



LLOYDS BANK

Lloyds Bank Commercial Banking
Lending Servicing
Lloyds Bank plc
3rd Floor, New Usher House
11 Earl Grey Street
Edinburgh
EH3 9BN

Telephone: 0345 072 5555
Reference: Temis120467/PV
LS ref: 309873 50914860

18th March 2021

Dear Mr [REDACTED]

DEVELOPMENT LOAN

We Lloyds Bank plc (the "Bank") are pleased to offer to [REDACTED], carrying on business as [REDACTED] a loan of up to £1,000,000 (the "Account Limit") on the following terms and conditions.

Availability

The proceeds of the loan are to be used to assist you in the demolition of the current structure and the development of ten flats and one retail unit (the "Project") at [REDACTED] (the "Property") and shall be held in trust for the Bank until they are so used. Any amount of the loan not drawn by 18th December 2022 will be cancelled.

The loan will be made available once:

- (a) the security arrangements detailed below have been completed and the Bank has received such evidence as it may require to confirm that the security is in full force and effect,
- (b) the Bank has received in form and substance acceptable to it an up-to-date valuation of the Property, such valuation being prepared by valuers acceptable to the Bank reporting to the Bank on a basis acceptable to the Bank and to show the current value to be acceptable to the Bank,
- (c) the Bank has received in form and substance acceptable to it a full appraisal of the Project, including a detailed cashflow of the projected Project costs. The appraisal is to be prepared by a party acceptable to the Bank and is to show no issues of concern to the Bank,
- (d) the Bank has received such evidence as it may require to confirm that not less than £257,000 of your own monies have already been expended on the Project,

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- (e) the Bank has received such evidence as it may require to confirm that you have obtained all necessary permissions and approvals for the Project.
- (f) the Bank has received such evidence as it may require to confirm that the builder contracted in respect of the Project is NHBC registered (or registered under a similar or equivalent guarantee scheme acceptable to the Bank),
- (g) an Assets Liabilities Income and Expenditure statement in respect of [REDACTED] has been provided to the Bank in a form and substance acceptable to the Bank and is to show no issues of concern to the Bank, and
- (h) the Bank has received such evidence as it may require to confirm that you have a credit backed offer from another lender of not less than £1,000,000 to refinance your indebtedness on this loan following completion of the Project.

The loan may be drawn in amounts of not less than £25,000 provided that in respect of each drawing the Bank shall have first received confirmations (each in a form and from a party acceptable to the Bank) of all expenditure on the Project and written instructions from you specifying the account to which the proceeds of the drawing are to be credited.

The total of all drawings made shall not at any time (unless the Bank otherwise agrees) exceed the total expenditure detailed in the confirmations received by the Bank (and after taking into account the amount of your own monies referred to above, which monies are to be expended on the Project before any drawing may be made for the Project).

Interest

Interest will be payable on all amounts owing at 5.99% per annum over the official bank rate of the Bank of England from time to time (currently 6.09% per annum in total). Interest will be charged to your current account number [REDACTED] monthly in arrears (normally on the 11th of each month or on the next working day). Interest may also be charged on the date of final repayment of the facility.

As an overdraft facility has not been agreed on the current account, you should ensure that there are sufficient funds available on that account to meet all payments due under and in connection with this letter as they become due.

The official bank rate from time to time of the Bank of England (or any rate at any time replacing that rate) may be varied (either up or down) at any time. Notice of changes is currently displayed in branches of the Bank and in a number of daily newspapers and may be found through the website (www.lloydsbank.com). You can contact your relationship manager to check this rate at any time.

Charges

An arrangement fee of £15,000 is payable. This will be debited to your current account when the first drawing is made under the facility.

All costs and expenses incurred by the Bank in valuing, creating, preserving or enforcing the security referred to below shall be debited to your current account under advice to you. Costs and expenses incurred by the Bank in and as a result of appointing professional advisers (such as a quantity surveyor, a valuer and a legal adviser) to monitor and/or control the Project shall also be so debited to your current account.

These costs and expenses may arise whether or not the loan is made available to you.

The Bank estimates the amount of the costs and expenses to be incurred in connection with valuing the security to be £1,920 and with creating the security to be £150. The actual amount charged to you may be more or less than the estimated figure.

In relation to the above, please note that the following professional advisers have been or are to be appointed by the Bank:

Name of adviser	Estimated costs/fees
Vail Williams Project Monitoring	£1,680 for the initial monitoring report and £870 for each subsequent report

Repayment

The amount borrowed will be repayable in full on demand, but it is the Bank's present intention to make the facility available to you until the date which is 21 months after the first drawing is made under the facility (the "Repayment Date").

In addition to the above, and without prejudice to the fact that the facility is repayable on demand at any time, the facility will be subject to regular reviews and the facility will not continue beyond any review date except with the written agreement of the Bank. The next such review date shall be 31st January 2022, following which, the Bank will advise you either (a) of the next applicable review date, or (b) that the facility is not being continued. If at any time the facility is not continued, you shall immediately repay to the Bank all amounts owing under and in connection with the facility. As part of any review the Bank may require you to provide the Bank with up-to-date details of your financial position.

If the amount borrowed is not repaid before the Repayment Date then, unless other arrangements have been agreed, it shall be repaid in full on such date together with any other amount then owing in connection with this letter.

Whilst there is any amount outstanding you are to promptly utilise all monies received from the sale or other disposal of the Project site or any part of, or any property forming part of, the Project site (after deducting all costs and expenses directly and properly incurred in connection with the sale or disposal) in reduction of the amount borrowed. Each amount repaid shall reduce the Account Limit and no amount repaid may be redrawn.

Security

It is a condition of the facility that amounts owing shall be secured by the following. Any security which is not already in place is to be provided to the Bank in a form acceptable to the Bank and, if so requested by the Bank, shall be accompanied by evidence of the value of the security.

- (a) a first legal charge from [REDACTED] over the freehold land and buildings at [REDACTED]

In addition, all guarantees and other security held by the Bank now or at any time in the future shall, unless otherwise agreed by the Bank, be security not only for amounts owing under and in connection with this letter but also for all other monies and liabilities whether certain or contingent at any time due, owing or incurred by you to the Bank.

Other Terms of Offer

This letter is for the benefit of the contracting parties only and shall not confer any benefit on or be enforceable by a third party.

This letter and any non-contractual obligations arising from or connected with this letter shall be governed by and construed in accordance with the laws of England and Wales and you agree to submit to the non-exclusive jurisdiction of the courts of England and Wales unless your principal place of business or registered office is in Scotland in which case it will be governed by and construed in accordance with the laws of Scotland and you agree to submit to the non-exclusive jurisdiction of the Scottish Courts. The Bank may take action in any other jurisdiction where proceedings may be lawfully commenced.

Please confirm your acceptance of the facility offered by returning the attached duplicate of this letter with the acknowledgement signed by you. The Bank may withdraw the facility if such confirmation is not received by the Bank (at the address given at the heading of this letter) by 18th April 2021 (or such later date as the Bank may agree).

Yours sincerely

For and on behalf of Lloyds Bank plc

[REDACTED]
Assistant Manager
SME Lending Execution
Markets and Lending Delivery
Lloyds Bank Commercial Banking

I hereby acknowledge and accept the terms of your offer dated 18th March 2021 of which this is a duplicate and agree all the terms and conditions therein contained.

**Declaration for Exemption Relating to Businesses
(sections 16B and 189(1) and (2) Consumer Credit Act 1974)**

I am entering this agreement wholly or predominantly for the purposes of a business carried on by me or intended to be carried on by me.

I understand that I will not have the benefit of the protection and remedies that would be available to me under the Consumer Credit Act 1974 if this agreement were a regulated agreement under that Act. I 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 aware that, if I am in any doubt as to the consequences of the agreement not being regulated by the Consumer Credit Act 1974 I should seek independent legal advice.

Signed by

[REDACTED]

This letter creates legal obligations. Before signing you may wish to take independent advice.