

Our Ref: 9308367532/1
Direct Dial or
Ext No: 1-733402437

31 January 2011

Dear Madam

OFFER TO and

Purpose

We are pleased to offer you a loan to purchase property .

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 [redacted] and [redacted] Of The [redacted] Re [redacted] and all references to "we", "us" and "our" means [redacted] 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 £45,000.

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 20.04.2011 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 13 years from the date when you take up the loan.

Repayment of the loan

You shall repay the loan by 156 equal instalments of £356.42 monthly throughout this period.

Your first repayment will be due 1 months from when you take up the loan.

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 2.5% 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 monthly in arrears and compounded monthly.

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 £450. 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 panel valuer. Minimum market value to be £100,000.

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:

Annualised loan repayments shall be covered by a minimum of 125% of Annualised Net Rental income from the Property described in the Security section above.

The Property described in the security section above shall be subject to a lease to be in place between _____ for the term of the loan.

According to the documents submitted, the Trustees of the above Scheme are _____ (as the member) and _____ (as the Scheme Trustee). Collectively they are the trustees.

Details of the documentation governing the scheme will need to be recited in the facility letter. The following will enable the facility letter to be completed.

The scheme is currently governed by a deed of amendment dated the 30th September 2008 between the _____ as the provider, _____ as the Scheme Trustee and _____ as the Scheme Administrator.

The member became co-trustee of her own scheme by way of a Supplemental Deed. I confirm that I do not need to have sight of that deed.

The loan and facility letter should be in the names of both Trustees with the added designation as trustees of the _____ re _____

As mentioned above, the trustees will require that their liability is restricted to the value of the assets in the underlying scheme both in the charge form and the facility letter. The wording to be used is as follows:

Notwithstanding anything to the contrary herein appearing it is expressly agreed and declared by the parties hereto that each and every liability undertaken hereunder shall be subject to the proviso that _____ and _____ shall not incur any liability in respect thereof whether jointly or severally save to the extent that such liability shall not exceed in amount the value of the assets of the _____ re _____ from time to time in their hands in their capacity as trustees for such pension fund.

When we can ask for immediate repayment of the loan

We have the right to ask for immediate repayment of the whole of your outstanding loan, any other amounts due and any costs incurred by us in obtaining repayment in any of the following circumstances:

- * you fail to make any of the repayments of the loan or any interest or other payments which are due; or
- * you breach any term or condition of the loan or any supporting security; or
- * you are, or are likely to be, unable to pay your debts when you are due to pay them, or any step is taken by you or your creditors under any insolvency law or any creditor attempts to enforce security; or

- * we receive notice to terminate any guarantee given to us in respect of the loan; or
- * if any security we hold for your liabilities is shown to be defective for any reason; or
- * you fail to make agreed repayments for any of your obligations, including amounts you owe to other organisations; or
- * you breach any term or condition of any other loan or facility provided by us or any other organisations; or
- * you have misrepresented any information which you have provided to us in connection with this loan; or
- * if it is, or becomes, unlawful for us to give effect to our obligations in respect of this loan; or
- * you lose or do not possess any licence, (including any permit necessary to comply with all environmental laws) or consent which is necessary to carry on your business or to comply with your contractual obligations; or
- * any material litigation or other proceedings (including any proceedings concerned with your liability for contamination or pollution) are threatened against you which might adversely affect your ability to repay the loan or to pay interest on the loan or might adversely affect your or our reputation; or
- * for sole traders, partners and non corporate trustees only, in the event of your death; or
- * any of the circumstances (other than the first and fourth circumstances listed above) occur to any of your subsidiaries or any guarantors of the loan.

If we do ask for immediate repayment, you shall immediately pay to us the amount so requested.

When our agreement is needed

You must contact us and ask for our prior written approval in any of the following circumstances:

- * before you dispose of all or a substantial proportion of the assets of your businesses;
- * before you make a significant change in the nature, constitution, management or ownership of your business;
- * before you provide any form of charge, assignment or other security over your business assets other than to us; or
- * any of the above circumstances occur to any of your subsidiaries or any guarantor of the loan.

If we decide not to give our written approval to any of these circumstances, we can ask for immediate repayment of the loan and all other amounts due.

Changes to our circumstances

If there is any change in any law or regulation or any requirements of any regulatory authority which in our opinion will increase our cost of funding or making available your loan or will reduce the profit we make on your loan, then you will pay us, on our request, the amount that we certify is necessary to compensate us for our increased cost or our reduction of profit.

If it becomes unlawful for us to provide the loan or an event or circumstance occurs, in relation to you or any person related to you or the loan or any security/guarantee(s), which in our reasonable opinion, could result in damage to our reputation, we shall notify you, whereupon you shall immediately repay the whole of your outstanding loan and any other amounts due to us.

General conditions

If we demand repayment, any money we hold in accounts in your name in any currency may be used by us towards repayment of any money you owe us. Interest on the loan will continue to accrue at the higher interest rate set out in the section entitled "Your interest charges", even if we obtain judgment against you.

All payments must be made on a day when we are open for business, other than a Saturday. Payments, whether of principal, interest, fees, costs or otherwise, shall be made in full and in accordance with the terms of this letter and you may not exercise any set off or counterclaim and free and clear of any deduction or withholding in account of tax or otherwise. If you are required by law to make any deduction or withholding on account of tax or otherwise on any amounts due under the loan then you must reimburse us with any additional cost or any shortfall we suffer.

You will reimburse us, at our request, for any amount that we incur as costs, expenses, losses or

- * you not taking up the loan after accepting this letter;
- * you not making a payment or delaying any payment to us;
- * any of the circumstances referred to in the sections entitled "When we can ask for immediate payment of the loan" and "When our agreement is needed" occurring.

You agree that we may without further notice to you transfer by whatever means we consider appropriate all or any of our rights, benefits, obligations, risks and/or interests in respect of the loan and any security for the loan to any person who may enter into a contract with us in connection with the transfer.

You agree that your obligations to us in terms of this loan shall at all times rank at least equal with all your other present and future unsecured obligations. You also agree that you and your subsidiaries (if any) do not have any outstanding security other than those already disclosed to us in writing prior to the date of this letter.

You and your subsidiaries (if any) shall not agree to create or grant any security (other than in favour of us) without obtaining our prior written consent, except in respect of any security disclosed to us in writing prior to the date of this letter, provided that any amount under any such security is not increased.

You and your subsidiaries (if any) shall maintain adequate insurance in relation to your businesses and assets with reputable underwriters or insurance companies against risks usually insured by persons carrying on your type of business and such other risks as we may from time-to-time reasonably require.

You agree that we may disclose any information, obtained at any time, from whatever source, relating to you, the loan and any security for the loan to:

- * any of our associated companies;
- * any credit reference or rating agency;
- * anyone we consider to be or likely to be involved in a transfer, or possible transfer; and

* anyone who, as part of the transfer arrangements, needs this information after the transfer



has taken place.

You may not assign or transfer the loan.

No one other than you or us can claim any rights under this letter.

Every notice, request or other communication between us and you shall:

- * be in writing delivered personally or by prepaid first class letter;
- * be deemed to have been received by you, in the case of a letter when delivered personally or 48 hours after it has been sent by first class post; and
- * be sent to you at the address specified at the head of this letter, or if sent to us, at our branch address shown at the head of this letter, or any other address either we or you notify the other in writing.

All communications to us shall only be effective when we are in actual receipt of the communication.

If the United Kingdom adopts the euro as its currency after the date of this letter, we shall make such changes as we consider are appropriate to reflect the changeover to the euro.

We are committed to providing a high standard of service. However, if you have any reason to complain, you may do so in person, in writing, by post or e-mail, or by telephone. Details of our complaints handling procedures are available on request from any branch, the Information Line on 0800 , or at

The loan and its terms are governed by English law.

Acceptance of the loan

To accept the terms of the loan please sign the attached copy of this letter and return it to us. Before you sign the letter we recommend that you seek independent advice on the terms of the letter to help you fully understand what the loan involves and the particular consequences and implications for you of agreeing to its terms.

We recommend that you/key person(s) should take advice about obtaining life insurance or protection for the amount and term of the loan.

If you are a partnership, all partners at the time the loan is taken up or any new partners who accept the conditions in this facility letter shall be individually as well as jointly liable for the outstanding amount of the loan and any accrued interest. If a partner leaves the partnership he or she shall continue to be jointly and individually liable until we confirm that such liability is cancelled.

Please ensure you read and understand the Terms and Conditions contained within this letter. It includes a notice about your cancellation rights which you should read.

Yours faithfully

Local Business Manager

Take steps to control your borrowing costs

For advice on what drives the price of borrowing for your business, and steps you can take to minimise it, go to

This item can be provided in Braille, large print or audio, by calling 0800/ (via TextDirect if appropriate), or order online at

* Calls may be recorded for security and training purposes. Calls to 0800 numbers are free if made from a UK landline. For BT business customers, 0845 calls will cost no more than 4p per minute, minimum call charge 5.9p (current at February 2010). The price on non-BT phone lines may be different.

is a trading name of

Registered in England. Registered No

Registered Office:

subscribes to the Lending Code which is monitored and enforced by the Lending Standards Board. The Lending Code sets minimum standards of good practice when dealing with certain customers in the UK in relation to loans, current account overdrafts, charge cards and credit cards. Further details can be found at: <http://www.lendingstandardsboard.org.uk/>

Declaration for exemption relating to businesses (sections 16B and 189(1) and (2) Consumer Credit Act 1974)

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

I/We* understand that I/we* will not have the benefit of the protection and remedies that would be available to me/us* under the Consumer Credit Act 1974 if this agreement were a regulated agreement under that Act.

I/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.

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

I/We accept the offer on the terms and conditions contained in this letter.

I/We accept the offer on the terms and conditions contained in this letter and confirm that none of the events under the heading above "When we can ask for immediate repayment of the loan" are currently occurring.

Please transfer the amount of the loan to our current account on

For and on behalf of
and

Of

Signed

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Date

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