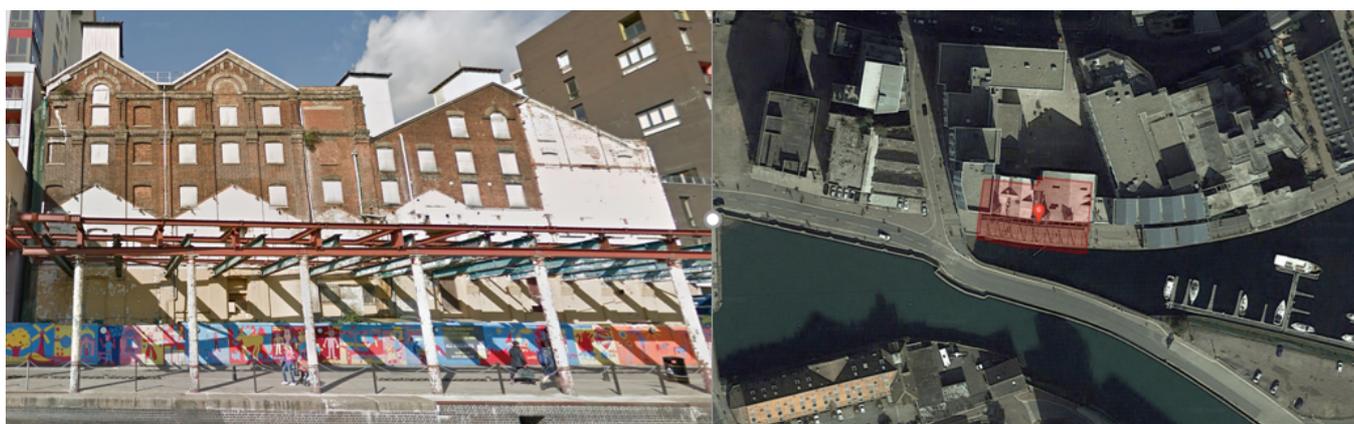


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Investor Update: Ipswich - Cardinal Lofts - Warehouse

Main Site:	Blocks B & C, Old Victorian Mill, Ipswich, Suffolk, IP4 1FT
Borrower:	Cardinal Lofts (Victorian Building) Limited
Loan Number:	PLL0849
Report Date:	31/7/2019



Loan Update

The loan continues to perform, with monthly interest payments being made out of the interest reserve.

Covenant Compliance

Fully compliant throughout the loan term.

Interest Payments

All interest payments have been made, as above, from the interest reserve. With three months until maturity, there is still a 6-month reserve held on account, equating to £99,356-27.

Exit Strategy

The site has outline planning agreed for a mixed scheme comprising A3/A5 bar and restaurant units on the ground floor, with 49 units of residential accommodation in the upper floors.

During the term of our loan, the Borrower intended to submit a larger scheme for approval. However he became incapacitated for several weeks following an operation, and planning is yet to go in.

Accordingly, the Borrower is seeking a 6-month bridge in order to redeem this loan, and will then source development finance once the planning consent is obtained. We are one of the lenders approached to provide the new bridging loan.

This loan is due to be fully redeemed on or before 26/10/2019.

Property Summary

Market Value	£2,375,000	Property Income	£0
Vacant Possession Value	£2,375,000	Market Rental Value	£0
Tenure	Freehold	Asset Class	Mill

Loan Summary

Total Loan Required	£1,650,000	Loan to Value (LTV)	69.47%
Blended Interest Rate	12.00%	Interest Cover	0x
Loan Term	12 months	Interest Expense (p.a.)	£198,000

Tranche	Risk	LTV	Loan Amount	Interest Rate	Interest Cover
C	High	66-75%	£220,000	19.90%	0x
B	Medium	51-65%	£330,000	13.40%	0x
A	Low	0-50%	£1,100,000	10.00%	0x

Covenants

LTV Covenant	75%	ICR Covenant	0
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Security

Main Site	First Legal Charge	Debenture	Debenture Required
Share Charge	Share Charge Not Required	Property Insurance	PSL Interest Noted
Personal Guarantee	Individual Guarantee from an Individual Director of Cardinal Lofts (Retail) Limited for the sum of £330,000		

Valuation

A valuation of the property was carried out by Montagu Evans LLP in October 2018, a copy of which can be seen in the supporting documents. The valuation concludes the following:

Market Value: £2,375,000
Vacant Possession Value: £2,375,000
Open Market Rental Value: £0