

23rd May 2011

Dear Mr () & ()

Our Ref: 6476

LOAN FACILITY OF £123,750.00

We are pleased to make a formal offer to advance you the sum of £123,750.00 referred to herein ("the Facility"). The terms upon which the Facility will be made available to you are as follows:-

1. Lender	
2. Borrower	& ("You")
3. Facility	£123,750.00 (One Hundred Twenty Three Thousand Seven Hundred Fifty Pounds)
4. Term	The facility is repayable on demand and in the absence of a formal demand the facility will be available to you for a period of 7 months from draw down ("the Redemption Date")
5. Interest Rate	Interest will be charged at 1.25% per month on the initial advance of £12,750.00 i.e. £1,546.87 per month.

<p>6. Interest Payments</p>	<p>Interest will be charged at 1.25% per month. The first 6 months interest of £9,281.22 will be deducted from the facility. If the facility is redeemed early, then the balance of any full month's interest retained will be refunded.</p> <p>All interest is charged on the Facility on a monthly basis. The remaining one month's interest will be due and payable by Direct Debit monthly in advance. If therefore the Facility is repaid within one month of draw down, one month's interest would be payable. If however the Facility were to be repaid at any time between one calendar to two calendar months from draw down, two calendar months would be payable and so forth. Should any part of the facility or rolled up interest or fees be outstanding beyond 7 months from drawdown interest shall be payable by Direct Debit on any sum so outstanding at the rate of 2.50% per month with monthly capital rests until paid in full.</p> <p>Please note the payment of interest does not cover any part of the principal loan. You will still owe the facility amount plus any further advances and any unpaid fees and/or rolled up interest at the end of the term of the facility.</p> <p>Interest on sums due under the terms of this facility shall be charged in accordance with this clause at the rate specified in clause 5 until payment after as well as before any judgment (such obligation to be independent of and not to merge with the judgment).</p> <p style="text-align: center;">reserve the right to withdraw this offer at any time.</p>
<p>7. Development Finance</p>	<p>N/A</p>
<p>8. Fees</p>	<p>(a) A 2.00% facility fee of £2,475.00 will be charged, which sum will be deducted from the facility. will pay 1.25% (i.e. £1,546.88) to Corporate Advances if you take out this secured bridging loan.</p> <p>This sum will become due and payable from you to us upon release by us of the advance monies to your solicitor.</p> <p>(b) A further fee of 0.25% of the facility shall become due and payable by Direct Debit for each month that interest is not serviced within 7 days of the date on which it falls due.</p>

	<p>(c) You have paid us £200.00 to cover the valuation costs. The sum of £495.00 in respect of the administration fee will be deducted from the facility on completion.</p> <p>All fees unpaid are to be rolled up and repaid on repayment of the facility.</p>
9.Purpose	<p>The purpose of the Facility is to transfer and equity release. To be confirmed by your solicitors.</p>
10.Security and Guarantors	<p>(a) The security for the facility will be a first legal charge over all the freehold property situate and known as _____ which is registered at H M Land Registry with title absolute under title number _____.</p> <p>Title to the Property shall in all respects be satisfactory to _____ and _____ who are Phillips Solicitors Limited, Town Gate, 38 London Street, Basingstoke, Hampshire, RG21 7NY.</p> <p>Following completion of the facility, you shall not grant any Lease, tenancy Agreement or any other letting or sub-letting of the property without the prior consent of _____. If consent is granted, in the event of default, you hereby assign the rental income to _____ and such rent is to be paid into the following bank:-</p> <p>Bank of Scotland – St James Gate 14-16 Cockspur Street London SW1Y 5BL Sort: A/C: A/C: Ref:</p> <p>You confirm by way of acceptance of the facility that you have sufficient knowledge in the property industry and further that you are in the business of trading/investing/holding property for financial gain.</p> <p>You further confirm that in the event of the development works costing in excess of the original estimates, that you remain liable to cover such costs in relation to completing the development project.</p> <p>Further, by signing this offer, you acknowledge that the only loan facilities being offered are those set out in this facility letter and that you have not been encouraged to enter into this agreement on the basis of any inducement,</p>

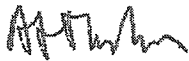
	warranty, offer of refinance, or any other representation made by _____ or any of its employees, agents or associated companies.
11. Events of Default	<p>The following contingencies shall each be deemed to be an Event of Default entitling us to make the formal demand for immediate repayment of the Facility:</p> <ul style="list-style-type: none"> • failure to repay the Facility including all interest and other fees due hereunder by the Redemption • failure to make any interest payments on the Facility on the due dates as provided hereunder • the presentation of a bankruptcy petition against you whether by a creditor or seeking your own bankruptcy • entering into an arrangement with your creditors or taking steps to secure an individual voluntary arrangement • failure to discharge a judgment obtained in a County Court or in the High Court of Justice or in any other court of competent jurisdiction • suffering distress for rent at premises under your control • any cheque or direct debit being returned unpaid or cancelled • a breach of any of the terms of the facility • failure to pay rent received from any tenant or subletting of the property, to • renting the property or otherwise sharing possession or occupation without obtaining the prior consent of Tiuta • failing to allow a valuer appointed by _____ or _____ own representative to attend the property for inspection • failure to comply with planning and building regulation consent or with any statutory notice • the provision or disclosure of untruthful or inaccurate information stated in the application form or represented to • failure to maintain adequate buildings insurance with the interest of _____ and The Connaught Income Fund, Series 1 noted • the securing of further borrowings on the property without the prior consent of _____ • where applicable, failure to pay any monies due to the Freeholder/Managing Agents when demanded • in the event of your death, permanent incapacity, or the appointment of a Receiver under the Mental

	Health Act 1959
12. Assignment	You hereby agree that we have the right to cede, assign, sub mortgage or transfer the benefits of this agreement together with any other contracts we may hold, and its securities to any of our subsidiaries, associates, bankers or assigns.
13. Insurance	All properties are to be insured for all usual risks in the interests of _____ and _____ are to be noted on the policies. A copy of the policy to be provided before drawdown. You must procure that the insurers confirm to _____ that they will not allow the insurance policy to lapse without giving _____ at least 14 days prior notice. Where insurance arrangements are not in place, or if the policy subsequently lapses, _____ reserve the right to arrange suitable insurance for the property. Any costs in relation to this will be added to the loan.
14. Governing Law	The Facility shall be governed by and construed in accordance with the laws of England and you hereby submit to the non exclusive jurisdiction of the courts in England, Scotland and Wales.
15. Valuation	This offer is subject to a satisfactory independent valuation report by a firm of surveyors from _____ panel. Survey fees are payable by you and are non-refundable. Valuation reports are valid for a period of 2 months from the date of inspection. If completion does not take place within 2 months of the date of inspection, _____ will request confirmation from the surveyor that the valuation remains the same. _____ reserve the right to request a reinspection of the property. Any survey or valuation which is undertaken is solely for the purpose of assessing the security and is confidential to us and or our advisors. _____ reserve the right to instruct an audit valuation, the cost of which will be met by _____.
16. Validity of Offer	This offer is valid for a period of 1 month from the date stated on the front of the offer. Should completion not take place within 1 month of the offer being issued, a new offer will need to be issued. _____ reserve the right to re-underwrite the application before re-issuing the offer and also to vary the terms and conditions if necessary. In the event that completion has not taken place within 1 month, _____ reserve the right to make an additional charge

	of 0.5% of the facility amount to renew the offer for a further 1 month.
17. Exercise of Rights	No failure to exercise and no delay on our part in exercising any right, power or privilege under this facility will operate as a waiver thereof. The rights and remedies provided under this clause 17 are cumulative and not exclusive of any rights and remedies provided by law.

Please indicate your acceptance of the terms of this Facility by signing the additional copy of this letter where indicated. By signing this, you confirm that the information contained in the Application form is correct, and you understand that this offer is made on that basis.

Yours faithfully,



for and on behalf of

Accepted by

Mr

Date:

Witnessed by:

Name:

Signature:

Address:

Occupation:

Accepted by

Mrs

Date:

Witnessed by:

Name:

Signature:

Address:

Occupation: