

Partnership Mortgage Supplemental Agreement



Dated 5TH SEPTEMBER 1988

Parties (1) JAMES MICHAEL PHILLIPS AND OORVASHI SHAH ('the Borrowers')

(2) **Nationwide Anglia Building Society** whose Principal Office is at Chesterfield House, Bloomsbury Way, High Holborn, London WC1V 6PW ('the Society')

1. Definitions

- 1.1 'the Initial Value' means £ 67500
- 1.2 'the Mortgage' means the Mortgage Deed dated the same date as this deed and made between (1) the Borrower (2) the Society
- 1.3 'the Conditions' means the Mortgage Conditions incorporated in the Mortgage
- 1.4 'Advance' means the sum so identified in the Offer of Advance
- 1.5 'Relevant Proportion' means (subject to clause 5.2 below) the percentage calculated by dividing the Advance by twice the Initial Value and multiplying the result by one hundred
- 1.6 'Valuation' means a valuation arrived at in accordance with clause 7
- 1.7 The masculine includes the feminine

2. This deed is supplemental to the Mortgage and while it has effect the Conditions apply to the Mortgage as varied by this deed

3. The Borrower (if more than one) each confirms that

- (a) each has had the opportunity of separate advice before signing this deed
- (b) this deed gives each of them rights against and obligations towards the other as well as the Society

4.1 While this deed has effect the Conditions shall be varied so that interest shall be chargeable not at the Interest Rate but at two thirds of the Interest Rate (but without prejudice to the operation of Condition 5 (b) (ii) of the Conditions as regards Maximum Advance Rate) subject to deferred interest being charged in addition and calculated as a sum equal to the Relevant Proportion of the lower of:-
(a) the difference between the Initial Value and the figure arrived at by a Valuation (or the sale price in the case of a sale by the Society as mortgagee)
(b) the product of 15 per cent per annum compound interest charged on the Initial Value with yearly rests from the date of this deed to the date of the relevant valuation (or contract for the sale by the Society as mortgagee as the case may be)

4.2 Section 26 Finance Act 1982 shall apply to any interest (including deferred interest) charged as above which includes relevant loan interest and the Borrower's right to be allowed an appropriate deduction (and to be acquitted and discharged of the sum represented by the deduction as if actually paid) shall apply to any sum which includes relevant loan interest referred to in this deed as payable as deferred interest

5.1 This deed shall cease to have effect on

- (a) redemption of the Mortgage;
- (b) payment by the Borrower to the Society within two months of a Valuation of the deferred interest calculated under it

5.2 The Borrower may at any time give the Society notice in writing of his intention to repay a part of the principal (being a sum specified in the notice of not less than £5000 and not being a sum which if repaid would leave no more than £5000 due to the Society as principal) in which case

- (a) a Valuation shall be made to calculate the deferred interest then outstanding
- (b) subject to payment to the Society within two calendar months of the date of that Valuation of the sum specified in the notice of partial repayment the Society shall appropriate that payment as follows:-

- (i) The reduction in deferred interest shall be calculated by the formula

deferred interest

deferred interest + Advance x partial redemption payment

= reduction in deferred interest

- (ii) The capital reduction shall be calculated by the formula

Advance

deferred interest + Advance x partial redemption payment

= Capital Reduction

and the Relevant Proportion thereafter shall be the percentage calculated by dividing the Advance after deduction of the capital reduction by twice the Initial Value and multiplying the result by one hundred

5.3 If the Total Debt falls below £5000 the Society may give the Borrower notice in writing requiring a Valuation to calculate and payment of the deferred interest then payable and failure on the part of the Borrower to pay such deferred interest within two calendar months of the date of such Valuation shall be treated in the same way as default by the Borrower under the Mortgage

6.1 Determination of this deed shall require a Valuation except in the case of a sale as mortgagee by the Society when the contract price shall be deemed the sum which a Valuation would have produced

6.2 (a) The Borrower may at any time require a Valuation by written notice to the Society and thereupon a Valuation shall be obtained by the Society and notified to the Borrower with the deferred interest then repayable calculated under the Valuation

(b) If the Borrower then repays within two calendar months of the date of the Valuation the deferred interest so notified the Mortgage shall be converted to an ordinary repayment Mortgage

7.1 Any Valuation for the purposes of this deed shall be made:-

- (a) (unless the Society requires otherwise) on the basis of the Society's Homebuyer's Report (of which the Borrower acknowledges to have received full details)
- (b) by a Valuer being an Associate or Fellow of either the Royal Institution of Chartered Surveyors or the Society of Valuers and Auctioneers appointed by the Society for the purpose and other (unless the Borrower agrees) than one in the fulltime employment of the Society
- (c) at open market value with vacant possession of the whole Property between a willing buyer and a willing seller at arms length there being disregarded
 - (i) any improvement to the Property made by the Borrower notified by him in writing to the Society no later than the day before the Valuer making the Valuation was instructed
 - (ii) any failure by the Borrower to comply with the Conditions

7.2 Within fourteen days after despatch of a copy of the Valuation to the Borrower he may object in writing to the figure and in the absence of agreement a further Valuation shall be made by a different Valuer who shall be appointed (if the parties fail to agree on the appointment) by the President for the time being of the Royal Institution of Chartered Surveyors on the application of either party and shall act as expert and not as arbitrator and whose decision shall bind the parties

7.3 Any Valuation shall lapse after two months and if no Valuation shall be available within one calendar month of instructions being given either party shall be entitled to require the appointment of another Valuer

7.4 The first Valuation made in contemplation of determination of this deed shall be at the expense of the Society and all other Valuations (including any second Valuation under 7.2 above) shall be at the expense of the Borrower

8. Where the expression 'the Borrower' includes more than one person no notice or request under this deed shall have effect unless signed by all the Borrowers

9. The Society is not obliged to make any further advance while this deed remains in effect and unless the Society expressly agrees this deed shall not vary the Conditions as regards any Further Advance which the Society may in fact make or the sums due from the Borrower to the Society in that respect

10. The Borrower (if more than one severally) irrevocably while this deed has effect appoints the Society attorney for all purposes under this deed and the Mortgage and in particular:-

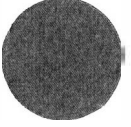
- (a) to serve any notice on any person including the Society
 - (b) to require any Valuation
 - (c) to determine this deed
 - (d) to apply for make or receive any payment arising under or in connection with the Mortgage or this deed (including any proceeds of any policy maintained in connection with the Mortgage or the Property)
 - (e) to put into execution any statutory trusts vested in the Borrower as regards the Property and all powers and discretions incident to the said trusts (such execution being hereby delegated to the Society for the period of 12 months immediately following the appointment under this clause taking effect under the proviso in exercise of the power conferred by Section 25 Trustee Act 1925 as amended by Section 9 Powers of Attorney Act 1971 and of all other powers enabling) and in the name of the Borrower to execute any deeds and instruments or give any receipts for money and generally to do all other things necessary in the execution of any of such trusts powers and discretions or any power mentioned in or conferred by section 25(6) Trustee Act 1925 as renumbered by section 9(3) Powers of Attorney 1971 the Borrower agreeing to ratify and confirm whatever the Society as attorney shall do or cause to be done under this clause
- PROVIDED that the appointment under this clause shall not take effect until twelve clear weeks after the Society has notified the person concerned by registered post or recorded delivery at his last known address that it has reason to believe the said person has ceased permanently to reside at the Property and is not traceable and no counternotice in writing has been received by the Society within the said period of twelve clear weeks
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11. The Society shall (except where a Lease requires insurance to be arranged other than by or through the Lessee) notwithstanding any Condition insure the Property in such sum and for such risks as it may from time to time see fit through its own agency and without being required to account to the Borrower for any Commission

12. Any notice to the Borrower shall be given to each and a notice to the Society shall be in writing and sent to or delivered to the Society at its Principal Office for the time being

IN WITNESS whereof the Borrower has hereto set his hand and seal and the Society has caused its Seal to be hereto affixed the day and year first above written

SIGNED SEALED AND DELIVERED by the Borrower
in the presence of:-

[Signature] 

SIGNED SEALED AND DELIVERED by the Borrower
in the presence of:-

[Signature] 

The Seal of the Society was hereto affixed
by Order of the Board of Directors in the
presence of:-

Authorised Officer