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19<sup>th</sup> April 2016

Matt Heard  
Pendeford Mortgage Processing  
PUC LEGAL  
Birmingham Midshires  
PO BOX 834  
Leeds  
LS1 9PW

Your Ref: Release of Land

Dear Mr Heard

**Re: Section 106 Agreement at 163 Sumatra Road, NW6 1PN**  
**Customer: Mr J Stein**  
**Mortgage Account Number: 200009824154**

Further to your letter dated 29<sup>th</sup> March 2016 in respect of the above whereby you advised that you would only agree to the agreement provided it is accepted that you will only be liable for breaches you trigger as mortgagee in possession, I write to update you following a response from Camden Council on 14<sup>th</sup> April 2016 who have reviewed the contents of your letter.

Unfortunately the Council's solicitor has stated, yet again, that they are unable to accept the amendments that the mortgagee requires stressing that the Council has a similar risk as the mortgagee without the financial gain. The Council state that the mortgagee clause is practically the same as drafted in the Law Society's model agreement and that the majority of mortgagees accept this in Camden.

You will see from the attached copy of the email, Camden Council's reasoning in regards to their position in respect of this matter. It appears the Council are stating that they will not hold Birmingham Midshires responsible for any breaches in the planning obligation prior to them becoming Mortgagee in possession; the responsibility will lie with the site owner, Jeremy Stein. However, were the lender to become Mortgagee in possession, they would be liable for fulfilling any obligations from that point for which you would be in control. This would appear to deal with your concerns.

The only other alternative option the Council have suggested is for the owner of the site to provide an indemnity policy to the mortgagee. Unfortunately, however, the applicant has been advised by several insurance companies that he will not be able to set up such a policy given the nature of what he is trying to indemnify.

I encourage you to consider your position and to proceed with agreeing to the planning obligation as it is our view that you are not being placed in an unreasonable position – this point has been highlighted by the Council's solicitor.

If this is something Birmingham Midshires are willing to accept this could help resolve this ongoing issue whereby we are going back and forth between yourselves and Camden Council with both parties not changing their stance. As a matter of fact this is the third letter we have written to you to help reach a resolution.

Please kindly review Camden Council's latest correspondence and revert back to me.

I look forward to hearing from you.

Kind Regards

Harman Sond



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