

The Partners

Our Ref: 5439942714/3
Direct Dial or
Ext No:

3 November 2010

Dear Mr and Mrs

Commercial Mortgage OFFER TO

Purpose

We are pleased to offer you a loan to release equity and purchase investment properties .

The terms of the loan are set out below. To take up the loan please complete and sign the Acceptance at the end of one copy of this letter and return it within 30 days of the date at the top of this letter after which this offer will lapse. Throughout this letter all references to "you" and "your" mean and all references to "we", "us" and "our" means and anybody else that has the right to receive repayment of the loan from time to time.

The amount of the loan

The maximum amount you may borrow on this loan is £120,000.

When you can take up the loan

Before you can take up the loan, you must comply with the conditions detailed in this letter. In particular, you must confirm to us that none of the events which allow us to ask for immediate repayment of the loan are occurring, unless we have given you our prior written consent.

You may take up the loan at any time up to 02.02.2011 and any amount not borrowed by this date will be cancelled automatically, unless we have given you our prior written consent.

Please tell us on your acceptance when you would like the money transferred. Any requests by you to take up the loan are irrevocable.

Final repayment of the loan

You shall repay the loan, interest and any other amounts due in full 15 years from the date when you take up the loan.

Repayment of the loan

You shall repay the loan in accordance with the schedule below:- A capital repayment holiday

shall apply for the first 12 months of the term of the facility with interest debited to current account. Thereafter, repayment shall be made in 168 instalments of principal (together with interest) of \$927.72 payable monthly commencing 13 months after drawdown.

Your repayment will be due even if you have not taken up the loan in full. If you have not taken up the loan in full the repayment will be adjusted to reflect the fact that the loan is smaller. If an adjustment is necessary the repayment(s) will be amended automatically and we will notify you immediately.

You authorise us to debit all repayment instalment(s) to your current account and you must have sufficient funds or facilities to meet them.

Your interest charges

The interest rate charged on your loan is a margin of 3.1% over Base Rate.

Base Rate is currently 0.5%.

Interest is calculated on the balance outstanding each day (including any interest charges applied to the loan) using a 365 day year as the basis of daily calculation.

Base Rate may change during the life of the loan and if it does the amount of interest you pay will change. We will review the level of your repayments at least once a year to ensure the loan and interest will be repaid over the agreed period. If an adjustment is necessary the repayments will be amended automatically and we will notify you accordingly.

We reserve the right, at the end of a period of three years from the date the loan is taken up to review the basis for calculating interest on the loan. At this point we will provide you with the option to select the basis on which interest will be charged until the next review thereafter (details of which we will provide to you).

Such basis shall be either at a fixed rate over a fixed period or at a margin over Base Rate specified by us at that time (you should note that this entitles us to charge a different margin after that date).

The interest owing will be charged to your loan account quarterly in arrears and compounded quarterly.

If you fail to pay any money when it is due, we may increase the interest rate charged on that overdue sum by a further 1% per annum, from the date you failed to pay.

We may, at our sole discretion, permit all or any part of the interest accruing on the loan to be added to the principal amount of the loan and shall accordingly debit your loan account on such dates we may require. Repayment instalments thereafter shall be reviewed annually.

Should you wish to consider changing the basis on which we calculate the interest on your loan to a fixed rate of interest, please contact us.

Early repayment of your loan

You may repay all or part of the loan at any time (in multiples of £1,000) by giving us not less than seven days' prior notice in writing. This notice is irrevocable and any repayment is permanent and cannot be redrawn. The amount of the loan will be reduced accordingly.

A Pre-Payment fee of 1% of amounts repaid early will be payable at the time of early repayment (unless we are prevented from doing so by any statutory, regulatory or contractual requirement).

If you repay the loan early in part then the accrued interest on the amount repaid will be paid on

the next charging date.

If you repay the loan early in full then the accrued interest on the amount repaid will be paid at the time of early repayment.

Our fees for this loan

The fee for arranging this loan is £1,800. You shall pay it when you take up the loan and it will be debited to your loan account.

If your application was introduced through a broker, we may pay a portion of the arrangement fee set out above to the broker as commission. The amount of this commission is typically half the arrangement fee and will never exceed the full arrangement fee. This commission is separate from any fee which your broker may charge for advising you. We recommend you speak with your broker and inform yourself of the exact amount of their commission. Please bear this in mind when dealing with your broker as you will be taken to have consented to this payment if you accept this loan offer.

Additionally, the fee for arranging the new security required is £550 and it will be debited to your loan account along with any out of pocket expenses incurred by us in connection with the taking of security.

Security for the loan

The security for the loan and any other amounts owing to us shall be:

Legal Charge over:

Unqualified professional valuation by a Bank approved valuer. Minimum market value to be £750,000.

We will also rely on any other security and/or guarantees that we presently hold and/or are given to us now or in the future. We may from time to time require any security to be professionally valued. This would be at your expense.

Information relating to your business

If we request you to do so, you must provide us with a copy of your annual audited accounts in a form acceptable to us. If you are not required by law to produce audited accounts, then you must supply us, upon request, with a copy of your unaudited accounts certified by your accountants. When providing accounts information, you must include a balance sheet and profit and loss account, or if you are a trustee, income and expenditure accounts. These must be both individual and consolidated if you have subsidiary undertakings (as defined in section 1162 of the Companies Act 2006).

These annual accounts, if requested by us, should be provided to us as soon as they become available and not later than 180 days from the end of each financial year and, if we request from you, unaudited interim statements within 90 days after the end of each half year.

You will also provide us with any additional information which we may request from time-to-time.

Details of any material litigation or other proceedings (including any proceedings concerned with your liability for contamination or pollution) should be provided to us as soon as you propose to start or become aware of such litigation or proceedings.

Conditions specific to your loan agreement with us

Special conditions: