defined terms used in these Loan Conditions

1 BML's AGREEMENT WITH THE BORROWER

- 1.1 BML's agreement with the Borrower is made up of:
 - 1.1.1 these Loan Conditions,
 - 1.1.2 the Mortgage Offer Letter or Facility Letter (whichever BML has issued),
 - 1.1.3 the Schedule of Lending Fees,
 - 1.1.4 the Legal Charge and,
 - 1.1.5 any Security provided by the Borrower.
- 1.2 The agreement is made when
 - 1.2.1 the Borrower has signed the Mortgage Offer Letter or Facility Letter together with the Legal Charge.
 - 1.2.2 the Borrower has fulfilled the conditions precedent in the Mortgage Offer Letter or Loan Facility Letter, and
 - 1.2.3 BML has advanced or the Borrower has drawn down the Facility (or any part of the Facility).
- 1.3 If there is a conflict between either of the Mortgage Offer Letter or the Facility Letter and the Legal Charge or these Loan Conditions, then the Mortgage Offer Letter or Facility Letter (as applicable) will prevail. If there is a conflict between the Legal Charge and these Loan Conditions, the Legal Charge will prevail.

2 AVAILABILITY AND DRAWDOWN

- 2.1 The Facility will be advanced or drawn down in the Base Currency only (unless otherwise indicated in the Mortgage Offer Letter or Facility Letter in which case Condition 4 shall also apply) on any Business Day on or before the Loan Amount is made or the Latest Drawdown Date.
- 2.2 The availability of the Facility (including any individual drawdown of the Facility) is, subject to:-
 - 2.2.1 fulfilment of the conditions precedent in the Mortgage Offer Letter or Facility Letter;
 - 2.2.2 no Event of Default or Potential Event of Default having occurred as at the date of the advance or any drawdown being made, and
 - 2.2.3 instructions for drawdowns or to provide an advance are to be received by BML no later than 10.00 a.m. London time on the day which is two Business Days prior to the day of the drawing or advance.
- 2.3 Drawings may be made in minimum amounts of £25,000 (or currency equivalent thereof) or an integral multiple thereof, otherwise at BML's discretion, unless otherwise indicated in the Facility Letter.
- 2.4 Any part of the Facility remaining undrawn at close of business on the Latest Drawdown Date shall be cancelled and BML shall be under no commitment to make further advances.
- 2.5 Any amount prepaid pursuant to Condition 5.3 below shall not be available for redrawing unless otherwise indicated in the Facility Letter.

3 INTEREST

- 3.1.1 Interest will accrue on the Loan Amount or on each Drawing at the rate per annum determined in the Mortgage Offer Letter or Facility Letter.
- 3.1.2 Where the Mortgage Offer Letter or the Facility Letter indicates Reference Rate funding, debit interest will accrue on the Loan Amount or Drawing from day to day and shall be calculated on the basis of the actual days elapsed within a 365 day year (or a 360 day year if such Loan Amount or Drawing is not denominated in pounds sterling) and will be payable by the Borrower quarterly in arrears on the last Business Day in each calendar quarter as indicated in the Mortgage Offer Letter or Facility Letter.
- 3.1.3 In all other circumstances
- 3.1.4 Interest will accrue from day to day on the basis of the actual days elapsed and a 365 day year (or a 360 day year if such Drawing is not denominated in pounds sterling) and will be payable by the Borrower in arrears on the last day of each Interest Period (but where an Interest Period exceeds three months, interest shall be payable quarterly in arrears and on the last day of such Interest Period).
- 3.1.5 Where a subsequent Drawing is made, the first Interest Period for such Drawing shall end on the expiry of the current Interest Period applicable to any existing Drawing in the same currency and such Drawing shall be consolidated at the end of that Interest Period.
- 3.1.6 If Bank of England Base Rate cannot be ascertained at the relevant time, or if deposits to fund the Facility are not available to BML in the market in question, interest will be calculated at any Margin shown in the Mortgage Offer Letter or the Facility Letter plus the Reference Rate.
- 3.1.7 Fixed Rate Option - where a Facility Letter has been issued: the Borrower may from time to time request BML to quote a fixed rate of interest to apply to a Drawing for a future period commencing from the beginning of an Interest Period ("the Fixed Rate Period"). If BML shall agree to quote such a fixed rate and if the Borrower accepts in writing the rate so quoted, then (notwithstanding the foregoing provisions of this Condition 3) the Borrower shall, with effect from the start of the Fixed Rate Period, pay interest on that Drawing at that fixed rate quarterly in arrears and on the last day of the Fixed Rate Period. Where the Borrower has opted to pay interest by reference to any such fixed rate then, during the Fixed Rate Period, the Drawing may not be prepaid nor may the Borrower require that the Drawing be redenominated in a currency different from that in which it was denominated at the time when BML quoted such fixed rate of interest.
- 3.1.8 Default Interest - if any amount payable by the Borrower hereunder is not paid following the issue of a demand by BML, interest shall accrue on that amount for the period that such sums are overdue from (and including) that due date to (but excluding) the date upon which such amount is subsequently paid,
- 3.1.9 where the Facility is a Regulated Mortgage Contract, at the rate of interest per annum shown in the Mortgage Offer Letter, or
- 3.1.10 where the Facility is not a Regulated Mortgage Contract the Margin, as defined in the Facility Letter, will increase by a further 2%.
- 3.1.11 Such interest shall accrue from day to day and shall be payable on the last Business Day of each quarter (before and after judgment and/or the Borrower's bankruptcy).
- 3.1.12 Interest at the interest rate shown in the Mortgage Offer Letter or the Facility Letter will continue to be charged on the Outstanding Balance even if after we have obtained a court judgment against you, such obligation to be independent of and not to merge with any judgment.
- 3.1.13 If the Loan or Loan amount remains outstanding at the end of the term or at the Maturity Date, then interest shall accrue at a rate equal to the Margin plus the Reference Rate. Such interest shall accrue from day to day and shall be payable on the last Business Day of each quarter.
- 3.1.14 If the Loan or Loan amount is on a fixed rate of interest and remains outstanding at the end of the term or at the Maturity Date, then interest shall accrue at a rate equal to 2.75% plus the Reference Rate. Such interest shall accrue from day to day and shall be payable on the last Business Day of each quarter.

4 MULTICURRENCY OPTION

- 4.1 If the Facility Letter stipulates that the Facility may be drawn in an Optional Currency, the following conditions will apply:-
- 4.1.1 at no time shall Drawings be outstanding in more than two different currencies unless otherwise agreed by BML;
 - 4.1.2 each Drawing may, if the Borrower shall so request, be denominated in an Optional Currency, either from the date of the first advance of the Drawing or by conversion at the start of a subsequent Interest Period;
 - 4.1.3 any request for a Drawing to be advanced in or converted into or out of an Optional Currency must be received by BML no later than 10.00 a.m. London time on the day two business days prior to the relevant value date for the advance or conversion of that Drawing;
 - 4.1.4 the amount of any Drawing denominated in an Optional Currency shall for the duration of the relevant Interest Period be the Base Amount of that Drawing for that Interest Period;
 - 4.1.5 when a Drawing is to be denominated in an Optional Currency for successive Interest Periods, on the last day of each of those Interest Periods BML may notify the Borrower that:- (i) the amount of the Drawing shall thereafter be expressed as a different Base Amount (being the amount determined by BML to reflect exchange rate fluctuations and permit the Borrower to retain the Currency Amount of that Drawing without repayment); and/or (ii) in order to prevent the maximum amount of the Facility from being exceeded when expressed in the Base Currency (using BML's then spot rate of exchange for the purchase of the Optional Currency with the Base Currency) the Borrower is required either:- (a) to repay a sum in the relevant Optional Currency; or (b) to deposit with BML as additional Security such amount in such currency, or other collateral, as BML shall in its sole and absolute discretion find acceptable.
- 4.2 If the Mortgage Offer Letter indicates that the Facility is a Foreign Currency Loan then the Borrower's attention is drawn to the risk statement in section 7 of the Mortgage Offer Letter.

You should not borrow money in foreign currencies or enter into a Foreign Currency Mortgage unless you understand the nature of the contract you are entering into and the extent of your exposure to risk. You should be satisfied that the contract is suitable for you in light of your circumstances and financial position.

5 PAYMENTS AND REPAYMENTS

- 5.1 Term - the Facility shall be for a term as outlined in the Mortgage Offer Letter or Facility Letter.
- 5.2 Repayment - the Facility shall be repaid in accordance with the Mortgage Offer Letter or Facility Letter. All interest accrued and all costs, expenses and any other sums due under the Agreement shall be repaid in full on the final repayment date.
- 5.3 Prepayment or Early Repayment – the following shall apply if the Drawing is Prepaid or the Loan Amount borrowed is repaid (in full or in part) before the expiry of the term
- 5.3.1 Where a Facility Letter has been issued then save as otherwise indicated in the Facility Letter, any Drawing may be prepaid in whole or in part (but if in part, so that the Base Amount of that Drawing satisfies the requirements of Condition 2.3) on maturity of its then current Interest Period or at the end of any Fixed Rate Period referred to in Condition 3.5 subject to BML receiving not less than two Business Days irrevocable written notice of the Borrower's intention to prepay. The Borrower shall pay any prepayment charge indicated in the Facility Letter.
 - 5.3.2 Where a Mortgage Offer Letter has been issued then the Borrower may repay the Loan early by paying off the Outstanding Balance including the redemption fee and any early repayment charge shown in section 10 of the Mortgage Offer Letter. The Borrower may also make a partial settlement of the Outstanding Balance under this Agreement at any time by making a lump sum payment. Any early settlement charge shown in section 10 of the Mortgage Offer Letter will be payable. The amount of the early settlement charge payable where the Borrower makes a partial repayment will be proportionate to the percentage that the amount that the Borrower partially repays bears to the Outstanding Balance. Unless we agree otherwise, we will recalculate the quarterly repayments due so that the loan is repaid by the end of the term of the agreement.
- 5.4 Payments - all moneys due from the Borrower shall be paid to BML unconditionally, in immediately available cleared funds in the Base Currency (except that repayments of principal or payments of interest in respect of a Drawing denominated in an Optional Currency shall be made in that Optional Currency) for value on the due date to the account specified for that purpose by BML, free and clear of any present or future tax, withholding or other deduction and without any set-off or counterclaim. If the Borrower is required by law to make any deduction or

withholding, the Borrower will pay to BML an additional amount so that the net moneys received by BML equal the full amount payable had there been no deduction or withholding.

- 5.5 Replacement of currency - in the event that:- (i) any liability in existence on the date of the Facility Letter is lawfully payable by any party in any other currency replacing the currency in which such amount is denominated; or (ii) any liability in existence after the date of the Facility Letter is lawfully payable by any party in any currency other than that in which such amount was originally denominated or in any other currency unit, then BML shall determine the currency or currency unit in which the relevant amount shall be paid.
- 5.6 Illegality - BML may demand immediate repayment of the Loan and accrued interest and any other unpaid charges, and may cancel its commitment to make available any undrawn part of the Facility, if it becomes unlawful for BML to give effect to its obligations under this Facility.
- 5.7 Indemnity –The Borrower hereby indemnifies (and agrees to keep indemnified) BML on demand against any claims, costs, losses, premiums, penalties, fees and expenses (including without limitation those incurred in liquidating deposits or re-employing funds and losses arising from loss of margin) which BML may sustain or incur as a consequence of:
- 5.7.1 the failure by the Borrower to pay any sum due hereunder on the due date and which are not included in the Schedule of Lending Fees;
- 5.7.2 all or part of a Drawing being prepaid or becoming repayable otherwise than on the last day of an Interest Period or any Fixed Rate Period referred to in Condition 3.5 or any period provided for in any Facility Letter or Mortgage Offer Letter. For Regulated Mortgage Contracts please see the illustrative example set out in the Mortgage Offer Letter; or
- 5.7.3 the occurrence or continuance of any Event of Default.

6 REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to BML (and so that each representation and warranty shall be deemed repeated on each drawdown date, on each date on which interest is due for payment and at such other intervals as BML may specify by notice to the Borrower, in each case by reference to the circumstances then existing) that:-

- a) the Borrower has full power and authority to borrow hereunder and otherwise observe the terms of the Agreement and has taken all necessary action to authorise the execution and performance of the Agreement and the Agreement constitutes the legal and binding obligations of the Borrower enforceable in accordance with its terms;
- b) the Borrower's execution of and borrowing under the Agreement does and will not contravene any law, regulation, agreement or obligation binding on the Borrower or any of the Borrower's assets;
- c) performance of the Borrower's obligations or the exercise of any of the Borrower's rights under the Agreement will not result in the existence of, nor oblige the Borrower to create, any Encumbrance (other than in favour of BML) over the Borrower's assets, present or future, and there are no subsisting Encumbrances affecting any of the assets of the Borrower other than those (if any) specified in the Mortgage Offer Letter or the Facility Letter;
- d) no Event of Default or Potential Event of Default has occurred and is continuing;
- e) there are no legal or other proceedings pending or threatened before any court, tribunal, commission or other regulatory authority involving the Borrower which might have a material adverse effect on the Borrower's financial condition or business operations;
- f) since the date to which the most recent personal statements of affairs was prepared, the Borrower has not incurred (save in the ordinary course of trading) any liability (actual or contingent) which is substantial in relation to the Borrower taken as a whole;
- g) all information provided by or on the Borrower's behalf to BML for the purpose of obtaining the Facility was true, complete and accurate in all material respects at the time it was provided and all forecasts and opinions so provided were made in good faith and on reasonable grounds after careful enquiry by the Borrower;
- h) the most recent financial statements provided by the Borrower give a true and fair view of the state of affairs of the Borrower and disclose all liabilities and unrealised or expected losses of the Borrower; and
- i) any and each Surety has the necessary ability and/or corporate power and authority to execute and observe that Surety's obligations under the Security all of which constitute that Surety's valid and binding obligations and no Surety is or would be in breach of any enactment or contractual document of whatsoever nature by reason of such execution and observance and the representations and warranties set out in (e), (f) and (h) above would remain true if reference therein to "the Borrower" included reference to each Surety.

7 COVENANTS AND UNDERTAKINGS

While the Facility is available and for so long as the Loan is outstanding, save with the prior written consent of BML, the Borrower covenants and undertakes to BML as follows and as further detailed in the Mortgage Offer Letter or the Facility Letter.

- 7.1 Negative Pledge - the Borrower will not create or permit to subsist (other than to BML) any Encumbrance on the whole or any part of the Borrower's assets, present or future, save that this restriction will not be breached by any of the following:- (i) a lien arising by operation of law and securing an amount not more than 30 days overdue; (ii) a Encumbrance arising by way of retention of title to specific goods and securing an amount not more than 30 days overdue; or (iii) the continuance of existing security, full details of which have been disclosed to BML in writing prior to the date of the Facility Letter and are detailed in the Facility Letter, provided that the principal amount outstanding and secured by any such security is not at any time increased and/or duration is not extended;
- 7.2 No guarantees - the Borrower will not give any financial guarantee, bond or indemnity, or make available any new loan or financial accommodation (other than normal trade credit) to any person or increase the amount or extend the duration or otherwise alter in any material respect the terms of any existing loans or financial accommodation;
- 7.3 Non-disposal of assets - the Borrower will not sell, transfer or otherwise dispose of the whole or any part of the Borrower's undertaking, property, assets or revenues, whether by a single transaction or a number of transactions which, when aggregated with all other sales, transfers or disposals made by the Borrower in the same Financial Year would have a value in excess of 10% of the Borrower's net worth derived from the most recent financial statements delivered to BML calculated at the higher of market value or net book value EXCEPT THAT this shall not apply to sales of current assets in the ordinary course of trading by the Borrower;
- 7.4 No material investments - the Borrower will not make any material investments (gross costs) in either shares or debentures (whether secured or unsecured) of a company or in a business, or in any fixed asset. For this purpose "material" shall mean an amount in excess of 10% of the Borrower's net worth derived from the most recent financial statements delivered to BML. An investment for cash shall not be regarded as a disposal of cash;
- 7.5 No Events or Potential Events of Default - the Borrower will forthwith inform BML upon becoming aware of:- (i) the occurrence of any Event of Default or Potential Event of Default; and (ii) any material litigation, arbitration or administration proceeding pending or, to the best of the Borrower's knowledge, information and belief, threatened against the Borrower;
- 7.6 Pari-Passu - the Borrower's obligations under the Facility shall at all times rank at least pari passu with all of the Borrower's other present and future unsecured and unsubordinated indebtedness, except for any liabilities which would be accorded preferential ranking by statute in a bankruptcy or are secured by an Encumbrance arising by retention of title to goods in the ordinary course of trading; and
- 7.7 Information - the Borrower shall provide to BML any financial information which BML may reasonably request from time to time.
- 7.8 Enhanced interest - if the Borrower acquires an additional or enhanced interest in the Property, it will grant BML a first legal charge (in such form as BML requires) of the additional or enhanced interest at the Borrower's cost

8 EVENTS OF DEFAULT

In the event of:-

- a) failure by the Borrower to make any repayment of principal, interest or other money, in respect of the Loan on its due date; or
- b) a breach by the Borrower or any Surety in the performance of any other obligations, covenants or undertakings under or in connection with the Agreement or any Security; or
- c) any approval, authorisation or consent required either to ensure that the Agreement and the Security are valid, binding and enforceable or to enable the obligations thereby created to be duly performed ceasing to be in full force and effect or it becoming unlawful for the Borrower or any other person to perform all or any of its obligations hereunder or under any Security, or any such document not being or ceasing to be legal, valid and binding on the Borrower or any other person; or
- d) any attachment order being made against the Borrower or receiver, administrative receiver or an encumbrancer taking possession of, or any distress, execution or other legal process being levied, enforced or sued out on any of the Borrower's property or assets; or
- e) the Borrower proposing or entering into a voluntary arrangement (within the meaning of Section 1 of the Insolvency Act 1986) or taking or being subjected to any proceedings under any law, or commencing negotiations with any one or more of the Borrower's creditors, for the readjustment, rescheduling or deferment of all or any of

the Borrower's debts, or proposing or entering into any general assignment or composition with or for the benefit of the Borrower's creditors; or

- f) any representation or warranty made by the Borrower or any Surety hereunder or for the purpose of obtaining the Facility being incorrect in any material respect as at the date on which it is made or deemed to be made; or
- g) any Surety giving or purporting to give notice to determine its liability under any guarantee in respect of the Facility or the Borrower any Surety (being an individual) dying or suffering mental disorder (within the meaning of the Mental Health Act 1959); or
- h) any indebtedness of the Borrower or any company of which the Borrower is a director or has (in the opinion of BML) a material financial interest becoming immediately due and payable, or capable of being declared so due and payable, prior to its stated maturity, by reason of default on the part of any person, or the Borrower or any such company failing to discharge any indebtedness on its due date or within any applicable grace period; or
- i) any adverse change occurring in the financial position or prospects of the Borrower which, in BML's opinion, is likely materially to affect its ability to perform or comply with its obligations hereunder or under any Security; or
- j) a bankruptcy petition being presented or an application being made for an interim order under Section 253 of the Insolvency Act 1986 against the Borrower or the Borrower having a bankruptcy order made against him; or
- k) the Borrower suspending payment of his/her debts or being unable to pay his/her debts as they fall due, or appearing under Section 268 of the Insolvency Act 1986 to be unable to pay his/her debts or otherwise insolvent or taking any steps (or being the subject of any such steps) for the winding up or liquidation of the Borrower; or
- l) a petition is presented to or any order is made, or any other steps are taken in respect of an administration order or the appointment of an administrator in each case relating to the Borrower; or
- m) if a notice is served under section 146 of the Law of Property Act 1925 with the aim of forfeiting any lease under which the Property is held and (where the notice requires it) the breach is not remedied within the period stated in the notice period or (if no period is stated) within a reasonable time; or
- n) if the Borrower yields up possession of any Property to BML; or
- o) any of (c), (d), (e), (h), (i), (j), (k) or (l) occurring in respect of any Surety; or
- p) any event occurring in relation to the Borrower or any Surety under the laws of any other applicable jurisdiction which has an effect analogous to any of the provisions in this Condition 8;

then BML's commitment to make available any undrawn part of the Facility shall cease and the Loan and all accrued interest and other amounts owing hereunder shall become repayable forthwith on demand in writing made by BML at any time.

9 COSTS

- 9.1 All reasonable legal, valuation and other costs and expenses together with disbursements and value added tax ("VAT") thereon reasonably incurred by BML in connection with the Facility or the enforcement or preservation or perfection of BML's rights under the Agreement or the Security will be payable by the Borrower to BML on demand (whether or not the Facility is drawn) and may be debited to the Borrower's account under advice to the Borrower provided always that, in respect of Valuations subsequent to the initial Valuation required as a condition precedent of the Facility, the Borrower shall only be liable for their cost only if an Event of Default or a Potential Event of Default has occurred. Such costs shall include those shown in the Schedule of Lending Fees provided to the Borrower.
- 9.2 All amounts payable under the Facility (including all charges and commissions) are exclusive of VAT. Where VAT is chargeable, it shall be payable by the Borrower.
- 9.3 The Borrower will procure that the Borrower's solicitors will provide BML's solicitors with an undertaking in respect of legal costs and disbursements including VAT, whether or not the matter proceeds to completion or the Facility is drawn.
- 9.4 The Borrower will pay to BML on demand (or over such period that BML may otherwise require) the amount (not exceeding an amount calculated on the basis of any market practice at the relevant time which BML consider to be reasonably necessary to compensate it for any increased costs or reduction of return resulting from compliance with any change in, or in the interpretation of, any law or regulation or any official directive or request (whether or not having the force of law) including without limitation any requirements relating to mandatory liquid assets and special deposit requirements.

10 LAW

- 10.1 The Agreement will be governed and construed in all respects in accordance with English law.
- 10.2 The Borrower hereby submits for the benefit of BML to the exclusive jurisdiction of the English Courts in respect of any dispute arising under or in connection with the Agreement but acknowledges that BML shall have the right, in its absolute discretion, to initiate proceedings in the courts of any other relevant jurisdiction.
- 10.3 The Borrower hereby consents to any action or proceeding being brought in the English courts to execute or otherwise to enforce any judgment in respect of the Facility obtained against the Borrower or any of the Borrower's property.
- 10.4 If the Borrower is not domiciled in the United Kingdom, any process or other document connected with proceedings in the English Courts relating to the Agreement will be treated for all purposes as having been duly served on the Borrower if received by the agent for the service of process as advised to BML as a condition precedent of the Facility.
- 10.5 Nothing in this Condition 10 shall exclude or limit any right which BML may have (whether under any law, international convention or otherwise) with regard to the bringing of proceedings, the service of process, the recognition or enforcement of a judgment or any similar or related matter in any jurisdiction.

11 MISCELLANEOUS

- 11.1 Assignment - the Borrower may not assign any of its rights or transfer any duties. BML may do both or either without consent and in doing so the Borrower's rights and guarantees will not be affected or reduced. If a transfer or assignment by BML takes place the Borrower and any Surety will become bound to the transferee or assignee in the same way as they are bound to BML and BML will be released from any further obligation to the Borrower and the Surety in respect of the interest transferred or assigned. Any assignment or transfer by BML shall be on the basis that following the same, the costs of the Facility to the Borrower shall not exceed the cost the Borrower would have incurred had the assignment or transfer not occurred. The Borrower and the Surety (if any) consent to BML passing any information contained in: the application for the Facility and any supporting documentation provided by the Borrower or the Surety; or any other information or documents relating to the Security, or the history and conduct of the Facility; to any actual or potential assignee, transferee, chargee or other contracting or interested party
- 11.2 Disclosure of information - BML may, after notice to the Borrower and any Surety, disclose to any prospective assignee, transferee or sub-participant of all or any of its rights and benefits hereunder such information about the Borrower and any Surety as shall have been made available to BML.
- 11.3 Invalidity - if any provision of the Agreement becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.
- 11.4 Waivers - no delay or omission of BML in exercising any right, power or privilege hereunder shall operate to impair such right, power or privilege or be construed as a waiver thereof and any single or partial exercise of any right, power or privilege shall not in any circumstances preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- 11.5 Evidence of Indebtedness and conversion rates - all certificates or determinations given or made by BML under the Agreement shall be conclusive and binding on the Borrower, except in the case of manifest error.
- 11.6 Currency Indemnity - if any amount is paid or recovered in a currency ("the Other Currency") other than the currency required to be paid hereunder then, to the extent that the payment to BML (when converted at the then rate of exchange) falls short of the amount unpaid under the Agreement, the Borrower hereby indemnifies and shall, as a separate and independent obligation, pay to BML on demand the amount of the shortfall (where "rate of exchange" means the rate at which BML may purchase in London the currency required with the Other Currency as soon as practicable after receipt).
- 11.7 Set-off - any moneys standing to the credit of the Borrower with BML in any currency on any account or otherwise may at any time be applied by BML (without notice) in or towards the payment or discharge of any money or liabilities then due, owing or incurred to BML by the Borrower, and to effect such application BML may use such moneys to purchase any currency or currencies or currency unit or break the term of any fixed deposit.
- 11.8 Notices - each notice, request, demand or other document to be given or made under the Agreement shall be in writing addressed to the relevant party at its address specified above (or such other address as may be notified to the other party for this purpose or such facsimile number as may be notified from time to time) and any notice, request demand or other document to be given to the Borrower shall be deemed made (i) if given by facsimile when despatched if despatched on a Business Day, or on the next Business Day after being despatched if not despatched on a Business Day, (ii) if given by post, two Business Days after posting addressed as set out above or

(iii) if given by hand, when left at that address if left at that address on a Business Day, or on the next Business Day after being left if not left on a Business Day.

11.9 Accuracy of Valuation – Any inspection and/or valuation of the Property which may have been carried out on behalf of or at the request of BML will be made solely for BML's purposes. The willingness of BML to advance the Facility to the Borrower does not in any way imply that: any survey or valuation report obtained by BML is complete and accurate; the Property is free from defect; the Property is worth the amount shown in the Valuation; or that any purchase price is fair and reasonable

11.10 Insurance – the Borrower will immediately inform BML if it becomes aware of anything which may affect the validity of the insurance of the Property or give rise to a claim under any such insurance.

12 INTERPRETATION

12.1 The terms below shall have the following meanings when used in these Conditions and the Mortgage Offer Letter or the Facility Letter:-

"Agreement"	Means the agreement arising upon the acceptance by the Borrower of the terms and conditions set out in the Mortgage Offer Letter or the Facility Letter and these Conditions;
"BML"	means Butterfield Mortgages Limited as detailed in the Mortgage Offer Letter or the Facility Letter and shall include any assignee or transferee whether immediate or derivative;
"Base Amount"	of a Drawing means the Base Currency amount advanced or, if it is advanced in an Optional Currency, the Base Currency amount which would have been advanced if the Drawing had been made in the Base Currency;
"Base Currency"	means the currency specified in which the Facility is denominated in the Facility Letter;
"Borrower"	means (each of) the addressee(s) of the Mortgage Offer Letter or the Facility Letter or any one of them. In the event that there is more than one Borrower each Borrower shall be jointly and severally liable for the full amount due under the Agreement. For the avoidance of doubt, where the context so admits, the Borrower may also be referred to as the "Mortgagor"
"Business Day"	means a day (other than Saturday or Sunday or statutory or bank holiday) on which banks are open for business both in London and in the principal financial centre in the jurisdiction of the currency in which the Drawing is to be, or has been, made;
"Commercial Borrower"	Is a Borrower who enters into the Agreement wholly or predominantly for the purposes of a business carried on, or intended to be carried on, by the Borrower.
"Currency Amount"	of a Drawing for an Interest Period in which it is outstanding in an Optional Currency means the amount of that Optional Currency which could be purchased with the Base Amount of that Drawing at BML's spot rate of exchange at 11.00 a.m. London time on the day 2 Business Days before the first day of that Interest Period for the purchase of that Optional Currency with the Base Currency for delivery on that first day or, as the case may be, the Currency Amount when last adjusted pursuant to these Conditions;
"Drawing"	means the principal amount for the time being outstanding in respect of a drawing under the Facility;
"Encumbrance"	shall be construed as a reference to a mortgage, charge, pledge, lien or other encumbrance or security interest securing any obligation;
"Event of Default"	means any of the events referred to in Condition 8;
"Potential Event of Default"	means any event which will or may with the passage of time or giving of notice or making of any determination or any combination thereof become an Event of Default;
"EEA State"	means a state as defined in accordance with Schedule 1 to the Interpretation Act 1978;
"Facility"	means the Loan Amount in the Mortgage Offer Letter or the loan facility detailed in the Facility Letter;
"Facility Letter"	means the Facility Letter document BML has sent the Borrower which incorporates these Conditions and which provides a loan facility which is not a Regulated Mortgage Contract;
"Foreign Currency Loan"	means a Facility in respect of a Regulated Mortgage Contract where the Loan is: a) denominated in a currency other than that in which the Borrower receives the income or holds the assets from which the Loan is to be repaid; or b) denominated in a currency other than that of the EEA State in which the Borrower is resident.
"Interest Period"	means, in relation to a Drawing, each period of a duration referred to in the Facility Letter commencing on the drawdown of, or the last day of the preceding Interest Period for, that Drawing;
"Latest Drawdown Date"	means the date described as such in the Mortgage Offer Letter or the Facility Letter;
"Loan"	means the aggregate principal amount of all Drawings for the time being outstanding expressed in the Base Currency;
"Loan Amount"	means where a Mortgage Offer Letter is issued, the amount shown in section 3 of the Mortgage Offer Letter

"Mortgage Lender"	means Butterfield Mortgages Limited;
"Mortgage Offer Letter"	means the Mortgage Offer Letter document BML has sent the Borrower which incorporates these Conditions and which provides a loan facility which is a Regulated Mortgage Contract
"Optional Currency"	means any currency (except the Base Currency) or any currency unit which in BML's sole opinion is freely convertible and transferable into the Base Currency;
"Outstanding Balance"	means the Loan Amount together with interest accrued under the agreement and all fees and charges and interest on these fees and charges payable under this agreement less any payments made by you.
"Property"	Means the freehold or leasehold title, as the case may be, to the property or properties charged to BML as Security in respect of the Loan;
"Reference Rate"	means the rate determined by BML from time to time as the underlying funding rate for any given currency above which it is prepared to lend, e.g. the Reference Rate for sterling Drawings means BML's base rate. BML's base rate may vary from time to time and is published on BML's website;
"Regulated Mortgage Contract"	has the meaning given in Article 61(3)(a) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;
"Security"	means the guarantees and/or security granted in respect of the Loan and any security or other collateral subsequently granted to BML in respect of the Loan including any security set out in the Mortgage Offer Letter or the Facility Letter;
"Schedule of Lending Fees"	means a schedule of the additional charges you may have to pay under the agreement which describes the nature of the charges and the amount payable if you are in default or if you require administrative services from us.
"Surety"	means any person or corporate entity giving any guarantee or creating any security in respect of the Borrower's obligations hereunder;
"Valuation"	means a valuation of the Property conducted by a professional valuer engaged by BML, addressed to and conducted for the benefit of BML, in accordance with criteria set down by BML. BML shall be entitled at any time, at its sole and absolute discretion, to obtain further Valuations of the Property.
12.2	Reference to any statutory provision includes any amended or re-enacted version of such provision with effect from the date on which it comes into force and references to a "Condition" or "Appendix" shall mean a Condition of or Appendix to this letter.

END OF LOAN CONDITIONS