

VALUATION REPORT

SUBJECT PROPERTY:

3 The Maltings
Wetmore Road
Burton upon Trent
East Staffordshire
DE14 1SE

UNDERTAKEN ON BEHALF OF:

Proplend Security Ltd and
Cairn European Commercial Mortgage Fund
H1 Ascot Business Park
Lyndhurst Road
Ascot
SL5 9FE

Prepared By: Annette Holland, BA (Hons) Dip Val, MRICS
Inspection Date: 22nd March 2017
Report Date: 30th March 2017
PLP18199



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EXECUTIVE SUMMARY

3 The Maltings
 Wetmore Road
 Burton Upon Trent
 East Staffordshire
 DE14 1SE



Tenure	Freehold
Market Value with Vacant Possession	£2,300,000
Market Value with Vacant Possession subject to a special assumption of a 180 day marketing period	£2,000,000
Market Value with Vacant Possession subject to a special assumption of a 90 day marketing period	£1,700,000
Market Value – Investment	£2,300,000
Market Value – Investment – with the special assumption of a 180 day marketing period	£2,000,000
Market Value – Investment – with the special assumption of a 90 day marketing period	£1,700,000
Market Rent	£410,000 per annum
Description	<p>Substantial detached former brewery building over two and three storeys, now converted to office premises with over 58,313 sq ft of accommodation. The building is Grade II Listed, and we believe, was constructed in 1860 and converted circa 1990.</p> <p>Situated in a secondary position, approximately one mile to the east of Burton Upon Trent town centre.</p>

Loan Security

The particular positive and negatives of the property are as follows:

Positives

- Attractive building refurbished to a good standard.
- Substantial floor area.
- Good level of onsite car parking.
- Suitable for splitting into smaller office suites.
- 2 passenger lifts serving all floors.
- Potential for change of use subject to planning

Negatives

- Substantial amount of open plan floor space.
- Limited demand for such sizeable offices in the area.
- Majority of the building is vacant with only part of the ground floor currently tenanted so will limit its appeal to investors.
- Some works of repair and maintenance will be required within the foreseeable future.
- Uncertainty of how long the remaining space will remain vacant.
- With a large amount of vacant space, there is a substantial maintenance burden on the landlord.

Property Address:	3 The Maltings, Wetmore Road, Burton Upon Trent, East Staffordshire DE14 1SE
Client:	Proplend Security Ltd / Cairn European Commercial Mortgage Fund
Applicant:	Charles Jordan Ltd
Your Reference No:	Charles Jordan Ltd – Burton
PLP Reference No:	PLP18199

1.0 BASIS OF INSTRUCTIONS

1.1 On the 13 March 2017 you requested PLP Property Consultants to inspect and value the property known as 3 The Maltings, Wetmore Road, Burton Upon Trent, East Staffordshire DE14 1SE.

1.2 The instructions requested that we provide you with our opinion of:

- (a) Market Value with vacant possession and on investment basis.
- (b) Market Value with vacant possession under a Special Assumption of a defined marketing constraint of 180 days.
- (c) Market Value with vacant possession under a Special Assumption of a defined marketing constraint of 90 days.
- (d) Market Value – subject to existing tenancies
- (e) Market Value subject to existing tenancies and Special Assumption of a defined marketing constraint of 180 days.
- (f) Market Value subject to existing tenancies and Special Assumption of a defined marketing constraint of 90 days.
- (g) Market Rent

of the freehold interest in the subject premises, as at the date of inspection in the light of current market conditions.

1.3 We understand that this valuation is required for the purposes of assisting you in considering the suitability of this property in respect of a provision of loan, mortgage or other finance, and is thus for secured lending purposes. This valuation is intended solely for this and for no other purposes and should not be relied upon by any third party to whom it is not addressed who would do so entirely at their own risk.

1.4 In preparing this valuation we have relied upon the following information:

- Lease to Inspired Gaming Ltd.
- Schedule of floor areas

We have therefore assumed that you are satisfied that we are able to place reliance on the information.

1.5 We would confirm the surveyor has the required knowledge, skills and understanding to undertake the valuation competently.

- 1.6 We confirm we have no financial interest in this transaction and that we have had no dealings with this property within the last twelve months.
- 1.7 We would confirm that PLP Property Consultants holds sufficient Professional Indemnity Insurance for any one claim in respect of this instruction.
- 1.8 We can confirm that there is no conflict of interest.
- 1.9 Our instructions were to provide an assessment of the current Market Value of the above mentioned property for secured lending purposes. We were not instructed to carry out any form of Building/Condition survey and neither were we instructed to carry out any tests to the services provided to the same. Our report is made in accordance with the RICS Valuation – Professional Standards January 2014 (Red Book) incorporating the IVSC International Valuation Standards and to include the new GAAP standards which apply from 5 January 2015.
- 1.10 PLP Property Consultants operates a Complaints Handling Procedure in accordance with the RICS Rules of Conduct and a copy is available on request.

2.0 CONDITIONS OF ENGAGEMENT

- 2.1 Your instructions are accepted on the basis of your Panel or Service Agreement which has previously been agreed between our respective organisations or, in the absence of this, our standard Terms and Conditions based upon the requirements of the Royal Institution of Chartered Surveyors, a copy of which was sent to you when your instructions were received. Any variance from the appropriate Terms and Conditions which have been agreed, are noted in this report. A copy of the appropriate Terms and Conditions are included in the Appendix to this report.
- 2.2 We are not aware of any conflicts of interest that preclude us from preparing this valuation.
- 2.3 We have discussed and agreed with you in writing any Special Assumptions prior to commencing the valuation process, other than the marketing constraints defined in your instructions.
- 2.4 Our valuation has been prepared in accordance with the RICS Valuation – Professional Standards, as amended.
- 2.5 We confirm that this report is not in contravention of Section 13 of the Building Societies Act 1986.
- 2.6 In accordance with the UK Appendix 3.1 (Protocol for valuation and appraisal of land and buildings for secured lending) of the RICS Appraisal and Valuation Standards it is confirmed that this firm does not have any anticipated, or has not had any current or recent fee earning involvement with the property to be valued, with the borrower or prospective borrower, or with any other person connected with the transaction for which the lending is required.

3.0 DETAILS OF INSPECTION

- 3.1 The property was inspected on the 22 March 2017 and the report prepared by Annette Holland, BA (Hons) Dip Val, MRICS, RICS Regulated Valuer who is acting as an External Valuer.
- 3.2 At the time of inspection a representative of the applicant was present at the property.
- 3.3 Weather conditions at the time of inspection were wet during a period of heavy rain.
- 3.4 We confirm we were able to gain access to most parts of the property except for the ground floor area occupied by Inspired Gaming Ltd and the two ancillary buildings to either side of the main building.

4.0 LOCATION

Situation

- 4.1 The property is situated approximately a mile to the east of Burton Upon Trent town centre in East Staffordshire. The town has a population of approximately 72,300 (2011 census) and is situated just to the east of the A38 trunk road approximately 12 miles southwest of Derby and some 12 miles northeast of Lichfield. The M42 motorway is approximately 6 miles to the south and Birmingham and the West Midlands conurbation some 20 miles to the southwest.

Character of Area/Locality

- 4.2 The property itself is situated on a site of a former mill and brewery building, the subject property being a converted mill building sitting towards the front of the site with a large car park facing the subject property to the south. There are two further warehouse buildings adjacent and to the north which have been converted, the area in general being commercial in nature.
- 4.3 Location plans are attached at Appendix A.

5.0 GENERAL OVERVIEW (DESCRIPTION / CONSTRUCTION)

- 5.1 The subject property comprises of a substantial former Malthouse and brewery building which is Grade II Listed and was constructed, we believe, in 1860. The building is part three and part four storey with brick walls, pitched roof covered with interlocking concrete tiles and with internal cast iron columns supporting both timber and solid floors.
- 5.2 There are a number of valley constructions within the roof. Windows are predominantly painted timber framed double glazed sash units and there are a number of tie bars throughout the property being both structural and ornamental.
- 5.3 We understand the building was converted circa 1990 from its original use as a malting plant into its current form as offices.
- 5.4 External, internal and street scene photographs are attached at Appendix B.

6.0 ACCOMMODATION

6.1 EXTERNAL

6.1.1 The property is part three storey and part four storey, the left-hand side of the building when facing it being four storey with a larger generally open plan layout of offices on each floor. The office accommodation in the right-hand section is over three storeys and tends to be of smaller and partitioned office units in a variety of layouts.

6.1.2 There is a large car park facing the property with marked spaces for in the region of 170 vehicles.

6.1.3 There are two additional smaller buildings to each side of the property, both being of brick and tile construction and which have previously been used as ancillary offices, canteen and storage facilities for the site. Neither of the buildings were accessible at the time of our inspection.

6.2 INTERNAL

6.2.1 At the time of inspection the property was approximately 82% vacant. We were unable to access that part of the property on the ground floor, which is currently tenanted. The remainder of the building is vacant. The office accommodation throughout is substantial and whilst generally in a fair condition throughout, some areas are in a better condition than others. The majority of the offices on the lower floors have suspended ceilings with inset lighting whilst the upper floors have open pitched ceilings and exposed roof beams.

6.2.2 Heating throughout is provided by electric heaters and storage heaters with air-conditioning units in places.

6.2.3 There are two main entrances to the front of the property, the larger entrance being open to the roof and having a galleried vestibule providing direct access to the four storey open plan offices to the left-hand side of the building where a service core provides for staircases to each floor, two x 8 person 630kg lifts to each of the four floors and a fire escape staircase to the rear.

6.2.4 We were unable to gain access at the time of inspection to the ground floor office unit which is currently occupied and we understand it is largely open plan and fitted out with carpeted floors, perimeter trunking, suspended ceilings with inset fluorescent lighting and electric radiators.

6.2.5 The first and second floors above comprise of largely open plan offices with some partitioned office suites which are in a tired condition and needing some refurbishment. The larger open plan fourth floor office has recently been re-carpeted and has exposed roof beams and is presented to a fair standard providing light and airy office space

6.2.6 Each floor provides male and female toilets, a small kitchenette and storeroom.

- 6.2.7 The three storey building to the right-hand side can also be accessed from the main entrance and also from a secondary entrance off the car park which leads into a smaller reception area and directly through into an open plan office. The two upper floors offer a variety of different partitioned floor plans with a central staircase leading from the ground to the second floor. There are no lifts on this side of the building however access to the lifts in the central core can be gained from this side of the building.
- 6.2.8 The previous occupiers of the building, Vodafone, have partitioned many of the offices to suit their own requirements and have also installed electrical points throughout the building, also to suit their mode of working which includes perimeter trunking, electric points within the raised floor and rows of electrical points running down the centre of some of the office areas.
- 6.2.9 The offices are generally presented to a fair standard throughout although some expenditure is required in areas to refurbish and update the units to attract future occupiers and also in order to compete with other more modern available accommodation.

7.0 MEASUREMENT RECORD

- 7.1 We have measured the premises in accordance with the RICS Code of Measuring Practice and calculated that it provides the following approximate net internal floor areas:-

Floor	Floor Area (NIA)	
	Sq M	Sq Ft
Ground Floor – Left Side	992	10,681
First Floor – Left Side	992	10,681
Second Floor – Left Side	992	10,681
Third Floor – Left Side	992	10,681
Ground Floor – Right Side	483	5,196
First Floor – Right Side	483	5,196
Second Floor – Right Side	<u>483</u>	<u>5,196</u>
Total	5,417	58,312

- 7.2 There are two small brick and tile outbuildings to either side of property to which we could not gain access but these have a gross external floor area of approximately 890 sqft and 465 sqft respectively.
- 7.3 The site area of the property is approximately 2 acres.

8.0 MORTGAGE REGULATION

- 8.1 Less than 40% of the total land area at the date of inspection, was being used as or in connection with a dwelling.

9.0 SERVICES

- 9.1 We have not been able to make specific enquiries with the statutory utilities in the time available regarding the availability, capacity or location of services. However, our observations indicate that mains water, electricity and drainage are connected to the property. The entire property is heated by way of independent electric heaters and we do not believe there is gas supplied to the building.
- 9.2 No plant or machinery has been included in this valuation other than that normally considered to form a service installation for the benefit of the property in general.
- 9.3 We have assumed for the purposes of this valuation that all services and service installations are regularly inspected by appropriately qualified persons and any requirements complied with in full.

10.0 CONDITION

- 10.1 This valuation is made on the assumption that the property is in a condition commensurate with its age, character, style of construction and mode of use at the date of this valuation and that it will remain so throughout the term of the loan.
- 10.2 We have made a visual internal and external inspection of the premises on the date of inspection prior to preparing this valuation. The external inspection has been undertaken from ground level only. We have not inspected those parts of the property which are covered, unexposed or inaccessible including the roof space and such parts are assumed to be in good repair and condition.
- 10.3 At the time of our inspection, the premises appeared to be in a fair condition and state of repair throughout having regard to the age and construction, although a number of material defects were noted as briefly mentioned below:
- (a) A large proportion of the property is currently vacant and some capital expenditure will be required in order to refurbish and update some of this space, which is tired in areas, in order to attract a tenant.
 - (b) A number of the window frames were exhibiting signs of rot and these will require repair/replacement/refurbishment within the foreseeable future.
 - (c) A number of the gutters around the perimeter of the building were blocked with vegetation causing water runoff down the side of the building which is causing damage to some of the brickwork and moisture penetration through the walls at upper levels in some areas.
 - (d) There are areas of vegetation growing around the perimeter of the building in some areas which need to be treated to prevent issues with the foundations.
- 10.4 The comments expressed above under 10.3 are, in terms of your consideration of this section of our report, strictly for your information only and the points noted do not require your action. Under the heading 22.0 Security and Recommendations below, we will specifically summarise matters, which are material to you in terms of your commercial mortgage lending process and suggest the action, which you should take.

- 10.5 We have not been instructed to undertake any structural or building survey, test the services or arrange for investigations to be carried out to determine whether any deleterious materials have been used in the construction of the subject premises or subsequent additions. In the event that a subsequent survey reveals defects in the subject premises, we reserve the right to reconsider our valuation in the light of the revised facts.

Energy Performance Certificates

- 10.6 In undertaking this valuation we have not been provided with a copy of an EPC for the Property. Our valuation assumes that an EPC would be provided on sale in accordance with the aforementioned legislation and we would recommend that this is clarified by your legal advisors.
- 10.6.1 We draw your attention that The Energy Act 2011 includes provisions that will outlaw the letting of residential and commercial property with 'F' and 'G' EPC ratings by no later than 1 April 2018.

Fire Safety

- 10.7 We have not been asked to comment on fire safety

Asbestos

- 10.8 We have not carried out a survey to determine whether asbestos is present in the property or completed a risk assessment. The property is of an age and type that may contain cement asbestos. Please note, asbestos in good condition presents little or no hazard to health but if disturbed can create a health hazard. Future management of asbestos can be very costly due to the need to employ specialist licensed contractors and this factor along with increasing legislative requirements could have a future effect upon the value of the subject premises.
- 10.8.1 We have been unable to identify or inspect an Asbestos Register or Asbestos Management Plan. Any asbestos disclosures in the Asbestos Register requiring work or management may have an adverse effect on the reported valuation.
- 10.8.2 The relevant legislation is contained in the Control of Asbestos Regulations 1987 and the control of Asbestos at Work Regulations 2002. The control of Asbestos at Work Regulations imposes a duty to protect workers from exposure to Asbestos Containing Materials (ACM's). If it is reported that asbestos is known to exist in the premises, a written management plan for the property should be in place.

11.0 BUILDING, PLANNING & FIRE CERTIFICATES

- 11.1 The property lies within the area covered by East Staffordshire Council, which is the Local Planning Authority. In view of online enquiries, we have concluded that the present use as offices under use Class B1 is fully in accordance with current Planning Law although we would reserve the right to review our valuation on the basis of any alternative facts should they come to light.
- 11.2 We assume that the property has consent for its existing use and construction.

- 11.3 We were unable to obtain information regarding the zoning of the property; however we understand that the Local Plan has been adopted.
- 11.4 We were unable to obtain information regarding the local development plan or zoning of the property.
- 11.5 We understand that the property is Grade II Listed but is not situated within a Conservation Area.

12.0 GROUND CONDITIONS AND ENVIRONMENTAL RISKS

- 12.1 We have not carried out any investigation into past uses of the property or past or present uses of neighbouring land to establish whether there is any potential for contamination from these uses or sites to the property and have assumed that none exists.
- 12.2 We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination. In undertaking this valuation we have assumed that no contaminative or potentially contaminative uses have been carried out on the property.

Invasive Plant Species

- 12.3 On the basis of the site inspection we did not note the presence of Japanese Knotweed at the property.
- 12.4 If the Client requires confirmation of the presence or otherwise of any individual plant species on the property a suitably qualified expert should be employed to survey and report accordingly. If this reveals the presence of any such plants on the property we should be notified immediately in order that we can review our valuation report.

Flooding and Flood Risk Management

- 12.5 We have checked the Environment Agency flood risks map for the locality and note the property is in an area which benefits from flood defences. It should be noted that The Environment Agency's Flood Map only identifies flood risks from rivers or the sea and not risks from dams, rainwater run-off, etc. This aside Flood Risk Assessments should identify flood risks from all identifiable sources and have consideration of the specific local topography which may make a property likely to flood.
- 12.6 We have not been provided with a Flood Risk Assessment or Flood Screening Report for the property.
- 12.7 Our investigations have led us to conclude that the property does not have an above average risk of flooding from river or sea flooding.

Mineral Workings (Coal Mining & Brine Extraction)

- 12.8 The property is not located in an area identified in the Department of Energy & Climate Change Gazetteer of England and Wales as requiring a Mining Search (Coal and Brine).

- 12.9 In undertaking this valuation we have assumed there is no mining activity present which would have an effect on the property, and note that all movement attributable to workings at shallow depth should now have ceased.
- 12.10 Should it be established subsequently that mining activity does exist in the locality we should be notified so that we may assess whether it is likely to have a material impact on the values herein-under reported.

Other Mineral Workings & Quarrying Activities

- 12.11 We have not carried out any investigations in respect of the presence or otherwise of non-coal mineral workings or quarries and recommend that should the Client require confirmation of the presence of any such workings or activities they should obtain a copy of a Shallow Mining Hazards Report from the BGS.

Ground Movement Risk

- 12.12 There are no trees within a notifiable distance and none appear to have been recently removed. The property is not built on a significant slope. We have assumed that there is minimal risk of natural subsidence which we believe to be a reasonable assumption.

Radon Gas

- 12.13 Should the Client require further investigation, a site-specific search facility is available.

Archaeological Remains

- 12.14 We recommend that the Client's solicitors or a suitable expert be asked to verify the contents of the Historic Environmental Records (HER) with respect to the subject property. For the purpose of this valuation we have therefore assumed there are no archaeological remains on or under the land which could adversely impact on the values reported herein.

Other Adverse Ground Conditions or Environmental Risks

- 12.15 We are not aware of the contents of any site investigation reports identifying any other adverse ground conditions that exist.

General

- 12.16 In undertaking this valuation we have assumed that no adverse environmental issues, including but not limited to those described above, exist or may affect the property, whether within its boundaries or on adjacent land.
- 12.17 Should it subsequently be established that this assumption is incorrect we should be notified in order that we may consider whether this affects the values reported, and we reserve the right to reissue the valuation if necessary.

13.0 TENURE AND OCCUPATIONAL LEASES

- 13.1 We are informed that your customer currently holds the freehold interest in the property.

13.2 At the time of our inspection we noted that the ground floor to the left-hand side of the building is let and occupied by Inspired Gaming UK Ltd and there appeared to be no sub-tenancies of any part of the accommodation. The remainder of the property is vacant. We have, therefore, assumed that this part of the premises would be available with the benefit of the lease in the event of a sale.

13.3 We have been provided with a copy of the lease, which we have read, and would summarise the principal terms as follows:

Landlord	Ashtenne Industrial Fund Nominee No.1 Ltd and Ashtenne No.2 Ltd
Tenant	Inspired Gaming UK Ltd
Start date	1 January 2015
Break Clause	1 January 2017
Term	Lease expiry 31 December 2019
Current Rent	£100,000 per annum (increased on the 1 January 2016 from £83,350 pa)
Next Rent Review	N/A
Review Basis	N/A
Outgoings	To pay fair and reasonable proportion of the service charge equating to, in schedule 4 of the lease, £5 psqf with the review date on the 1 January 2016
Alienation	Not to assign or underlet the whole of the unit without prior consent of the landlord, such consent not to be unreasonably withheld or delayed.
User	Offices and ancillary facilities (including testing of gaming machines) or such uses falling within Class B1 of the Town & Country Planning (Use Classes) Order 1987 subject to the landlord's prior written consent such consent not to be unreasonably withheld or delayed.

13.4 The remaining 82% of the floor space is currently vacant and we assume these areas of the property will be provided with vacant possession on sale with no restrictions.

13.5 We have not yet seen a Title Plan but will be pleased to subsequently confirm our understanding of the extent of the property to the Client when one is available.

13.6 We have not been provided with a Report on Title. Accordingly we assume that good Title can be shown and we reserve the right to vary our report and valuation if any adverse matters are discovered. The Lenders Solicitor should make their own investigations and satisfy themselves in respect of the Title of the property.

13.7 The Client's solicitors should be asked to verify that the information above and its interpretation are correct. If incorrect, we should be notified so that we may consider the impact on the values herein reported.

13.8 Your applicants have confirmed that the Break Clause effective from 1 January 2017 has not been exercised and that the current rent is £100,000.

14.0 BUSINESS RATES & COUNCIL TAX

- 14.1 We have examined the Non Domestic Business Rates Database as found on the Valuation Office website (www.voa.gov.uk) and are advised that the property is currently entered into the Rating List as follows:-

Description	Rateable Value (wef 1/4/2010)	Draft 2017 List (wef 1/4/2017)
Office and premises	£172,000	£188,000
Office and premises	£86,500	£111,000
Office and premises	£91,000	£116,000

- 14.2 Business rate relief is available in certain circumstances for unoccupied Listed Buildings

15.0 MARKET TRENDS AND VALUATION COMMENTARY

- 15.1 The valuation has been prepared in accordance with normal practice taking into account comparable evidence and current market conditions. In determining our opinion of market value we have had regard to both the comparison method of valuation and the identification of a projected market rent and the capitalisation of the adopted income stream with an applicable investment yield.
- 15.2 We have carried out our usual research and enquiries, including discussions with local agents. We have analysed the existing market commentaries and data in determining our opinion as to the Market Value and Market Rent of the subject property. Information has also been obtained from internal records.
- 15.3 The subject property comprises of a large Grade II Listed, period building of which there are now a number of similar premises, with available space within the town centre and immediate environs of Burton Upon Trent. We are aware, and local agents confirm, that there is a limited requirement for large office space such as this within the town.
- 15.4 We are aware that the vacant space has been available for some time through Derby Agents BB & J with the available space of 48,768 sq ft being available to let at an asking rent of £390,000 per annum (equivalent to circa £8 psqf) or with suites from 4,915 sq ft (456.70 sq m) equivalent to £7 psqf.
- 15.5 We also understand that the part of the ground floor let to Inspired Gaming Ltd was originally let in January 2015 at £83,350 per annum reflecting approximately £7.80 psqf overall with the rent at its increase on the 1 January 2016 to £100,000 reflecting approximately £9.36 psqf overall or £8.60 per sq ft over the term. We also understand the tenants have been in occupation for some time and this was a lease renewal.

- 15.6 There is very little comparable evidence available for substantial office properties of this type in the area. To support our valuation we have had regard to the following:

Commercial Comparables

- The Maltsters, Wetmore Road, Burton Upon Trent, Staffordshire DE14 1LS

This similar style three storey converted former brewery building with a total floor area of approximately 13,964 sqft has remaining office suites available with rents being quoted based on £9.95 psqft exclusive for smaller suites. Part of the building has been converted to apartments.

- Skyline Court, Third Avenue, Centrum 100, Burton Upon Trent, Staffordshire DE14 2BZ

This modern office building situated in an out-of-town business location is currently available for sale or to let with an asking rent based on £10.50 psqf for 11,100 sqft and an asking price for the sale of the freehold of the building of £1,250,000 equivalent to broadly £112 psqft capital value. This is a modern building with air-conditioning, passenger lift and dedicated parking and represents the typical top end of the range of values for new build offices.

- Oaktree Business Park, Cadley Hill Road, Swadlincote DE11

This purpose built single storey office building comprising of 4 office units totalling 3,440 sq ft, 3 units being let, was sold at auction on 16 April 2015 for £235,000 equivalent to £68.30 per sq ft. The offices are much smaller and would represent the top end of the range of values for smaller second hand units.

- Sovereign House, Bond Street, Burton-on-Trent DE14 3RZ

This converted office building of 4,298 sq ft over 4 floors has recently been sold off an asking price of £220,000 equivalent to £51.18 per sq ft. The property is substantially smaller than the subject premises but situated in the area and is indicative of market values for second hand edge of town centre older offices. Planning permission has recently been submitted for change of use to 8 apartments.

- Worthington House, 146 High Street, Burton-on-Trent DE14 1JE

This 10,030 sq ft period office building (former Worthington's Brewery offices) being part vacant was sold in late 2015 off an asking price of £250,000 equivalent to £25.00 per sq ft. The building requires selective updating and is partly divided into serviced offices.

- Former Burton Town Hall, Waterloo Street, Burton-on-Trent

This office building of 17,815 sq ft was sold in October 2014 for £1 million reflecting a sale at circa £56.00 per sq ft. The transaction is now somewhat historic.

- Lithchurch Plaza, Litchchurch Lane, Derby DE24 8AA

This multi storey office investment building of circa 22,137 sq ft was sold in November 2016 for £1,150,000 equivalent to £51.95 per sq ft and an all risks yield of 11.5%. The property dates back to the 1970's and was refurbished in 2017.

- 15.7 There are a number of large converted period office buildings in the town with flexible accommodation available to let including 107 Station Street, Burton DE14 1SZ which is a large refurbished Grade II Listed period building with modern office suites available between 1,000 sq ft and 30,000 sq ft at an asking rent of £11.00 per sq ft for the smaller suites and which has a substantial car park, and Imex Business Park, Shobnall Road, Burton DE14 2AZ where suites are available from 145 sq ft to 4,500 sq ft.
- 15.8 The proposed new development at Branston Locks to the south west of Burton on the A38 which is to comprise of 400 acres of housing, employment and community facilities will further dilute the range of office stock available when it comes on stream.
- 15.9 Local agents confirm that any new letting would most likely be between £7 & £8 psqft for any refurbished areas dependent upon the size of the office suite.

Consideration of Comparable Evidence/Methodology

- 15.10 We understand that your applicants purchased the property some 12 months ago for £1,450,000 reflecting approximately £25 psqf overall and that this was not a market transaction as the property had not been openly marketed at the time. However, during the course of our investigations we have found that the property was put to auction in December 2014 through Allsops and was unsold. The last reported bid was £1,470,000 with it being available at £1,550,000. At the time the rental income was £229,350 pa with Vodafone occupying 16,319 sq ft until June 2016 and Inspired Gaming occupying their current premises of circa 11,194 sq ft until December 2019. The remaining space was vacant. In this instance, and having regard to the available evidence, we are of the opinion your applicants purchase price of the property represents a "forced" sale value
- 15.11 We are aware, that it has, more recently, been advertised for sale at circa £3,600,000 reflecting approximately £62 psqft, it being subsequently withdrawn in December 2016.
- 15.12 In our opinion this level of value would not be sustainable given the size of the property and the associated liabilities and potential difficulty in letting the vacant space.
- 15.13 The limited available evidence shows a range of market values from circa £25.00 per sq ft for basic accommodation requiring some refurbishment to circa £56 per sq ft at the higher end for much smaller, refurbished, second hand properties. The best available comparable is that of the Derby property which, although out of the area, is of a larger size (albeit still half the size of the subject property) and is an older although refurbished building.

- 15.14 On a vacant possession basis and utilising a capital value of circa £40 psqf (interpolated from the available evidence and also taking account of the large size of the building which will result in a discount) produces a market value of £2,300,000. Any reduction in marketing period will result in a significantly reduced valuation reflecting the limited market appeal.

Lettability

- 15.15 We understand that the vacant areas of the property have already been on the market for some 12 months and no tenants, as yet, have taken occupation. It is likely that incentives such as flexible lease terms and/or a rent free period might be required to attract a tenant.
- 15.16 This is a particularly specialist building and may not appeal to the broader office market given its size. However, if it were split into smaller units and partly refurbished we would have expected it to attract tenants to the smaller units within 6-12 months. There will however, be a capital expenditure issue in order to attract new tenants and there are a number of competing properties in the area.
- 15.17 We believe the property would require at least 12 to 18 months to attract a tenant and there are few potential occupiers looking for properties of circa 40,000 to 50,000 sq ft in the area.
- 15.18 There is potential for conversion of the building, or part of the building, as in the case of The Maltsters, to residential apartments subject to planning, however the property is situated in an established and predominantly business and industrial location being surrounded by other employment properties.
- 15.19 Our opinion of the Market Value is based on a marketing period of 12 to 18 months. The current letting to Inspired Gaming Ltd has little bearing on the overall value of the property given the relatively small proportion (less than 20% of the space) of the building which is currently let and this is likely to be the view of any potential purchaser. Particularly as there is only in the region of 2 years and 9 months remaining on the lease. Our view is, therefore, that there is little difference between the investment and vacant possession values of the building as a whole.
- 15.20 There has been a slow down in the market of late with sales taking longer to complete although local agents do not report any noticeable decreases in value. However, the continued uncertainty with regards to the domestic economy with issues including 'Brexit', predicted rising inflation and slow wages growth in 2017 are all likely to be factors influencing the market together with the limited availability of funding.

16.0 MARKET RENT

- 16.1 Having had regard to the comparables outlined above taking account of the considerable size of the building, based on £7 psqf for a letting as a whole, we would anticipate a market rent of **£410,000** per annum net.

17.0 INSURANCE REINSTATEMENT COST

- 17.1 We are not aware of the current level of building reinstatement insurance cover and therefore cannot comment upon the adequacy of the same. However, we would recommend that the building be insured in its present condition for a minimum sum of:

£7,000,000

(Seven Million Pounds)

- 17.2 This sum allows for demolition, site clearance, full reinstatement, excludes VAT except on fees, professional fees, but excludes loss of rent provision and any allowance for inflation, and should accordingly be updated on an annual basis to keep pace with rising costs.
- 17.3 This insurance reinstatement appraisal is provided for guidance only. It does not take into account any additional Local Authority requirements, which may be involved in the rebuilding and assumes that there are no foundation problems or need for abnormal foundations or rebuilding. It should therefore be verified by a specialist commercial buildings insurance assessor.
- 17.4 We emphasise that the figure detailed above is our estimate of the cost of rebuilding the premises and bears no direct relationship to current Market Value.

18.0 BASIS OF VALUATION

- 18.1
- (a) Market Value with vacant possession
 - (b) Market Value with vacant possession under a Special Assumption of a defined marketing constraint of 180 days.
 - (c) Market Value with vacant possession under a Special Assumption of a defined marketing constraint of 90 days.
 - (d) Market Value – subject to existing tenancies
 - (e) Market Value subject to existing tenancies and Special Assumption of a defined marketing constraint of 180 days.
 - (f) Market Value subject to existing tenancies and Special Assumption of a defined marketing constraint of 90 days.
 - (g) Market Rent

of the freehold interest in the subject premises, as at the date of inspection in the light of current market conditions.

- 18.2 Market Value – the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after property marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

- 18.3 Market Rent – the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after property marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
- 18.4 Our valuation has been prepared in accordance with the RICS Valuation – Professional Standards, as amended, and any particular assumptions, which have been made, have been drawn to your attention in this report.
- 18.5 The premises have been valued on the unencumbered interest as stated, no account being taken of any fixtures and fittings other than those normally designated as landlord's fixtures and fittings, outstanding mortgages or loans that may have existed at the time of valuation. No deductions have been made for any costs involved in the sale of the property and no allowances have been made for VAT or any other taxes.
- 18.6 We have formulated our valuation based on direct comparison methodology.

19.0 SPECIAL REQUESTS AND OTHER INFORMATION

- 19.1 We have not had sight of the HM Land Registry Title Plan but will be pleased to comment once this is available and/or should a Report on Title be made available to us.

20.0 VALUATION

20.1 In our opinion the Market Value of the subject property is in the sum of:-

£2,300,000

(Two Million Three Hundred Thousand Pounds)

Market Value with Vacant Possession

£2,000,000

(Two Million Pounds)

Market Value with the special assumption of a 180 day marketing period

£1,700,000

(One Million Seven Hundred Thousand Pounds)

Market Value with the special assumption of a 90 day marketing period

£2,300,000

(Two Million Three Hundred Thousand Pounds)

Market Value – Investment

£2,000,000

(Two Million Pounds)

Market Value – Investment – with the special assumption of a 180 day marketing period

£1,700,000

(One Million Seven Hundred Thousand Pounds)

Market Value – Investment – with the special assumption of a 90 day marketing period

In respect of rental value, the property has a:

£410,000 per annum

(Four Hundred and Ten Thousand Pounds)

Market Rent

based on the assumptions, statements or facts as set out above within the body of this report.

20.2 The valuation date is the inspection date previously stated in this report.

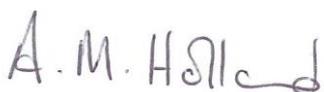
21.0 SECURITY & RECOMMENDATIONS

- 21.1 Allowing for regular maintenance and decoration it is anticipated that the building will retain a useful economic life of at least 25 years.
- 21.2 Subject to the above comments, the property is considered to provide suitable security for an advance by the mortgage lender on typical market parameters for an asset of this type and age.
- 21.3 Any matters arising which contradict this report and the assumptions stated herein, or are otherwise likely to affect the valuation should be referred to us for reconsideration.

22.0 LIMITATION & PUBLICATION

- 22.1 This valuation is prepared solely for the use of the addressee and no responsibility is accepted to any other party for the whole or any part of its contents. It may be disclosed to other professional advisors assisting in respect of the purpose for which the valuation is prepared.
- 22.2 Neither the whole nor any part of this valuation certificate nor any reference thereto may be included in any published document, circular or statement nor published in any way without our approval of the form and context in which it may appear.
- 22.3 In accordance with the Standards we are also required to draw your attention to the possibility that this valuation may be investigated by the RICS for the purposes of the administration of the Institution's conduct and disciplinary regulations.

23.0 SIGNATURE OF VALUER



Prepared by _____

Annette Holland, BA (Hons) Dip Val, MRICS

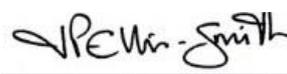
RICS Registered Valuer

Report Date: 30th March 2017

T: 01934 750 203
F: 01934 310 573
E: admin@plpsurveyors.co.uk

For and on behalf of
PLP Property Consultants

Unit 1, The Mill House, The Stables Business Park, Rooksbridge, Somerset BS26 2TT



Counter Signed _____

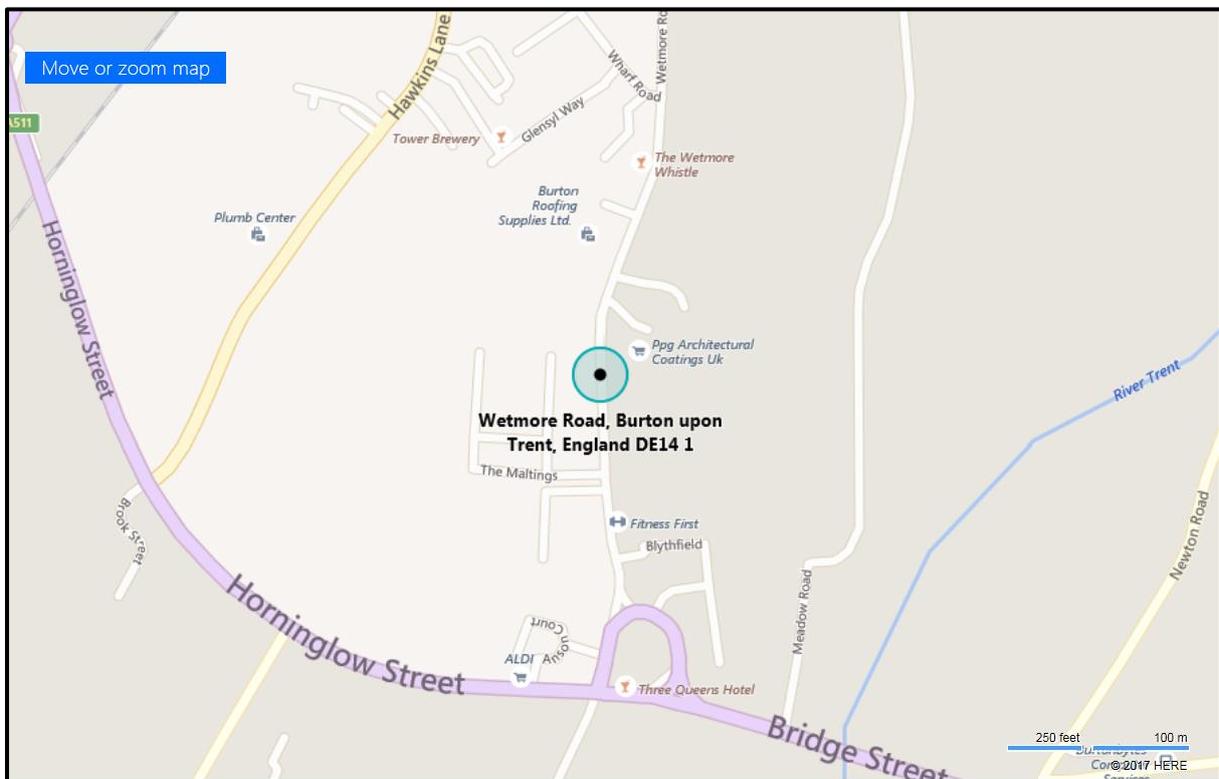
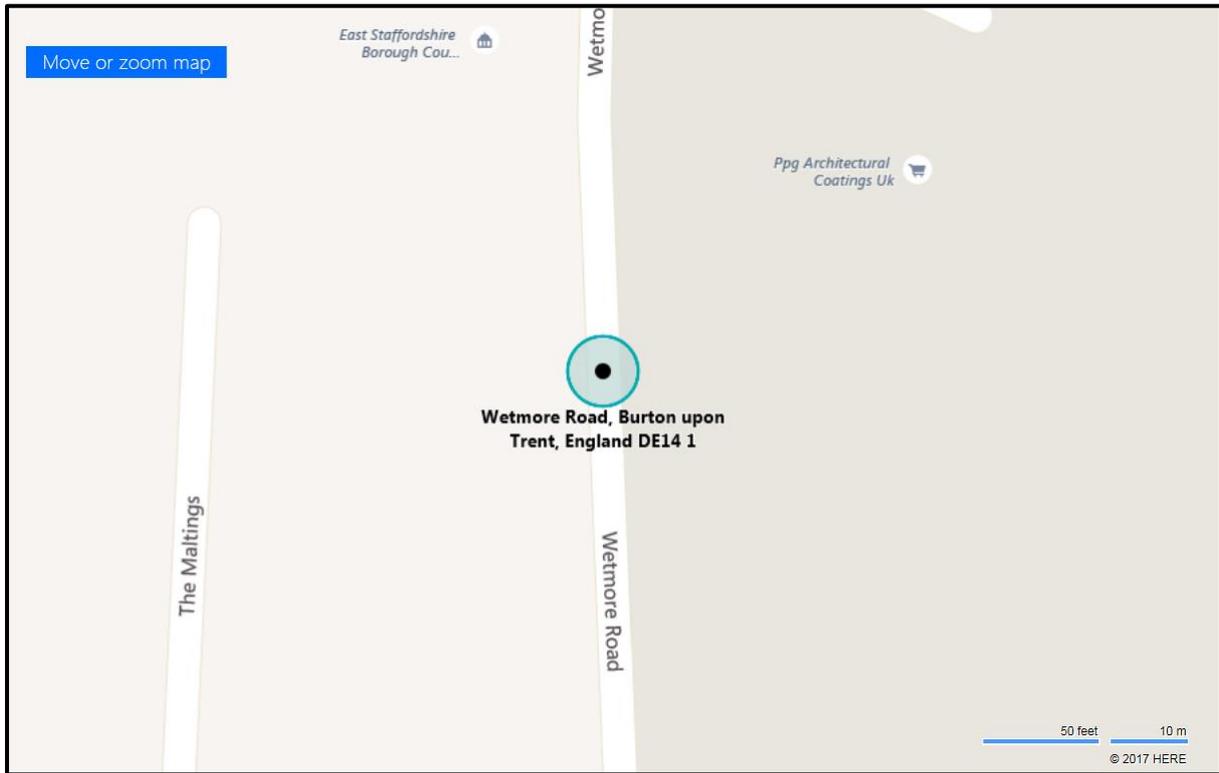
Jon Ellis-Smith, MRICS

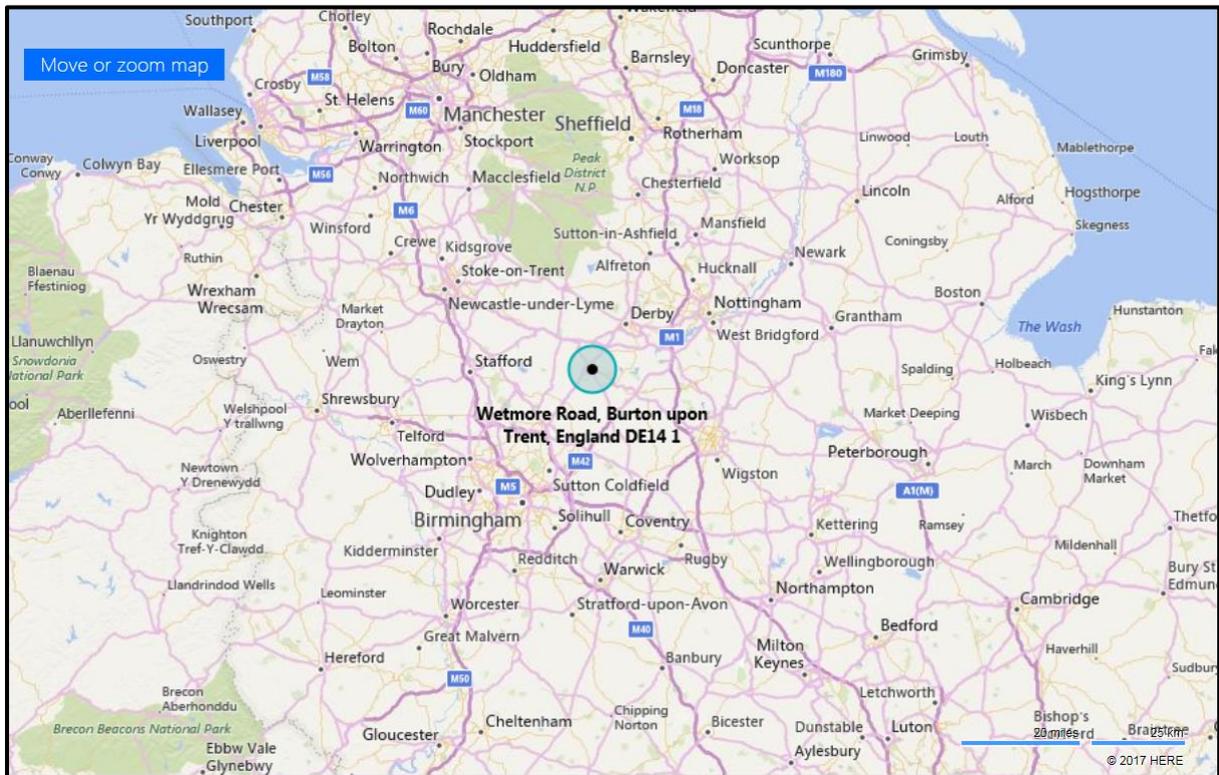
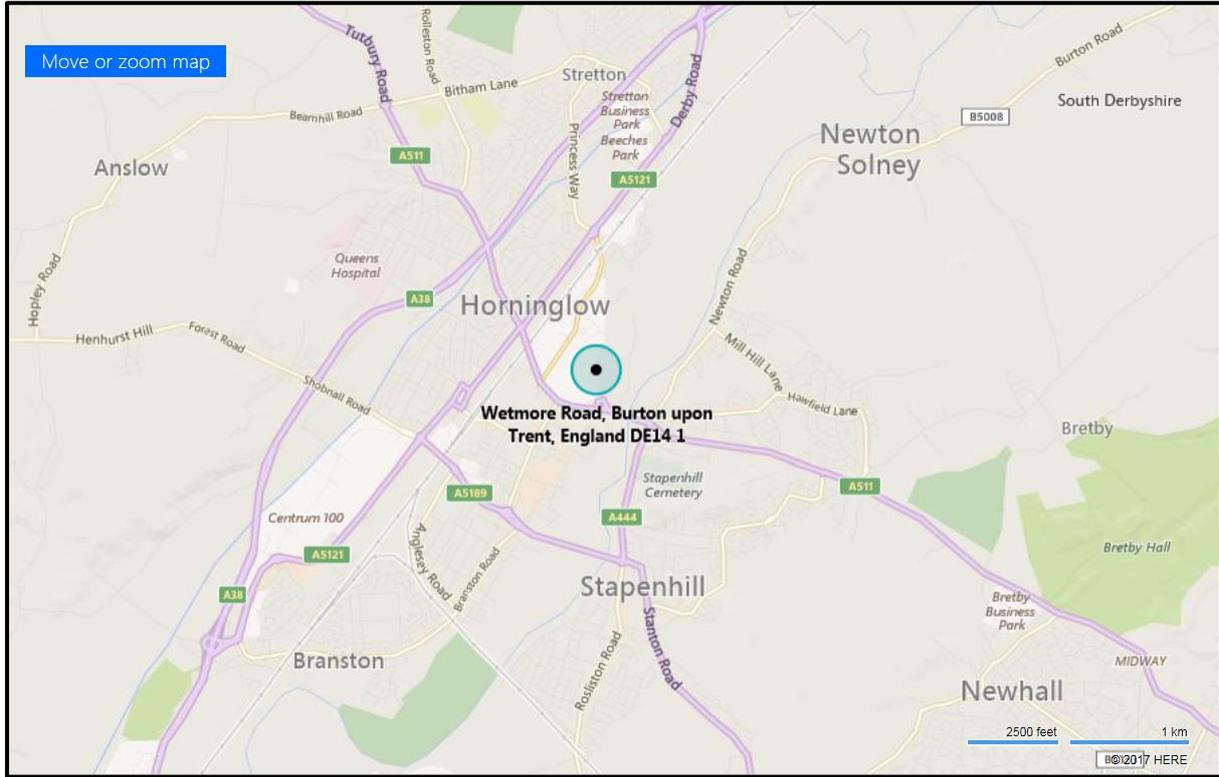
Director – RICS Registered Valuer

T: 01934 750 203
F: 01934 310 573
E: admin@plpsurveyors.co.uk

APPENDIX A

Location Plans





APPENDIX B

Photographs

FRONT ELEVATION



FRONT ELEVATION



SIDE ELEVATION



REAR ELEVATION



SIDE ELEVATION



MAIN RECEPTION



MAIN RECEPTION



GROUND FLOOR OFFICES



GROUND FLOOR OFFICES



FIRST FLOOR OFFICES



FIRST FLOOR OFFICES



FIRST FLOOR OFFICES



SECOND FLOOR OFFICES



SECOND FLOOR OFFICES



SECOND FLOOR OFFICES



THIRD FLOOR OFFICES



ADJACENT BUILDINGS



ACCESS OFF WETMORE ROAD



WETMORE ROAD



WETMORE ROAD



APPENDIX C

Conditions of Engagement for the Valuation and Appraisal of Land and Buildings

1.0 The Service

1.1 Our Valuer will provide directly to the Lender a Report based on an inspection as described below. In respect of the subject property, our Valuer will be an External Valuer, who is a Member of the Royal Institution of Chartered Surveyors, and:-

- (a) in respect of the particular type of property, has sufficient current local, national and international (as appropriate) knowledge of the particular market and the skills and understanding necessary to undertake the valuation competently;
- (b) each valuation will be prepared by, or under the supervision of, an appropriately qualified Member who accepts responsibility for it;
- (c) has, and whose partners, co-directors and employees, have, no other recent or foreseeable potential fee earning relationship concerning the subject property, apart from the fee for this service and who has disclosed any past or present relationship with any of the interested parties or any previous involvement with the subject property as required by the Royal Institution of Chartered Surveyors, and no significant financial interest or management involvement in the [borrower's] concern.

1.1.1 Our Valuer will act with independence, integrity and objectivity in undertaking the valuation.

1.1.2 In the event that the instruction is issued by you as a prospective [borrower], or a [broker], you should be aware that the Report may not be acceptable to a [lender].

The Report will provide the following points:-

1.1.3 A full description of the property, its location, apparent state of repair and other relevant information such as the site area and floor area.

1.1.4 Our Valuer's valuation(s):-

- (a) On whichever of the bases (see paragraph 4 below) have been agreed between our Valuer and the Lender and / or such other basis as they may have agreed.
- (b) If our Valuer believes there is a special prospective purchaser, on the above basis(es) but reflecting the bid of that special prospective purchaser:-
 - (i) where the valuation(s) reported pursuant to (a) above, has/have been affected by the existence of an unimplemented planning consent for change of use or other development or by the prospect of such consent(s) being available, our Valuer will so report and advise as to the amount(s) of the increase reported in consequence.

- 1.1.5 In the case of the property to be held as an investment:-
- (a) A projection, at rental levels current at the reporting date, of the rental income to which the owner will be entitled from the property if it remains fully occupied;
 - (b) An opinion upon the effects on value of the quality and terms of the lease(s) and relevant implications upon the valuation in respect of privity of contract (if any); and
 - (c) Our Valuer's view of the markets opinion of tenant covenants for the class of the subject property in the subject locality.
- 1.1.6 Advise, if our Valuer considers it relevant, that there is a significant prospect of or potential for change of use or other development of the subject property, or those in the vicinity, which would materially affect the value of the subject property.
- 1.1.7 Advise on any other factors, which our Valuer considers, are likely materially to affect the status of the property as security.
- 1.1.8 Comment upon the proposed purchase price if this has been notified to our Valuer.
- 1.1.9 A statement as to any special assumptions which our Valuer has made.
- 1.1.10 Our Valuer's opinion of the property as a lending security in terms of present saleability, suitability, expected obsolescence and potential, bearing in mind the length (which will be stated) of the terms of the loan contemplated by the Client Lender and assuming that the borrower will maintain the property in a reasonable state of repair.
- 1.1.11 An opinion (without liability on the part of the Valuer) of the current market conditions and current and expected trends in respect of the type of property in the area.
- 1.1.12 A statement as to the valuation method adopted, and an indication as to the extent to which our Valuer has been able to have regard to comparable market transactions:-
- (a) in the case of property valued for the existing use as an operational entity having regard to trading potential, the opinion which our Valuer has formed as to the future trading potential, including the gross income and profitability likely to be achieved; and
 - (b) in the case of property valued on a residual basis, the significant material figures and assumptions made and the consequences of changes thereto.

- 1.1.13 If requested by the Lender, an indication for insurances purposes (which is given solely as a guide as a formal estimate for insurances purposes can be given only by a quantity surveyor or other person with sufficient current experience of replacement costs) of the current reinstatement cost of:-
- (a) the buildings in their present form (unless otherwise stated); or
 - (b) buildings being constructed as proposed to be completed; each including the costs of clearance and professional fees but excluding;
 - (i) VAT (except on fees);
 - (ii) loss of rent; and/or
 - (iii) cost of alternative accommodation for the reinstatement period.
- 1.1.14 Any other aspects, other than the usual legal investigations, which our Valuer considers require further consideration or investigations by or on behalf of the Lender.
- 1.2 Following provision of the Report, our Valuer will be prepared to discuss its contents with the Lenders representative.
- 1.3 Our Valuer shall, unless otherwise expressly agreed, rely upon information provided by the Lender and/or the Clients legal or other professional advisers relating to tenure, leases and all other relevant matters. No responsibility or liability will be accepted for the true interpretation of the legal position of the client or other parties.
- 1.4 Subject to paragraph 2.1 below, our Valuer shall carry out such inspections and investigations as are, in his or her professional judgement, appropriate and possible in the particular circumstances. These will include online town planning enquiries.
- 1.5 If our Valuer's inspection suggests that there may be material hidden defects our Valuer will so advise and may, in exceptional circumstances, defer submitting a final Report until the results of further investigations are available.
- 1.6 The report will not identify the existence of contamination unless, by agreement with the Lender, reports thereon from others have been obtained and made available to our Valuer, who will have no liability in respect thereof. If, however, our Valuer in the course of his/her inspection concludes that there may be material contamination, our Valuer will report this to the Client Lender with a view to a decision being taken as to whether the instructions are amended.

- 1.7 In preparing the report, unless otherwise stated by our Valuer, the following assumptions will be made which our Valuer shall be under no duty to verify:-
- (a) that no deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated;
 - (b) that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing;
 - (c) that inspection of those parts that have not been inspected would neither reveal material defects nor cause our Valuer to alter the valuation(s) materially; and
 - (d) that no alterations are required under the Disability Discrimination Act 1995, as amended;
 - (e) that, regarding asbestos, there are no onerous liabilities resulting from a survey, risk assessment, or asbestos register.
- 1.8 In providing the Service our Valuer will have regard to relevant contents of the Appraisal and Valuation Standards, as amended, of the Royal Institution of Chartered Surveyors.
- 1.9 The report will be provided for the stated purpose and for the sole use of the named Lender. We accept responsibility to the Lender alone that the report will be prepared with the skill, care and diligence reasonably to be expected of a competent Valuer, and accept no responsibility whatsoever to any parties other than the Lender even if that third party pays all or part of our fees, or is permitted to see a copy of the valuation report. Any such parties rely upon the Report at their own risk.
- 1.10 If we do provide written consent to a third party relying on our valuation, any such third party is deemed to have accepted the terms of our engagement.
- 1.11 Neither the whole nor any part of the Report, nor any reference to it, may be included in any published document, circular or statement, or published in any way, without our Valuer's written approval of the form and context in which it may appear.
- 1.12 In the event of a proposal to place the loan on the subject property in a syndicate, the client must notify the Valuer with a view to agreeing responsibility to the further, named parties.

2.0 The Inspection

- 2.1 Our Valuer will undertake a visual inspection of so much of the exterior and interior of the property as is accessible with safety and without undue difficulty as can be seen whilst standing at ground level within the boundaries of the site and adjacent public/communal areas and whilst standing at the various floor levels, which our Valuer considers reasonably necessary to provide the Service, having regard to its purpose. Our Valuer is under no duty to carry out a building survey or to inspect those parts of the property which are covered, unexposed or inaccessible, or to raise boards, move anything, use a moisture detecting meter, or to arrange for the testing of electrical, heating or other services. An assumption will be made that the subject property is in good repair, except for any defects specifically noted. Also, an assumption will be made that the services, and any controls or software, are in working order and free from defect.

3.0 The Report

- 3.1 If it is not reasonably possible to carry out a substantial part of the Inspection (see paragraph 2 above), this will be stated.
- 3.2 Where our Valuer relies on information provided, this will be indicated in the Report, with the source of the information.
- 3.3 The Report will state the existence of any apparently recent significant alterations and extensions so as to alert the Lender legal advisors.

4.0 Valuation

- 4.1 The valuation(s) provided will be on the aforementioned assumptions in respect of the individual subject properties otherwise agreed as inspected, on whichever of the following or other bases as have been agreed between our Valuer and the Lender, such bases where applicable to be as defined or referred to in the Appraisal and Valuation Standards, as amended, of The Royal Institution of Chartered Surveyors.
- 4.1.1 Market Value with interpretative commentary.
- 4.1.2 A further valuation subject to a defined marketing constraint / Special Assumptions.
- 4.1.3 Market Value as a full operational entity valued having regard to trading potential.
- 4.2 The valuation(s) will exclude any additional value attributable to personal goodwill, or the value of any fixtures and fittings which are only of value in situ to the present or proposed occupier, except in the case of property which is fully equipped and valued as an operational entity, where only personal goodwill is excluded.
- 4.3 Market Rent with interpretative commentary.

5.0 Instructions and Charges

- 5.1 All instructions of the Lender will be made directly by the Lender and confirmed in writing.
- 5.2 The Lender will pay to our Valuer the fee initially agreed between them, or any amendment thereto to be agreed if the instructions are subsequently modified. In addition, the Lender will reimburse the cost of all reasonable out of pocket expenses (unless it is prior agreed that these will not be charged) which may be incurred and pay the amount of any Value Added Tax on the fee and expenses.
- 5.3 The Valuation Report will be released on payment of the Valuer's fees.

6.0 Contracting Entity

- 6.1 None of our employees, directors or consultants individually has a contract with you or owes you a duty of care or personal responsibility. You agree that you will not bring any claim against such individuals personally in connection with our services

7.0 Governing Law and Jurisdiction

- 7.1 Our contract with you for the provision of this valuation is subject to English law. Any dispute in relation to this contract or any aspect of the valuation, shall be subject to the exclusive jurisdiction of the Courts of England and Wales, and shall be determined by the application of English law, regardless of who initiates proceedings in relation to the valuation.

8.0 Complaints Procedure

- 8.1 Any complaints and / or disputes regarding work carried out by PLP Property Consultants are taken seriously and managed in an understanding manner with conciliation designed to generate resolution. A copy of our Complaints Procedure is available on request
- 8.2 Complaint addressed to Jon Ellis-Smith, Director.

APPENDIX D

Instructions and Letter of Confirmation of Instruction

Proplend Security Limited
20-22 Wenlock Road
London
N1 7GU

Our Ref: Charles Jordan Limited - Burton

13th March 2017

PLP Property Consultants
Unit 1, The Mill House
The Stables Business Park
Rooksbridge
BS26 2TT

Dear Sir,

Please accept this letter as our formal instruction to your firm to carry out a valuation, for mortgage purposes, on the addresses indicated below upon which we, Proplend Security Limited and Cairn European Commercial Mortgage Fund shall rely. The valuation may be shown to any third parties in connection with the financing of the properties albeit it cannot be relied on by those parties directly. **Please advise us immediately if you are unable to give prompt attention to this matter.**

BORROWER: Charles Jordan Limited

PROPERTY: 3 Maltings, Wetmore Road
Burton upon Trent
DE14 1SE

TENURE: Freehold

USE: Offices

TENANCIES: 1

ACCESS: Avtar Sandhu - Sandhu@greencyc.com

Instruction

The report should be addressed to **Proplend Security Limited and Cairn European Commercial Mortgage Fund** which must clearly state that it can be relied upon for lending purposes by the parties named herein. Please ensure that the report accords with the current RICS Appraisal and Valuation Manual.

Please indicate in your report if the valuer or your firm have had any previous involvement with the property forming the subject of the valuation. If so, please indicate the nature and extent of that involvement and confirm specifically that you consider there is no conflict of interest on the part of the valuer or your firm.

The report must be signed by a partner or director of the firm who is a member of the Royal Institute of Chartered Surveyors.

Whilst your report will be addressed to Proplend Security Limited and Cairn European Commercial Mortgage Fund, it will need to be viewed by its Lending members on the understanding that only Proplend Security Limited and Cairn European Commercial Mortgage Fund may rely on the report

for mortgage purposes. **Can you please confirm within your report that this is understood and accepted?**

Valuation and Report

The Market Valuation referred to below should be based on current values and should reflect market conditions prevailing at the date of the report, and changes in market conditions that you are able to predict, and should include:

1. The Market Valuation for loan security purposes of the Property in its current condition at the date of your inspection, subject to any current tenancies in place and sold as a going concern. Please indicate the period of marketing you have assumed in arriving at your valuation.
2. A valuation of the Property on the assumption that it has vacant possession.
3. Please provide comparable evidence to support your assumptions on values.
4. Please provide an estimated rental value for the Subject Property.
5. Please provide an estimated reinstatement cost of the buildings for insurance purposes.
6. Please provide a full description of the Property to include its accommodation, size, construction, location and general state of repair. These details should be supported with photos of the Property. Whilst you are not instructed to carry out a structural survey on each Property, please comment of any noticeable defects that might warrant further investigation and which might affect the marketability of the Property.
7. Please certify that the Property is acceptable for secured lending purposes.

Report on Title

A copy of the solicitors Report on Title will be sent to you so that you can cross check your assumptions with the facts contained within the said report and comment on specific items which may affect your valuation.

Fees

You have quoted and the Borrower has agreed to pay a fee of **£2,000+VAT** for this undertaking. Whilst a receipted invoice for this service should be supplied with your report, and addressed to this company, we ask that you seek settlement of your fee from the proposed Borrower whose contact details are supplied above. Proplend Security Limited and Cairn European Commercial Mortgage Fund cannot accept any responsibility for non-payment of your fees in this regard.

Please contact **Richard Berkley on 07768 512079** if you have any queries regarding this instruction. **Please send a draft copy of your report by email in the first instance to admin@proplendsecurity.com** with final hard copy to H1 Ascot Business Park, Lyndhurst Road, Ascot SL5 9FE.

Yours faithfully,



Brian Bartaby
Proplend Security Limited
Director



14th March 2017

Our Ref: PLP18199

Your Ref: Avtar Sandu

Julie Pavlick
Proplend
H1 Ascot Business Park
Lyndhurst Road
Ascot
SL5 9FE

Dear Julie

Re: 3 Maltings, Wetmore Road, Burton upon Trent, DE14 1SE

Thank you for your instructions to undertake a valuation of the above mentioned commercial site for mortgage purposes. This letter is to record our agreement of terms of engagement in line with latest RICS requirements.

We confirm that neither the valuer, nor PLP Property Consultants, has any current or previous involvement with the property or borrower. Therefore, in accepting this instruction, we are not aware of any material conflict of interest and are able to undertake the valuation in the capacity of External Valuer.

We confirm that the valuer has sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently. We also confirm that PLP Property Consultants holds adequate Professional Indemnity Insurance cover to undertake the valuation. Our PII limit is agreed at £5,000,000.

As requested, we will provide you with our opinion of the Market Value and as specifically requested in your instructions.

The valuation will be carried out by Annette Holland of PLP Property Consultants. We confirm that he has the necessary experience in valuing commercial valuations and is qualified to carry out the instruction.

The firm is registered for regulation by RICS and the valuation will be undertaken by an RICS Registered Valuer in accordance with the current RICS Valuation – Professional Standards 2014 – Global and UK (“The Red Book”). Compliance with these standards may be subject to monitoring under RICS conduct and disciplinary regulations. Our Terms and Conditions, which includes details of the firm’s complaints handling procedure, are attached for signature and return (if appropriate). Also enclosed are our Standard Valuations Assumptions.

Unit 1, The Mill House, The Stables Business Park, Rooksbridge, Somerset, BS26 2TT
T: +44 (0)1934 750 203
E: admin@plpsurveyors.co.uk

Our fee for undertaking this work will be £2000.00 plus VAT. If for any reason this job fails to complete, we reserve the right to make a fair charge to cover the time and expenses incurred i.e. the vendor does not attend the agreed appointment, does not provide access to all rooms, or cancels the appointment within 24 hours of the appointment date, an abortive fee will be charged of £100.00 plus VAT. Payment terms are as agreed in line with our initial account set up, and as per your instructions.

We will aim to return your report by 7 days of receipt of payment however if we have access difficulty or further information is required this date may change and you will be advised accordingly.

Our Report will be addressed to Proplend Security Ltd / Cairn European Commercial Mortgage Fund and is for their use only. No responsibility will be accepted to any other party, unless our prior agreement is given to extend our liability to further named parties. Also, our prior consent in writing will be required if you wish to reproduce the report or refer to it in any published document.

Yours sincerely,



Carla Martin
Admin Assistant
PLP Property Consultants

Ref: PLP18199