**Branding Drafting Note (This drafting note should be deleted before the legal charge is printed for execution):**

If the transaction is branded “**NatWest**”, then:

* The Security Agent will be National Westminster Bank Plc (929027);
* The Secured Parties will be National Westminster Bank Plc (929027) and NatWest Markets Plc (SC090312).

If the transaction is branded “**RBS**”, then:

* The Security Agent will be The Royal Bank of Scotland plc(SC083026);
* The Secured Parties will be The Royal Bank of Scotland plc (SC083026) and NatWest Markets plc (SC090312).

**Legal Charge – Residential Property (1st Party)**

**(01/22)**

**THIS IS AN IMPORTANT DEED. YOU SHOULD TAKE LEGAL ADVICE BEFORE SIGNING.**

**Owner:**

*Where the Owner is a company:*

**Registered No:**

*Where the Owner is not resident (if an individual or partnership) or not incorporated (if a company) in the United Kingdom, it must provide an address for service in England and Wales:*

**Address for Service:**

**Security Agent:** [ ] (registered number [ ]) as security agent for the Secured Parties (as defined below)

**Property:**  (Land Registry Title No: ). References to **Property** include any part of it and the other assets charged by Clause 2.

**You must date**

**the document**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Date**: |  |  |  |  |  |  |

1. **Owner’s Obligations**

The Owner will pay to the Secured Parties on demand all the Owner’s Obligations. The **Owner’s** **Obligations** are all the Owner’s liabilities to any Secured Party (present, future, actual or contingent and whether incurred alone or jointly with another) and include:

1.1 **Interest** at the rate charged by each such Secured Party (as applicable), calculated both before and after demand or judgment on a daily basis and compounded according to agreement, or, in the absence of agreement, quarterly on the days selected by that Secured Party; and.

* 1. any expenses any Secured Party or a receiver incurs (on a full indemnity basis and with Interest from the date of payment) in connection with the Property or in taking, perfecting, protecting, enforcing or exercising any power under this deed.

The **Secured Parties** are [ ] (registered number [ ]) and [ ] (registered number [ ]) and their respective successors (and **Secured Party** shall mean any such person). The Owner acknowledges and agrees that the rights and interests granted to the Security Agent and the Secured Parties under this deed are subject to the terms of the intercreditor agreement entered into between the Security Agent and the Secured Parties in connection with the Owner's Obligations as amended, supplemented, varied or restated from time to time.

2. **Charge**

The Owner, as a continuing security for the payment on demand of the Owner’s Obligations and with full title guarantee:

2.1 charges to the Security Agent all legal interest in the Property, by way of legal mortgage; and

2.2 gives to the Security Agent a fixed charge over any other interest in the Property, all rents receivable from any lease granted of the Property, and the proceeds of any insurance affecting the Property.

**3. Restrictions**

The Owner will not, without the Security Agent’s consent:

* 1. permit or create any mortgage, charge or lien on the Property;
  2. dispose of the Property;
  3. grant, or accept a surrender of, any lease or licence of the Property or consent to a tenant assigning or sub-letting; or
  4. part with or share possession or occupation of the Property.

**4. Land Registry**

The Owner and the Security Agent apply to the Land Registry to enter a restriction that “no disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated { date } in favour of the Security Agent referred to in the charges register”. The Security Agent may also register any priority arrangements at the Land Registry which will then be publicly available.

1. **Property Undertakings**

The Owner will:

5.1 permit the Security Agent at any time to inspect the Property;

5.2 keep all Property of an insurable nature comprehensively insured (including if requested by the Security Agent, terrorism cover) to the Security Agent's reasonable satisfaction for its full reinstatement cost. In default, the Security Agent may arrange insurance at the Owner’s expense;

5.3 hold on trust for the Security Agent all proceeds of any insurance of the Property. At the Security Agent's option, the Owner will apply the proceeds in making good the relevant loss or damage, or to reduce the Owner’s Obligations;

5.4 where required by the Security Agent, deposit with the Security Agent all insurance policies (or copies where the Security Agent agrees), and all deeds and documents of title relating to the Property;

5.5 keep the Property in good condition;

5.6 not, without the Security Agent’s consent, carry out any development on or make any alterations to the Property which require planning permission or approval under building regulations; and

5.7 if the Property is leasehold, comply with the terms of the lease and immediately inform the Security Agent if any notice is received from the lessor relating to any actual or suggested breach of the lease or threatening action or proceedings for possession or to forfeit the lease.

**6. Possession and Exercise of Powers**

The Security Agent does not have an immediate right to possession of the Property or its income (and will not be considered to be taking possession if it enters to inspect or repair the Property). The Owner will continue in possession until the Security Agent takes possession.

If any Secured Party (or the Security Agent on its behalf) makes a demand, the Security Agent may then take possession or exercise any of its other powers without further delay.

Any purchaser or third party dealing with the Security Agent or a receiver may assume that the Security Agent’s powers have arisen and are exercisable without proof that demand has been made.

The Security Agent will not be liable to account to the Owner for any money not actually received by the Security Agent.

## 7. Appointment of Receiver

The Security Agent may appoint or remove a receiver or receivers of the Property. If the Security Agent appoints a receiver, the Security Agent may fix and pay the receiver’s fees and expenses. The receiver will be the Owner’s agent and the Owner (and not the Security Agent) will be responsible for the acts, defaults and remuneration of the receiver.

**8. Powers of the** **Security Agent and Receivers**

1. The Security Agent or any receiver may deal with the Property in any manner (including carrying out works) and sell, lease, charge or take any action to realise the Property or income from the Property. The Security Agent or receiver may borrow and secure the repayment of any money, in priority to the Owner’s Obligations, for these purposes.
   1. Joint receivers may exercise their powers jointly or separately.
   2. A receiver will first apply any money received from the Property towards the repayment of all money that the receiver has borrowed and secondly in payment of the receiver’s fees and expenses. The receiver will then apply any remaining money received as required by law.
   3. The Security Agent may exercise any of its powers even if a receiver has been appointed.
   4. The receiver may dispose of any of the Owner’s assets (not charged by this deed) that are at the Property. If the receiver does this, it will pay the proceeds to the Security Agent, after the deduction of any fees or expenses incurred in the sale. The proceeds received by the Security Agent will be a debt owed by the Security Agent to the Owner.
   5. The Security Agent (in its capacity as such) may set off any amount due from the Owner against any amount owed by the Security Agent (in its capacity as such) to the Owner. The Security Agent may exercise this right, without prior notice, both before and after demand. For this purpose, the Security Agent may convert an amount in one currency to another, using its market rate of exchange at the relevant time.
   6. Any credit balance with a Secured Party will not be repayable, or capable of being disposed of, charged or dealt with by the Owner, until the Owner’s Obligations, both before and after demand, have been paid in full. The Security Agent (or any Secured Party) allowing the Owner to make withdrawals will not waive this restriction.

**9. Application of Payments**

9.1 The Security Agent may apply any payments received for the Owner to reduce any of the Owner's Obligations, as the Security Agent decides.

9.2 If the Security Agent and/or any other Secured Party receives notice of any charge or other interest affecting the Property, the Security Agent or, as applicable, that Secured Party, may suspend the operation of the Owner’s account(s) and open a new account or accounts. Regardless of whether the Security Agent or that Secured Party suspends the account(s), any payments received by the Security Agent or that Secured Party for the Owner after the date of that notice will be applied first to repay the Owner’s Obligations arising after that date.

**10. Preservation of Other Security and Rights and Further Assurance**

10.1 This deed is in addition to any other security or guarantee for the Owner's Obligations held by the Security Agent and/or any Secured Party now or in the future. The Security Agent may consolidate this deed with any other security so that they have to be redeemed together, but it will not merge with or prejudice any other security or guarantee or any of the Security Agent’s other rights.

10.2 On request, the Owner will execute any deed or document, or take any other action required by the Security Agent, to perfect or enhance the Secured Parties' security under this deed.

**11. Power of Attorney**

To give effect to this deed and secure the exercise of any of their powers, the Owner irrevocably appoints the Security Agent, and separatelyany receiver, to be the Owner’s attorney (with full power of substitution and delegation), in the Owner’s name to sign or execute any documents, deeds and other instruments, or take, continue or defend any proceedings.

**12. More than One Owner (Including Partnerships)**

12.1 *Where the Owner is more than one person* *(including the partners of a partnership):*

12.1.1 the Owner’s Obligations include their joint and several liabilities. References to the Owner are to them together and separately; and

12.1.2 if an Owner (who is an individual) dies, this deed will remain a continuing security and, in relation to any Obligations incurred after the date of death, references to Owner mean the surviving Owner(s).

12.2 Where the Owner is a partnership, the Owner’s liability will not be affected and the deed will remain a continuing security if a partner dies, or leaves or joins the partnership, if the partnership dissolves, or if there is a change in the name or constitution of the partnership. The Owner’s Obligations are those of the partners in the partnership present and future which relate to the partnership business.

**13. Consents, Notices and Demands**

13.1 All consents, notices and demands must be in writing.

13.2 The Security Agent may deliver a notice or demand to the Owner:

13.2.1 at the contact details last known to the Security Agent;

13.2.2 *if the Owner is a company*, at its registered office; and

13.2.3 *if the Owner is not resident (if an individual or partnership) or not incorporated (if a company) in England and Wales*, at the Address for Service.

13.3 A notice or demand signed by an official of the Security Agent will be effective at the time of personal delivery; on the second business day after posting; or, if by fax, at the time of sending, if sent before 6.00 p.m. on a business day, or otherwise on the next business day. A **business day** is a weekday other than a national holiday.

13.4 A notice from the Owner to the Security Agent will be effective on receipt.

**14. Miscellaneous**

14.1 The rights of the Security Agent and the security granted by the Owner under this deed are held by the Security Agent on trust for the benefit of the Secured Parties and are subject to the terms of all applicable agency, trustee and intercreditor arrangements agreed between the Security Agent and the Secured Parties as amended, supplemented, varied or restated from time to time.

14.2 The Security Agent (nor any receiver or delegate) will not be liable (for whatever reason including taking possession of any property or security assets as mortgagee or otherwise) for:

14.2.1 any costs, losses, liabilities or expenses relating to the realisation of any property or security assets; and/or

14.2.2 any action taken (or not taken) by the Security Agent (or any receiver or delegate) or their officers, employees or agents in relation to any property or security assets or in connection with this deed, unless directly caused by its gross negligence or wilful misconduct.

**15. Transfers**

The Security Agent and any other Secured Party may allow any person to take over any of its rights and duties under this deed. The Owner authorises the Security Agent and/or any other Secured Party to give that person or its agent any financial or other information about the Owner. References to the Secured Parties and the Security Agent include, in each case, their successors.

**16.**  **Execution**

This deed may be executed either electronically or through wet ink and in any number of counterparts and by each party on separate counterparts. Delivery of this deed by email, telecopy or through an e-signature portal shall be as effective as delivery manually of this deed.

**17. Law**

17.1 English law governs this deed and the English courts have exclusive jurisdiction.

17.2 For the benefit of the Security Agent, the Owner irrevocably submits to the jurisdiction of the English courts and irrevocably agrees that a judgment or ruling in any proceedings in connection with this deed in those courts will be conclusive and binding on the Owner and may be enforced against the Owner in the courts of any other jurisdiction.

17.3 The Address for Service specified for the Owner (or any other address provided for this purpose) will be an effective address for service of proceedings.

**[DRAFTING NOTE:**

1. **Please select the correct signing block from the options below.**
2. **Where this deed is to be e-signed please add the following text underneath each Witness’ execution panel:**

**“Note that, by inserting your name above, you will be taken to have signed this document as a witness. By signing this document as witness, you confirm that (i) you were physically present and saw when the signatory electronically signed the contract; and (ii) you have applied your signature after the principal signatory has signed; and (iii) that you are over 18 years old and are independent from the signatory.”**

**This drafting note should be deleted before the legal charge is provided for execution]**

**[Owner – Individual or Partnership]**

|  |  |  |
| --- | --- | --- |
| **Executed** and **Delivered** as a deed by the first named Owner |  | .................................................  Signature of Owner |
| *in the presence of:* |  |  |
| *Witness’ signature:* |  | ................................................. |
| *Witness’ name in full (IN BLOCK CAPITALS):* |  | ................................................. |
| *Address:* |  | .................................................  .................................................  ................................................. |
| *Occupation:* |  | ................................................. |

|  |  |  |
| --- | --- | --- |
| **Executed** and **Delivered** as a deed by the second named Owner |  | .................................................  Signature of Owner |
| *in the presence of:* |  |  |
| *Witness’ signature:* |  | ................................................. |
| *Witness’ name in full (IN BLOCK CAPITALS):* |  | ................................................. |
| *Address:* |  | .................................................  .................................................  ................................................. |
| *Occupation:* |  | ................................................. |

|  |  |  |
| --- | --- | --- |
| **Executed** and **Delivered** as a deed by the third named Owner |  | .................................................  Signature of Owner |
| *in the presence of:* |  |  |
| *Witness’ signature:* |  | ................................................. |
| *Witness’ name in full (IN BLOCK CAPITALS):* |  | ................................................. |
| *Address:* |  | .................................................  .................................................  ................................................. |
| *Occupation:* |  | ................................................. |

|  |  |  |
| --- | --- | --- |
| **Executed** and **Delivered** as a deed by the fourth named Owner |  | .................................................  Signature of Owner |
| *in the presence of:* |  |  |
| *Witness’ signature:* |  | ................................................. |
| *Witness’ name in full (IN BLOCK CAPITALS):* |  | ................................................. |
| *Address:* |  | .................................................  .................................................  ................................................. |
| *Occupation:* |  | ................................................. |

**[Owner – Company/LLP incorporated in England and Wales]**

**Executed** and **Delivered** as a deed by )

the Owner ) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

) Director/Member

)

)

) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Director/Secretary/Member

If there is only one signature, which must be that of a Director/Member, a witness is required.

Signed by the Director/Member in the presence of:

Witness' signature

Witness' name in full (IN BLOCK CAPITALS)

Address

Occupation

**[Owner – Company incorporated outside of England and Wales]**

|  |  |  |
| --- | --- | --- |
| Executed as a deed by [NAME OF COMPANY], a company incorporated in [TERRITORY], acting by [FULL NAME[S] OF PERSON[S] SIGNING] who, in accordance with the laws of that territory, [is **OR** are] acting under the authority of the company |  | .................................................  Signature in the name of the company  [NAME OF COMPANY] |
|  |  | .................................................  Signature of  Authorised [signatory **OR** signatories] |
| If there is only one signature, which must be that of a Director/Member, a witness is required.  Signed by the Director/Member in the presence of: | | |
| *Witness’ signature:* |  | ................................................. |
| *Witness’ name in full (IN BLOCK CAPITALS):* |  | ................................................. |
| *Address:* |  | .................................................  .................................................  ................................................. |