

Mr & Mrs A  
C/O Unit 2 Axis  
19-25 Nuffield Road  
Nuffield Industrial Estate  
Poole  
Dorset  
BH17 0RU

16.02.2009

Dear Mr & Mrs

**Commercial Mortgage Loan Facility**

We are pleased to offer you a loan facility (the "Facility") on the terms and conditions set out in this letter and the enclosed Standard Terms and Conditions (Form 1627(06/05)) (the "Standard Terms").

Expressions defined in Condition 2.1 of the Standard Terms shall have the same meanings in this letter.

**Borrower**

Name:

Address:

**Amount of facility**

£104,300

**Term of facility**

20 years from drawdown.

**Drawdown**

This facility shall be drawn in full in one amount.

Drawdown shall not be permitted after 10.05.2009 (the "Final Drawdown Date")

The facility shall only be used for purchasing property located at

### Repayment

Repayment shall be made in 240 instalments of principal (together with interest) of £621.07 payable monthly commencing 1 month(s) after drawdown (with interest debited to loan account).

The above amounts are subject to adjustment under Condition 4 of the Standard Terms.

### Prepayment

Prepayment is permitted in full or (except while interest is calculated on a Fixed Rate Basis) in minimum amounts of £1,000 and multiples of £1,000, in accordance with Condition 5 of the Standard Terms. Under Condition 5, a prepayment fee will be payable on the date of each prepayment. You are advised that the amount so payable may be substantial, in particular where the prepayment is made before the end of any period for which a Fixed Rate Basis applies.

### Interest

Interest shall be payable in accordance with Condition 6 of the Standard Terms.

Subject to the provision of Condition 6, interest shall be calculated on a floating rate basis at a percentage rate per annum equal to the aggregate of the margin of 2.64% per annum and the Base Rate, until the third anniversary of the date of this letter.

After that date, interest will be calculated on the basis and at the rate established in accordance with Condition 6.3. You should note that Condition 6.3 entitles us to charge a different margin after that date.

Under Condition 6, you have the right, while interest is calculated on floating rate basis, to request a change to a Fixed Rate Basis - see Condition 6.4.

### Security/Guarantee(s)

Your obligations in respect of the Facility (and all of your other present and future obligations to us) are to be secured/guaranteed as detailed below, in form and substance satisfactory to us, and any other security/guarantees held by us now or in the future:

#### Legal Charge over

Unqualified professional valuation by a Bank approved valuer. Minimum market value to be £149,000.

We may from time to time require any security to be professionally valued at your expense.

You shall ensure that the Loan shall not at any time exceed 70% of the Property Value (Loan to Value Percentage).

You shall pay to us:

- An arrangement fee of £1,564.50 on first drawdown, by debit to loan account (or, if not drawn down, current account).
- If the Loan or any part of it is prepaid, a prepayment fee in accordance with Condition 5.3 or 5.4 of the Standard Terms.

#### **Financial Covenants**

No financial covenants will apply to the Facility. Part II of the Standard Terms will not, therefore, be relevant to you.

#### **Information**

Annual accounts and interim statements are to be provided to us in accordance with Condition 10(a) of the Standard Terms.

#### **Special Conditions**

The Borrower shall be provided documentary evidence of its stake of £44,700 to the Bank.

We recommend that you seek independent advice on the terms of this letter to help you fully understand what the facility involves and the potential consequences and implications for you of agreeing to its terms.

The Bank recommends that the borrower/key person(s) should take advice about obtaining life insurance or protection for the amount and term of the loan.

**This offer will lapse if not accepted within one month from the date of this letter.**

**Your acceptance shall be signified by signing the enclosed copy of this letter and returning it unamended to us at the branch address shown above.**

For and on behalf of

Andrew Tapsell  
Local Business Manager

**ACCEPTANCE**

Having read all of the terms and conditions of this letter and the enclosed Standard Terms (Form 1627(06/05)), I/We hereby accept the offer set out in this letter.

Where the Borrower comprises more than one person, all such persons (including all partners and trustees) must sign. Where the Borrower includes a company, this acceptance is to be signed for and on behalf of such company by a person or persons duly authorised pursuant to a resolution of its Board of Directors.

By .....

Date: .....