

OUR REF: JR/  
DATE: 10<sup>TH</sup> MAY 2011

Dear Mr . . . & Ms . . .

**Re: BRIDGING LOAN - PURCHASE OF COMMERCIAL PROPERTY  
( INTEREST ONLY)**

We confirm our lending arm . . . is prepared to lend you the sum of  
**£176,000** based upon the following terms and conditions: -

**BORROWER:**

2. The loan will be secured by way of:
  - a) A **FIRST Legal Charge** over the following security: -

Upon acceptance of this offer and satisfactory completion of all legal requirements, this case shall be funded by our lending arm . . . and the legal documentation shall be issued by them accordingly.

3. The **Standard Flat Rate** of interest shall be **2.0%** per month.
4. The **Reduced Rate** of interest shall be **1.5%** per month.
5. The interest on the loan will be repayable by **Twelve** equal monthly instalments of **£3,520**. The minimum chargeable term will be **Three months**. If you pay the instalments due from time to time on or before the date of their falling due for payment and there are no arrears of interest outstanding then monthly payments in the sum of **£2,640** calculated at the Reduced Rate of interest will be accepted. The Capital will be repayable **Twelve** months ("the loan term") from the date of completion of the loan.
6. Where the Loan expiry date has passed and you fail to discharge the balance due then the monthly rate of interest payable will be the Standard Rate of Interest as set out in Clause 3 until redemption. In the event of the loan not being repaid at the end of the loan term, a Renewal Fee representing 5% of the loan outstanding will be charged.

7. Any Second charges or mortgages subsisting on the property referred to in Clause 2 upon completion must be discharged in full and the appropriate discharge documents filed at the Land Registry. (not applicable)

8. It is a condition of the loan that the property must be **kept insured at all times** during the loan term, for a minimum of £1.2million with the interest of \_\_\_\_\_ noted on the policy against damage by fire and other perils, including malicious damage and other perils specified by us to its full reinstatement value. We will effect insurance cover from the date of completion, if you do not forward details of any existing cover for approval when accepting the offer, in which case an amount in respect of the first premium will be deducted from the loan.

#### 9. Redemption of Loan

Terms for redemption are: **One Months'** interest. An Administration Fee of £295 will also be payable upon full repayment of the loan.

10. Any survey and / or inspection of the above property carried out by us or on our behalf in connection with this offer is confidential and in the event of our making an advance to you, it will not imply any warranty by us as to the value or condition of the property.

11.

- a) You should study the terms and conditions set out herein.
- b) Once you have signed this offer letter you become liable for the commitment fee of **£1,500** which is payable to \_\_\_\_\_ and is **strictly non-refundable** whether or not this loan proceeds to completion.
- c) Deducted from the loan advance upon drawdown will be a completion fee of **£5,280**, plus 4 months' interest payments at the Reduced Rate totalling **£10,560, plus an Administration/Creation fee of £295** and Solicitors legal costs and disbursements.
- d) Confirmation will be required from your legal advisers as to how the loan capital is to be repaid at the end of the loan term.
- e) Any tenancies/leases in respect of the property must be acceptable to us.
- f) By signing this offer you also accept liability to discharge our solicitors' legal costs and pay the completion fee above to \_\_\_\_\_ whether or not the loan proceeds to completion or funds are drawn down, unless the offer is withdrawn due to non-availability of funds.
- g) This Offer is subject to Local Authority and Title searches and any other searches and enquiries required by us proving satisfactory.
- h) The monthly rate of interest on the Standard Rate and Reduced Rate may increase in line with any increase in Bank of England base rate. Any shortfall in the monthly interest payment will be payable upon redemption of the loan.

12. We or \_\_\_\_\_ reserve the right to alter the terms hereof or to withdraw this offer any time without assigning a reason. In the event of this offer being withdrawn

under this, or any preceding clauses, we shall in no way be liable for any liabilities incurred by you.

13. We or \_\_\_\_\_ reserve the right to transfer, assign or otherwise dispose of the rights, benefits and obligations of this Bridging loan together with the charge over the related securities to other third parties at any time and when this happens you will be notified in writing. Upon acceptance of this offer, this case shall be funded by our lending arm \_\_\_\_\_ and the legal documentation shall be issued accordingly..

14. This offer is subject to the following:

- a. Consent to Registration of a First Legal Charge over the security \_\_\_\_\_ in favour of!
- b. An equitable charge over the farmhouse at \_\_\_\_\_ equestrian centre will be required.
- c. It is a requirement that you use a firm of solicitors with three partners or more.

15. We strongly recommend that you seek independent legal or other professional advice.

16. If you wish to accept this Loan Offer, please indicate this by signing below and returning it to us within **10 Days** from the date hereof.

17. This offer will lapse and the full completion fee and legal costs will become payable if completion does not take place within six weeks of the date hereof, unless an extension of time has been confirmed by us in writing, or unless non-availability of funds causes us to defer completion.

Yours sincerely,

For and behalf of

**Confirmation Notice – Bridging Loan –**

**DATE OF OFFER: 10<sup>TH</sup> MAY 2011**

We hereby accept the offer of Advance the terms of which we fully understand and accept. We understand that any other parties concerned in this transaction are not acting as your Agents and are not authorized to vary the terms of this Offer in any way.

**Declaration for exemption relating to business (Sections 16B and 189(1) and (2) Consumer Credit Act 1974)**

We are entering this agreement wholly or predominantly for the purposes of a business carried on by us or intended to be carried by us. We understand that we will not have the benefit of the protection and remedies that would be available to us under the Consumer Credit Act 1974 if this agreement were a regulated agreement under that Act.

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.

We are aware that, if we are in any doubt as to the consequences of the agreement not being regulated by the Consumer Credit act 1974 we should seek independent legal advice.

We confirm receipt of a copy of this letter, which we have retained.

We enclose the sum of **£1,500** payable to \_\_\_\_\_ in payment of the Commitment fee specified in Clause 11(b) above and understand and agree that this fee is non-refundable.

We further agree upon accepting this offer dated 10<sup>th</sup> May 2011 to pay your legal costs and the balance of \_\_\_\_\_ Completion Fee in the sum of £5,280 if we withdraw from this offer or do not draw down funds within six weeks of signing this acceptance, for whatever reason, unless the offer is withdrawn due to non-availability of funds, such payment to be made by myself within 7 days of my withdrawal from the offer.

Signed ..... Date.....2011.

MR (DIRECTOR) FOR AND ON BEHALF OF  
CENTRE LTD

Signed ..... Date.....2011.

MS (DIRECTOR) FOR AND ON BEHALF OF

**ALL PERSONS TO WHOM THIS LETTER IS ADDRESSED MUST SIGN THE ABOVE.**