

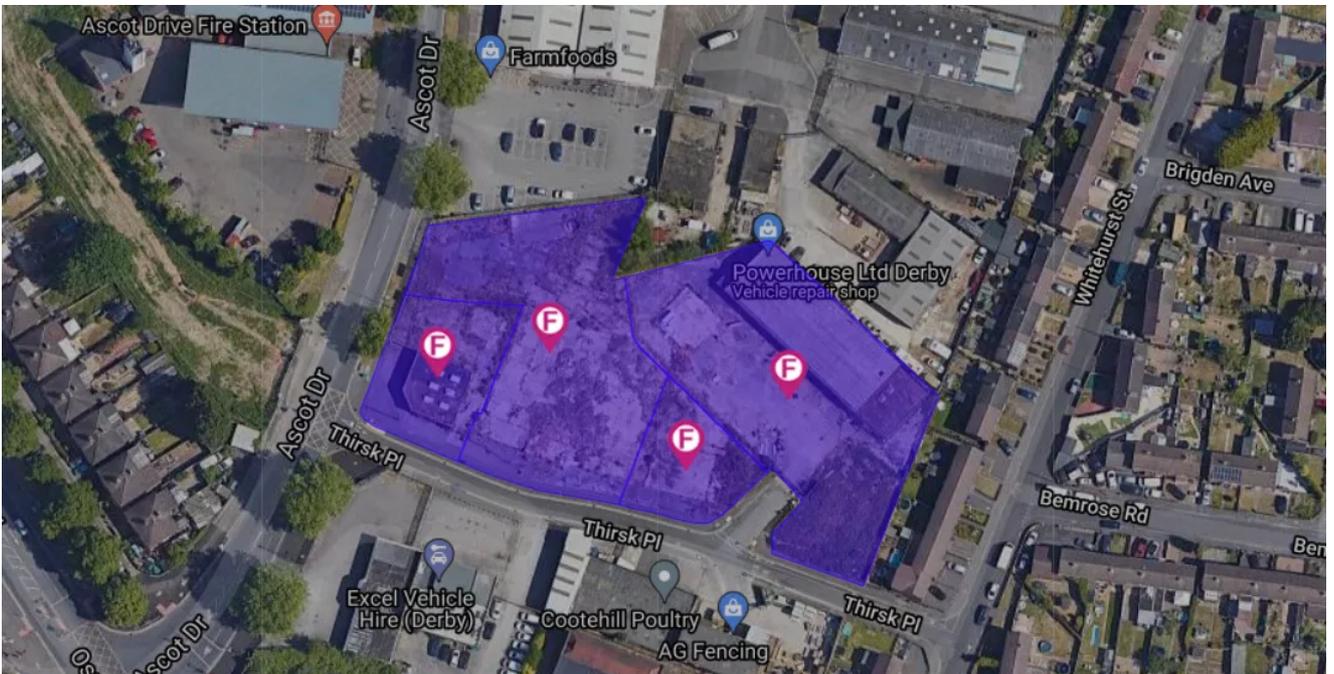
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VAT - Full Loan Request: **Derby Industrial VAT Bridge**

This is a VAT loan to be used by the Borrower to pay HMRC the VAT due on the purchase of the property. Repayment of the loan will be by way of a VAT return made to HMRC for the VAT rebate. This loan will NOT be secured by a 1st or 2nd legal charge but by the HMRC VAT process and a Personal Guarantee from the Borrower for the full amount of the VAT Loan

Deal Summary	Dec 21, 2021
Loan Purpose	VAT payment due on the purchase of 9 Thirsk Place, Allenton, Derby, DE24 8JJ (also known as Land And Buildings On The North Side Of Thirsk Place, Derby, DE24 8JD) - title numbers, DY288478, DY288479, DY288480 & DY507742.
Asset Description	The Subject Property comprises three buildings all of which are single storey, with a total GIA of 14,667 sq ft, on an overall site of 1.80 acres.
Loan Amount	£297,150
Loan Term	3 months
Interest Rate p.a.	10.00 % (Gross Interest paid by the Borrower)
Serviceability	Interest will be paid monthly in arrears from the Retained Interest
Lenders Please Note	VAT loans will not be tranching in the same way that Bridge or Term loans are, this is because they are not risk assessed Loan to Value based loans. Please also note that loan parts cannot be bought or sold on the Proplend Loan Exchange (PLE).



Security	
Personal Guarantee	Personal Guarantee from the Directors and Shareholders of NHA Properties Ltd for the sum of £297,150
Retained Interest	The total Retained Interest is £9,905 and is used to make the monthly interest payments for the term of the Loan. Any unused Retained Interest will be deducted from the Loan Redemption amount.

Property Details

Purchase Price	£1,425,000	Asset Class	Light Industrial
Stamp Duty	£60,750	Tenure	Freehold

Property Summary

The Subject Property is located in a well-established industrial estate, approximately 2 miles south east of Derby, with good access to all major routes.

Prior to drawdown, the VAT Agent will confirm that the property is elected for VAT and that the Borrowing Company is VAT registered.

Alongside their own equity, the Borrower is raising a senior debt loan from a third party Lender to complete the purchase of the property. The Lender will be taking a first legal charge and a debenture.

On behalf of the Senior Debt Lender, a valuation of the property was carried out by a RICS qualified valuer. Proplend has had sight of and has read this valuation but as it was not instructed by Proplend Security Limited, we are not placing reliance on it for the purposes of this loan as it does not form part of the security package.

On behalf of the Senior Debt Lender, a Report on Title for the property was carried out by a SRA Registered Solicitor. Proplend will have sight of and have read this prior to loan drawdown.

Borrower Details

Name	NHA Properties Ltd
Ownership Structure	The Company is 100% owned by Mr Aliks Galstjans.

Applicant Details	
Name	Aliks Galstjans
Experience	<p>The Applicant owns AG Building & Fencing Ltd, which has already been in situ at the subject property, as tenant, for the last 12 months (the Company has been trading though for 7 years). He now has the opportunity, via a clean SPV, to acquired the freehold titles.</p> <p>He also has a small portfolio of seven investment properties - 5 residential, one industrial, and one mixed use.</p>
Credit History	Good - CreditSafe risk band 8 and Lexis Nexis checks Passed.
Net Worth	£535k

Senior Debt Loan	
Lender	Allica Bank
Amount	£1,017,450
LTV	71%
Loan Type	25-year term loan

Strategy During Loan Term and Exit

Following the advance of the VAT loan and the completion of the property purchase, the focus switches to VAT Recovery.

The Borrower has appointed Ascott Blake as their VAT Agent, who will work with the Borrower to complete and submit the VAT return. This process from submission to rebate usually takes between 30-90 days.

Ascott Blake also acts for Proplend, and is authorised by the Borrower to provide us with all/any information required, along with regular updates.

Once the VAT return has been submitted, HMRC will not respond for a period of 21 days. After that Ascott Blake can engage directly with HMRC on the Borrowers behalf, respond to any HMRC questions and regularly chase progress for the release of the VAT monies.

The VAT monies will be paid directly from HMRC into Ascott Blakes Client Money account, they in turn will forward to Proplend for Lender disbursement less any other VAT collected on behalf of the borrower.

The borrower remains obliged for the term of the loan to provide us with any further information requested (specifically in regard to any questions raised by HMRC).

The Borrower is not obliged to retain the services of Ascott Blake once the loan has been fully redeemed.

Fees			
Arrangement Fee	2%	Broker Fee	1%

Lender Risks	Mitigant	Risk Level
There is no legal charge over the property being taken as security.	The loan is being advanced on the back of the well established HMRC, VAT payment and refund process.	LOW
HMRC do not complete the VAT rebate within the Loan Term of 90 days	<p>The VAT Agent will prequalify and supply to HMRC all required information, and engage with HMRC from day 21, in order for the rebate to be completed with the 3-month Loan Term.</p> <p>In extreme cases, HMRC state that it can take up to 180 days.</p>	MEDIUM
The Borrower goes into Administration between the time the loan is granted and the VAT rebate is received	The loan is being made to a newly established SPV and Proplend has a Letter of Recognition of the VAT Loan with the Senior Debt Lender, confirming that they waive claim to the VAT rebate monies	MEDIUM

Conditions Precedent

The following actions will have been completed prior to drawdown:

- Satisfactory AML/KYC checks in respect of the Borrowers / Directors / Shareholders
- Clear credit searches against the Directors / Shareholders
- Conditions Precedent satisfaction letter from Ascott Blake (VAT Agent)
- Conditions Precedent satisfaction letter from Solicitors
- Sign Loan Contracts
- Signed Security Documents

PROPLEND DISCLAIMER - PLEASE NOTE:

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