

OFFER

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| Address: | | Dated: 4th February 2011 |
| Dear: | Mrs | |
| Name: | Mrs | Application Number: 114783 |

We are pleased to offer you a mortgage loan on the terms set out below. Your offer terms incorporate our Mortgage Conditions 2009 Booklet.

This offer is valid for 21 days. If we do not receive the offer letter within this period a £100.00 fee will be charged to revise the offer letter. Once the offer is accepted the mortgage must complete within 90 days of the above date. If not, a further fee of £250.00 will be charged for the application to be re-checked by our underwriting team and where necessary this may result in a new offer on different terms being made. A new valuation may also be required and a fee will also be charged for this.

Please note that the valuation report upon which this mortgage offer is based is valid for a period of 4 months from the date of the report. Should completion not occur within this period then a new valuation will be required and you will be charged a fee for this.

You can withdraw before signing this offer, or before the mortgage is completed, but if you do so you will lose any fees listed in Section 5 below which you have paid and which are not refundable. Once the mortgage has been completed you will have no right to withdraw, though you can repay the mortgage early, subject to the terms of the mortgage including any early repayment charge.

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| 1. Security |
| A first legal charge over the freehold property known as |

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| 2. Loan Details |
| <p>Loan Amount: £54,000.00</p> <p>Security Properties:</p> <p>Total property value £90,000.00</p> <p>Mortgage term 120 months</p> <p>Mortgage Basis: Interest only basis.</p> <p>120 payments on an interest only basis at a variable rate of 6.75%</p> |

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| 3. Interest Rate |
| <p>This is a LIBOR Linked Mortgage provided by This product is a variable rate which is 6.00% above the LIBOR (London Interbank Offered Rate) quoted for 3 month deposits in sterling of an amount equivalent to the outstanding balance of the loan on Reuters Page "LIBOR" (or any replacement for this) currently 0.75%, to give a current rate payable of 6.75% which will not go below a floor of 9.00% (the minimum interest rate) once LIBOR reaches 3%. Where this screen is not available it will be such rate as we reasonably determine is the relevant comparable rate.</p> <p>Subject always to the minimum interest rate, the interest rate will change automatically to reflect any changes in LIBOR. On the 15th day of February, 15 May, 15 August and 15 November (the interest fixing date) we will review the most recently published LIBOR. If LIBOR has changed, the interest rate will change with it to take effect from the Interest fixing date.</p> |

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| 4. Loan Repayments | Monthly Payments |
| 120 payments on an interest only basis at a variable rate of 6.75% | £303.75 |
| <p>The amount of your first repayment may differ depending on when completion occurs. The Mortgage Conditions describe this.</p> <p>Cost of repaying the capital</p> <p>You will still owe £54,000.00 at the end of the mortgage term. You will need to make separate arrangements to repay this.</p> | |

| 5. Fees | Fee Amount |
|--|------------|
| Commitment Fee. Payable on signing the offer. Refundable on completion. If the mortgage does not complete the commitment fee, less our reasonable administration costs, will be forwarded to our legal representatives and will be used in part or whole against any fees incurred in the completion of the mortgage. Any surplus will be forwarded to you. | £270.00 |
| Arrangement Fee. Payable on completion. Non refundable. | £1,350.00 |
| Telegraphic Transfer Fee. Payable on completion. Non-refundable. | £30.00 |
| <p>Legal Fees - you will pay all legal fees and costs (both yours and ours) relating to the mortgage whether or not it completes.</p> <p>Our tariff of charges will also apply. You may have to pay other taxes or costs in addition to any fees shown here.</p> | |

| 6. Insurance |
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| <p>The Property must be adequately insured for the full reinstatement amount of £275,000.00 under an acceptable building insurance policy with suitable evidence of cover provided to us and our interest must be noted on the policy.</p> |

| 7. Early repayment |
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| <p>An early repayment charge is payable if you repay the loan before the end of the term as follows: If you repay in months 1 to 36 then it will be 3.00% of the amount repaid and in months 37 to 60 it will be 2.00% of the amount repaid.</p> |

| 8. Using a mortgage intermediary |
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| <p>Your broker will receive a commission from us for arranging your loan. This will be £540.00. Payment of the commission may mean that the broker is not in a position to give you unbiased advice in connection with the arrangement of your loan. The Bank operates a pricing policy which means that the fees and price that you pay is the same as you would have paid if you had approached us directly.</p> |

9. Special Conditions

1. We require sight of satisfactory redemption statement from the existing mortgage lender.
2. We require sight of a coal mining report, the contents of which are to be to our solicitors entire satisfaction.
3. The Property must be adequately insured for the full reinstatement amount of £275,000.00 under an acceptable building insurance policy with suitable evidence of cover provided to us and our interest must be noted on the policy.
4. We require sight of a satisfactory reference from the existing mortgage lender.
5. We require the customer's mother's maiden name and a security password for security details.

10. Declaration

This is an important legal document all of you must read this offer and the Mortgage Conditions carefully. You need to understand the implication of the commitment that you are making, and the obligations you are entering into, before accepting the offer. If there are any terms or conditions that you do not understand, please ask your solicitor to explain them to you.

Please do not make any alterations to this offer. If there are any terms or conditions that we agree to change or revise, we will issue a new offer document.

1. Please sign and return a copy of this offer to us along with your payment for the Commitment Fee, if not already paid to us, in the stamped addressed envelope provided.
2. Your offer is conditional on any outstanding conditions being satisfied and our being fully satisfied with our security and our Solicitor giving us a certificate of title in accordance with our instructions, and everything else required under our instruction having been satisfactory performed.
3. Our Solicitors will liaise with your Solicitors Forseca Law to complete all the necessary legal requirements and to complete this mortgage as quickly as possible. The security documentation will be sent to your Solicitors for them to witness the execution.
4. Please ensure your Solicitors are fully instructed in this matter.

Yours sincerely



For and on behalf of



For and on behalf of

By Countersignature you accept this offer and the terms incorporated in it.

Signed

Signed

Dated

Dated

Signed

Signed

Dated

Dated

If your correspondence address differs, following completion of your commercial mortgage, from the address quoted at the head of this letter please complete section below;

House Name

House Number.....

Address Line 1.....

Address Line 2.....

Address Line 3.....

Town/City.....

County.....Postcode

SECURED LOAN OFFER IN PRINCIPLE

of _____ (the "Lender") Account No. _____

Offer Letter Dated: 23 February 2011
To: The "Borrower(s)"

OF

Lancashire Mortgage Corporation Ltd. is willing to advance to you the Loan Facility on the Terms & Conditions set out below and overleaf.

Signed for and on behalf of the Lender.....

Financial and Related Particulars

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| A | Loan Facility | £233,430.00 |
| B | Optional Payment Protection insurance premium | £0.00 |
| C | Borrower's Broker's Fee | £0 |
| D | Acceptance Fee | £4668 |
| E | Solicitor's costs | £1372 |
| F | Title Insurance | £450 |
| G | Total Loan Facility (Total of A to F) | £239,920.00 |
| H | Legal and Documentation Fee | £2334 |
| I | This is a Variable Interest Rate loan. Interest Rate 0.91% Monthly Rate, 10.90% Annual Nominal Rate. | |
| J | Number, amount and timing of monthly payments | 84 monthly payment(s) of £2,179.27 (assuming no variation in the rate of interest per month), the first payable 1 month after draw down of the Total Loan Facility, then on the same date in each month or on the last day of any month which does not contain a corresponding date. The number of monthly payments and/or the amount of each may be varied. This is an interest only loan and you will still owe the Total Loan Facility and the Legal and Documentation Fee at the end of the loan term. You will need to make this lump sum payment with your last monthly payment. |

K As security for money that the Borrower will owe the Lender under the agreement the Borrower will give the Lender a mortgage (in Scotland a Standard Security and in Northern Ireland a Mortgage Deed) (the "Security") over the freehold/leasehold/heritable property known as:

Title No(s) _____ (the "Property"). If the terms of the agreement and of the Security conflict the terms of the agreement shall prevail.

L By signing the agreement the Borrower requests and authorises the Lender:

- (i) if the Security is not to be a first mortgage, to pay any prior mortgage arrears;
- (ii) if the Property to be mortgaged is leasehold, to pay any rent, service charge or other sums owed by the Borrower which, if not paid, may result in the Borrower losing the Property;
- (iii) if the loan does not proceed for any reason whatsoever the Borrower will pay to the Lender upon written demand the following sums:-
 - a. the fees set out in C and D above;
 - b. all costs, liabilities and expenses properly suffered or incurred by the Lender in connection with the negotiation, preparation, execution and administration of the agreement on a full indemnity basis and/or any sums incurred by the Lender or their professional advisers in connection with this agreement.
 - c. All costs, liabilities and expenses properly suffered or incurred by the Lender in connection with the agreement and the enforcement of any rights of the Lender against the Borrower in respect of the agreement on a full indemnity basis.

These payments will be made by the Lender on the Borrower's behalf by taking them from the Loan Facility and the Borrower understands and agrees that part of the money borrowed by the Borrower from the Lender will be used for this purpose. The Lender will also deduct the costs, charges and expenses referred to in 2(b)(i) overleaf (the Lender will, on request prior to drawdown of the Loan Facility, advise the Borrower how much these are) from any draw down of the Loan Facility.

M In signing the agreement the Borrower declares and warrants that:

- (i) the Borrower has read and understood the terms and conditions of it including those overleaf and has been recommended by the Lender to take independent (and, where there is more than one person borrowing, separate) legal or other appropriate professional advice on the contents of the agreement and in respect of the transaction generally; and
- (ii) the Borrower will be able to afford to make the monthly payments as shown in J (or as varied under 5 overleaf), together with any first mortgage payments if the agreement is secured by a second mortgage.

The Borrower acknowledges that the Lender relies upon these declarations and warranties made by the Borrower when lending the Total Loan Facility.

N The Borrower acknowledges that the Lender may refuse to allow the Borrower to draw down the Loan Facility without giving any reason and without any liability on the part of the Lender to reimburse the Borrower any costs or liabilities that the Borrower may have incurred in reliance on the agreement in relation to the Property, the Security or otherwise.

Declaration for exemption relating to businesses (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

Additional Offer Conditions

All Offers are made strictly subject to valuation, client status, affordability and review of the case by the Lender. Please sign and date this Offer to confirm your acceptance and return it to the Lender at the above address within 14 days.

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| Signature(s) of Borrower(s) | | | | |
| Date(s) of signature(s) | | | | |