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|-------------------|---------------------------------|
| Borrower: | Oceana Business Park Ltd |
| Loan Number: | PLL0327 / PROP00314 |
| Report Date: | 04/01/2018 |
| Next Review Date: | 04/12/2018 |

Covenants

| | Covenant | At Origination | Current |
|----------------|----------|----------------|---------|
| Interest Cover | 1.5x | 2.37x | 2.61x |
| Loan to Value | 75% | 74.5% | 74.5% |

Covenant Compliance / Loan Update

Covenant compliant.

Rental income has increased by £64,777 over the previous year due to the borrower negotiating a £75,000 p.a. licence agreement with ITV Studios for use of The Technology Centre for the filming of the British drama series Vera. A few smaller tenants have vacated their premises or renegotiated their agreements but this has not had a significant impact on void levels or passing rent.

Interest cover has improved significantly from last year (2.17x) and is now stronger than at origination.

£383,617 rent / £146,849 interest = 2.61x interest cover

Whilst the valuation was completed in July 2015, there is no indication that the property will have fallen in value. Indeed, if we were to take the initial yield (11.8%) and apply it to the increased rental value, the market value would increase to £3,250,991 representing an LTV 67.5%.

On this basis, I do not find it necessary to request a revaluation at this time.

Proplend are in frequent contact with the borrower, should the passing rent fall significantly we reserve our right to request a revaluation at any time.

Loan Information

| | |
|-----------------------|---------------|
| Origination Date | 04/12/2015 |
| Maturity Date | 04/12/2019 |
| Gross Loan Amount | £2,197,500 |
| Blended Interest Rate | 6.683% |
| Tranche A Rate | 5.93% |
| Tranche B Rate | 7.25% |
| Tranche C Rate | 9.75% |
| Loan Status | Good Standing |



Property Information

| | |
|---------------------------|-----------------|
| Location | Newcastle |
| Type | Industrial Park |
| Number of Assets | 11 |
| Number of Leases/Licenses | 18 |
| Market Value | £2,950,000 |
| VP Value | £1,450,000 |
| Market Rental Value p.a. | £271,845 |
| Current Rental Value p.a. | £383,617 |
| Date of Valuation | 13/07/2015 |



Exit Strategy

The exit strategy remains the same which is that the Borrower will continue to develop the site to produce additional income.

The Property (or a portion of the Property) will then be sold before the end of the term to repay the loan, or the Proplend loan will be refinanced.

Interest Payments

On time and up to date

Reviewed By

Philip Gould
04.01.2018

Brian Bartaby
04.01.2018