

REPORT ON VALUE



In respect of

**6 STANDARD ROAD,
LONDON,
NW10 6EU**

Reference

MTH-230318

On behalf of

PROPLEND SECURITY LIMITED

Date of Report

23 AUGUST 2023



1. Instructions, Scope of Enquiries & Investigations

Instructions	1.1	Thank you for your instructions of 14 August 2023 to provide a report in respect of the above-mentioned property. Please see a copy of formal instruction in Appendix I .
Client/Lender	1.2	Our client for this instruction is Proplend Security Limited in respect of a loan facilitation to Damian Teevan.
Purpose of Valuation	1.3	The valuation is being prepared on behalf of Proplend Security Limited in order to assess the value of the property for Secure Lending purposes.
Valuation Date	1.4	The date of this valuation is 16 August 2023.
Inspection Date	1.5	The property was inspected on 16 August 2023.
Valuation Standards	1.6	This report and valuation have been carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards effective 31 st January 2022 (The "Red Book"). We have no conflict of interest in providing this advice and have no undisclosed material involvement or previous material involvement with the property or any party dealing with this matter.
Basis of Valuation	1.7	<p>The basis for the valuation is;</p> <p>Market Value</p> <p>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 proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.</p> <p>Market Rent</p> <p>The estimated amount for which a property would 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 proper marketing and where the parties had each acted knowledgeably but prudently and without compulsion.</p>
Conflict of Interest	1.8	We are unaware of any conflict of interest that would affect our valuation.
Responsibility to Third Parties	1.9	Our valuation report is only for the use of our Client and no responsibility is accepted to any third party for the whole or any part of its contents.



Disclosure & Publication	1.10	Neither the whole nor any part of this valuation nor any reference thereto may be included in any published document, circular or statement, nor published in any way without our prior written approval of the form or context in which it may appear. If our opinion of values is disclosed to persons other than the addressee of this report, the basis of valuation should be stated.
Limitations on Liability	1.11	<p>This report is prepared in accordance with the Terms and Conditions and Letter of Acknowledgement letter that appear at the end of the report and these must be read in conjunction with the report and are deemed binding unless otherwise agreed.</p> <p>No claim arising out of or in connection with this valuation report may be brought against any member, employee, partner or consultant of Grant Stanley. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Grant Stanley.</p> <p>Grant Stanley's total liability for any direct loss or damage caused by negligence or breach of contract in relation to this instruction and valuation report is limited to the amount specified in our Terms & Conditions, a copy of which is attached. We do not accept liability for any indirect or consequential loss (such as loss of profits).</p> <p>The above provisions shall not exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.</p>
Expertise	1.12	The valuer, on behalf of Grant Stanley, with the responsibility for this report is Mr. Jonathan Davis MSc MRICS and that he has relevant experience and knowledge of valuing this type of property in this locality and is an external valuer as defined in the 'Red Book'. We would also confirm that no conflict of interest exists in the preparation of this valuation.
Inspection	1.13	We were instructed to carry out an internal and external inspection of the Property. Our inspection of the property was undertaken on 16 August 2023 by Mr. Jonathan Davis MSc MRICS.
Special Assumptions	1.14	The valuation has been provided subject to the tenancy.



2. The Property

Site 2.1 A Title Plan showing the boundaries of the property edged in red is attached in **Appendix II**.

For the purpose of this report, we have assumed that the front elevation of the Property faces Standard Road. Any directions given assume a viewpoint facing the premises with left and right referred to accordingly.

Location 2.2 The Property is located in the London Borough of Ealing, approximately 6 miles to the west of central London.

The property is located on Standard Road in the Park Royal industrial area.

The subject Property has a Public Transport Access Level (PTAL) rating of 4. PTAL is a measure, undertaken by TfL, which rates a selected place based on how close it is to public transport and how frequent services are in the area. The PTAL ratings range from 0 (worst) to 6 (best) where the highest value represents the best connectivity.

The M1 motorway, which connects London with Leeds, is located approximately 3.4 miles to the north of the Property. By road, the Property is located approximately 31 miles south of Luton, 38 miles east of Reading, 93 miles southeast of Coventry, 103 miles southeast of Leicester and 114 miles southeast of Birmingham.

North Acton underground station, serviced by the Central Line, is situated approximately 0.4 miles to the south of the Property and provides direct access to Bond Street (18 mins), Oxford Circus (19 mins), Tottenham Court Road (21 mins), Bank (28 mins), Liverpool Street (30 mins) and Stratford (39 mins).

Harlesden station is situated approximately 0.5 miles to the north of the Property and provides London Underground and London Overground services.

The underground station is serviced by the Bakerloo Line and provides direct access to Paddington (16 mins), Baker Street (20 mins), Oxford Circus (24 mins) and Waterloo (31 mins).

The London Overground station provides direct access to London Euston (25 mins) and Watford High Street (27 mins).

Plans illustrating the location of the site can be found in **Appendix III**.



Description 2.3 The property comprises a ground floor industrial unit constructed of masonry elevation. The roof is pitched with asbestos covering. To the front of there is no dropped kerb providing access to the unit and with reference to the historic Google Street view it appears that this was never the case. There is also a delineated public car parking space to the front.

Internally the unit is occupied and fitted out as a large café with the front dedicated as a seating area and the rear being the sales section and a kitchen. Contained in the kitchen is an installed fridge, metal worktops, underhung sink, a rear door, oven, hob with extractor above, a TV monitor, and an electric water tank. The seating area contains 4 TV monitors and a speaker system.

There are 2 fully tiled WC units containing a basin and an electric hand dryer.

The property has glass door frontage onto Standard Road surrounded by tiling on the wall front. Above the glass doors there is a wood decoration. The property has a security shutter on the front and side as well as an awning.

The seating area and kitchen are tiled flooring, and the seating area has high wall mounted heaters. There are electric shutter windows the whole length of the seating area.

Accommodation is laid out accordingly:

Ground Floor	
Seating area	Being tiled flooring and containing TV monitors and speaker system.
Kitchen	Being tiled flooring and containing sink, Freezer, electric water tank, rear door, stove, and oven.
WC	Being fully tiled and containing 2 WC units with hidden cisterns, a basin, and an electric hand dryer.
Storage	

Measurement 2.4 We have measured the property in accordance with the RICS Code of Measuring Practice, Sixth Edition and confirm the following floor areas as measured on a Gross Internal Area (GIA) basis.

Gross Internal area.

Floor	Description	Area (m ²)	Area (ft ²)
Ground		281.34	3028
Mezzanine		57.04	614
	TOTAL	338.38	3642



- Photographs** 2.5 Photographs of the premises can be found in **Appendix IV**.
- Services** 2.6 All main services including gas, water, electricity and drainage are connected to the property.
- Condition** 2.7 We have not carried out a building survey nor have we inspected those parts of the property which are covered, unexposed or inaccessible and have assumed such parts to be in good repair and condition. We cannot express an opinion about or advise upon the condition of uninspected parts and this report should not be taken as making any implied representation or statement about such parts.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of this property or has since been incorporated and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation, we have assumed that such investigation would not disclose the presence of any such material to any significant extent.

We have not tested any of the electrical, mechanical or plumbing equipment and cannot confirm that these items are free from defect.

In general, the unit is in a good condition and decoration.

- Environmental Matters** 2.8 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 or the possibility of any such contamination. In undertaking our work, we have assumed that no contaminative or potentially contaminative uses have been carried out in the property.

We have not carried out any investigation to past or present uses either of the property or of any neighbouring land to establish whether there is any contamination or potential for contamination to the subject property from these uses or sites and have therefore assumed that none exists.

We have not carried out a full check for the possible existence of Japanese Knotweed on this property or adjoining properties and for the purposes of this valuation have assumed that none is present.

However, should it be established subsequently that contamination, seepage or pollution exists at the property or on any neighbouring land or that the premises has been or are being put to a contaminative use, this may reduce the values now reported.



Ground Conditions	2.9	We have made the assumption that ground conditions are suitable for the current buildings and structures or any redevelopment.
Flood Risk	2.10	<p>We have reviewed the Environment Agency flood risk map, which suggests that the property is situated in Flood Zone 1 area.</p> <p>It has a low probability of flooding which means that it has an annual probability of less than 1 in 1,000 of river or sea flooding. This takes into account the effect of any flood defences in the area. These defences reduce but do not completely stop the chance of flooding as they can be overtopped or fail.</p> <p>Please note that the Flood Zones shown on the Environment Agency's flood map do not take account of the possible impacts of climate change and consequent changes in the future probability of flooding.</p> <p>This is a preliminary study undertaken on the local area and we have not commissioned any in-depth study on the property. For the purposes of our valuation, we have assumed that there are no insurance restrictions owing to any flooding risk and that building insurance is in place and is available to be renewed by the current or any subsequent owner of the property, without payment of an excessive premium or excess.</p>
Fire Risk and Cladding	2.11	<p>We are unaware whether a fire risk assessment has been prepared for the property. We have assumed full legislative compliance for the purposes of this report.</p> <p>Our Valuation also assumes post-'Grenfell Tower' that the external cladding of the building fully complies with up to date Fire Risk Assessments which should have been carried out since 2017 and fully comply with British Standards BS8414.</p> <p>Neither this firm nor the author of this valuation has any liability to the lender or the borrower for any losses or potential losses arising directly and solely from the valuation being provided in reliance upon the EWS1 Form.</p> <p>If you require further information then please seek independent advice prior to legal commitment to release funds.</p>
Electrical Standards	2.12	All residential properties are required to have the electrical installations in their properties inspected and tested by a person who is qualified and competent, at an interval of at least every 5 years. Landlords have to provide a copy of the electrical safety report (EICR) to their tenants, and to their local authority if requested. The Regulations came into force on 1 June 2020 to improve safety in all residential premises and particularly in the private rented sector.



**Statutory and
Planning
Enquiries**

2.13 We have where otherwise noted, in arriving at our valuation it has been assumed that each and every building enjoys permanent planning consent for their existing use or enjoys, or would be entitled to enjoy, the benefit of a “Lawful Development” Certificate under the Town & Country Planning Acts, or where it is reasonable to make such an assumption with continuing user rights for their existing use purposes, subject to specific comments.

Recent Planning History

Property	Reference	Decision Date	Proposal	Decision
6 Standard Road Park Royal London NW10 6EU	170866OPDF UL	Tue 13 Jun 2017	Retention of change of use of premises from use as a warehouse (Use Class B8) to a hot-food takeaway (Use Class A5); with extract ducting at the rear (Retrospective Application)	Refuse and Enforce
6 Standard Road Park Royal London NW10 6EU	166339OPDF UL	Fri 10 Feb 2017	Retention of mixed use comprising restaurant (A3) and covered side extension used as shisha lounge (Suis Generis).	Refuse and Enforce
6 Standard Road Park Royal NW10 6EU	161912OPDF UL	Wed 25 May 2016	Change of use from Warehouse (Use Class B8) to Bakery manufacturing/preparation (Use Class B1c) and ancillary cafe (Resubmission of PP/2015/6432)	Application Withdrawn
6 Standard Road Park Royal NW10 6EU	PP/2015/6432	Mon 11 Jan 2016	Change of use from B8 warehouse to B1 (c) Bakery with ancillary cafe.	Application Withdrawn



The property's current use appears to be in contravention of planning. It is unclear whether an enforcement notice has been served. However, given the language in the planning documents, we assume the property retains its B8 use. We have assumed that the property could gain dropped kerb access. The property has also been extensively changed and altered, with new openings and windows, we assume this complies with planning and building regulations.

Listed Status

We have made online enquiries on Historic England of The National Heritage List for England (The List) to determine whether there are any scheduled monuments, listed buildings, registered landscapes, battlefields, or protected wrecks on the site.

As far as we can establish, nothing on the site with the postcode NW10 6EU appears in The List.

Conservation Area

The Property is not situated in a conservation area.

We have assumed the property is unaffected by any local authority redevelopment or highway proposals.

In preparing our valuation, we have assumed that the property is unaffected by any Statutory Notice, and that neither the property, nor its use, nor its intended use, gives rise to a contravention of any statutory requirements.

Your solicitors should be asked to verify that the assumptions we have made in this section of the report are correct and justified before you commit yourselves.

Energy Performance

2.14 Energy Performance Certificates (EPCs) are required for the construction, sale or rent of residential and business premises. Energy Ratings give a measure of a property's overall efficiency, with the higher ratings having a more energy efficient building. A limited number of buildings are exempt from having such certificates.

We have not been provided with a copy of a current EPC and have made independent enquiries on the Energy Performance Certification Register. We have not been able to find and determine the Energy Efficiency Rating for the subject Property.

The Energy Act 2011, more specifically The Minimum Energy Efficiency Standards 2015, includes new provisions under which, inter-alia, with effect from April 2018 it will be unlawful to let business and residential premises that do not meet minimum energy efficiency rating of 'E' or above, when dealing with new leases, lease renewals and lease extensions. As such, it will be unlawful to let units with an F & G rating). These provisions will also apply to all existing leases on 1 April 2020 for residential properties and 1 April 2023 for commercial properties.



Business Rates 2.15 We have made informal online enquiries of the Valuation Office Agency. The subject Property is assessed for the purposes of the 2023 Rating List as follows:

Address	Description	Rateable Value	Rates Liability
6, Standard Road, London	Restaurant And Premises	£39,500	£19,710

3. Tenure and Market Commentary

Tenure 3.1 The property is owned “Freehold”.

For the purposes of this valuation, we have assumed that good freehold title can be shown, and that the property is not subject to any unusual or onerous restrictions, encumbrances, or outgoing.

Tenancies 3.2 We are also informed that the subject property is currently let.

We have had sight of a draft of a lease which we note was not engrossed. We further note that the lease, despite being over 7 years in term has not been registered at the Land Registry in apparent contravention of the Land Registration Act 2002. We would ask your solicitors to obtain the final engrossed version of the lease and confirm he below to be correct.

Unit:	6 Standard Road
Tenant:	SHANASHIEL BASRA LIMITED
Lease date:	2016 – however the draft lease does not specify the exact date
Lease end date:	2036 Assumed 01.06.2036 however not specified
Current Rent:	£35,000 p.a. to be paid in monthly instalments
Break Date:	Not specified
Rent Review date and basis:	2021 – The date is however not specified
Permitted use:	A restaurant and shisha lounge, within Use Class A3 of the Town and Country Planning (Use Classes) Order 1987 as at the date this lease is granted, and all relevant storage use.
Repairs and insurance	Full repairing and insuring
Other	The draft lease contains a provision to exclude the agreement from Sections 24- 28 of the Landlord and Tenant Act 1954.



Covenant Strength	3.3	We have not undertaken a credit check, the tenant is considered to be a local covenant.
General Market Comments	3.4	The results of the Q2 2023 RICS UK Commercial Property Monitor point to a renewed setback for the market, with the recent rise in interest rate expectations weighing on investor demand and placing downward pressure on capital values. As a result, a clear majority of respondents (68%) are now of the opinion that the market is in a downturn phase of the property cycle. That said, there are pockets of resilience across occupier markets, with industrials in particular (alongside some more alternative asset classes) continuing to exhibit positive rental growth projections for the year ahead.

Occupier market

The headline tenant demand gauge posted a net balance of -10% in Q2, down from a reading of -3% beforehand. When viewed at the sector level, tenant demand fell across both the office and retail sectors, evidenced by negative net balance readings of -21% and -26% respectively. By way of contrast, a net balance of +10% of respondents noted an increase in tenant demand for industrial space, albeit this is noticeably more modest than the average reading of +30% seen since the beginning of 2022.

Alongside this, availability was more or less unchanged across the industrial market during Q2, while survey participants reported an increase in vacant space within the office and retail sectors. As such, the availability of leasable office and retail space has continued to increase in each quarter since the start of the pandemic, and this has been accompanied by a prolonged period of rising incentive packages on offer to tenants in both sectors.

Twelve-month rental growth projections remain mixed at the sector level. At the stronger end of the spectrum, a net balance of +42% of respondents foresee prime industrial rents rising over the year ahead (albeit this is slightly softer than the reading of +58% returned last quarter). Likewise, prime office rents are anticipated to rise by a net balance of +22% of contributors, similar to last quarter's reading of +29%. However, further emphasising the divide between best-in-class office space and secondary stock, twelvemonth rental expectations for the latter remain firmly negative, with the net balance slipping to -47% (down from -37% previously). On the same basis, prime retail rents are seen slipping by a net balance of -23% of respondents, while expectations for secondary retail rents remain mired in negative territory (net balance -51%).

This general pattern is evident right across the UK, with the outlook for prime industrial rents solid for virtually all regions while retail continues to struggle. Interestingly, Central London displays the widest gap between prime and secondary office markets. Indeed, while prime office rents are projected to rise by +3.6% (equalling the firmest outlook across all regions), secondary office rents in Central London are envisaged declining by -6.2% over the year to come. Back at the national level and away from the mainstream sectors, rental growth



expectations remain comfortably in positive territory across multifamily residential, aged care facilities, student housing, life sciences and data centres.

Investment market

The all-sector average metric capturing investment demand posted a net balance reading of -22% in Q2, marking a renewed decline following a figure of -14% returned previously. Disaggregating the data shows the net balances falling to -34% for both the office and retail sectors, while a fl at to marginally negative trend was cited for industrial investment demand (net balance -2%). In each instance, the net balance readings for Q2 weakened relative to those seen in the previous iteration of the survey. At the same time, the downward trend in overseas investment demand has become further entrenched across all mainstream sectors during Q2.

Weighing heavily on investment market activity, the latest feedback signals a significant deterioration in the lending environment during Q2. In fact, the latest net balance of -75% for the credit conditions indicator represents the most negative reading on record (series goes back to 2014), falling from a figure of -37% previously. With bond yields climbing higher over the recent weeks, this appears to have reintroduced downward pressure on capital values.

With respect to the twelve-month outlook for capital values, respondents now anticipate virtually all sectors chalking-up declines in the year to come. Secondary retail and office values are seen posting the sharpest falls (returning respective net balances -63% and -54%), while prime retail (net balance -35%) secondary industrial (net balance -15%) and prime offices (net balance -17%) all now exhibit a clearly negative twelve-month assessment for values. Bucking the wider trend somewhat however, prime industrial capital value expectations are broadly flat. Similarly, data centres, aged care facilities and student housing values are expected to prove more resilient and post modest gains over the year ahead.

Rental Market Commentary 3.5

London's large, affluent population and international connectivity make it a key industrial and logistics hub, particularly in the areas around Heathrow Airport, the M1/A1(M) motorways and the Thames Gateway. It contains more than 210 million SF of industrial space, the bulk of which is logistics.

London's industrial occupier market has not really shared in the industrial sector's runaway success in recent years, at least on the occupier side. Demand has been consistently negative as firms have vacated space, sending the vacancy rate up from its record low in late 2019 to 4.7% today, which represents a five-year high. The recovery in leasing activity recorded in 2021, when film production firms and last-mile operators were especially active, has fallen away in recent quarters, with industrial take-up in the 12 months to Q1 2023 down 40% on the year before. While vacancies remain relatively low in historical terms, they could rise further in the near term amid subdued demand and a modest pickup in deliveries.



Industrial rent growth could begin to fall away as a result, albeit following a strong couple of years. A shortage of availability of large, modern units helped propel industrial rent growth to record heights during 2022 even amid weak demand more broadly. Falling demand, rising business costs and a cooling economy should cause rent growth to decelerate over the next couple of years. However, London is expected to outperform the national average, as well as other property types like retail and office within the capital. Last-mile units in well-connected submarkets are well placed for outsized rent growth. Enfield, Ealing and Heathrow, which have been the busiest areas from a leasing perspective in recent years, should continue to outperform.

London industrial investment soared to record heights during the pandemic as increasing numbers of investors targeted the sector. Sub-3% yields were paid for under rented property in good locations with an imminent lease expiry, with last-mile redevelopment plays and residential conversion opportunities also popular. Investment has cooled in recent months as interest rates have risen, resulting in some yield decompression, but London has remained busier than most UK markets.

Rental Comparables

3.6 We have had regard to the following transactional evidence:

Suite 17, 21 Park Royal Road, NW10 a 1,099 sq ft industrial unit, let on a 3-year term from July 2023 paying £16,485 per annum reflecting £14.96 per sq ft. The lease is understood to be on fully repairing and insuring terms.

Unit 15, Coronation Road-Ealing Submarket, NW10 a 3,691 sq ft industrial unit let in August 2022 for £53,003 per annum on a fully repairing and insuring terms reflecting £14.36 per sq ft. The length of the lease is unspecified.

Unit 2, St Leonards Road- Centre House, NW10 a 4,896sq. ft industrial unit let in May 2022 for £66,586 per annum (£13.60 per sq ft) on Fully repairing and insuring terms. The length of the lease is unspecified. The property was arranged over ground, mezzanine and first floors .

Suite 4, Britannia Way, NW10 a 2,850 sq ft industrial unit let in April 2022 for £52,799 per annum, reflecting £18.50 per sq ft. The length of the lease is unspecified.

165 Dukes Road, W3 a similar warehouse converted into a restaurant shisha lounge is reported to have let in auction particulars at £125,000 per annum from 2nd April 2021 on a 25-year term. The lease is not registered at the Land Registry, and we have not been able to confirm this transaction any further, and therefore, it has not been possible to take it into account, as it may not be an arm's length. However, given the rent review clause, permitted use at the subject property and the date of the potential letting it may be of great interest to the borrower in respect of their 2021 rent review if they can verify the transaction. The VOA indicates the property is arranged over 5,972 sq ft. The reported rent equates to £20.93 per sq ft.



Market Rent Considerations

3.7 Our opinion of the Market Rent of the property is based upon the following considerations:

- The property is of an attractive size to an owner occupier.
- The property is predominantly over the ground floor.
- Vehicular access to the property is presently poor though we have assumed this could be rectified.
- assumed terms are on a 10 year lease with a review in the fifth year on FRI terms.

Our opinion of Market Rent for the Property at the Valuation Date is set as Follows:

3,642sq ft @ £14.5 psf £52,809
Say £ 53,000 p.a.

Investment Market Commentary

3.8 London industrial investment has finally cooled down after soaring to record levels during the pandemic. Only around £200 million changed hands per quarter in Q4 2022 and Q1 2023, less than a third of the quarterly average over the previous two years and less than a sixth of the record £1.3 billion that was spent in Q4 2021. Rising interest rates have made the cost of debt more expensive and reduced the relative value of industrial property versus other asset classes, causing demand to fall and yields to rise. Industrial yields have risen by more than they have for other property types, partly because they got so low during the pandemic. While some evidence is emerging that prices are starting to settle across the country amid a rebound in investor demand, the sub-3% yields that were commonplace during the pandemic are unlikely to be repeated in the near term.

Few noteworthy deals have occurred in recent months, but a big one in May 2023 hinted at where prices for prime, well-located warehouses may have settled.

Transaction History

3.9 We have outlined below the transaction history relating to the subject Property.

Address	Sold Price	Sold Date
6 Standard Road, London, NW10 6EU	£290,000	8 Mar 2004



Investment comparables

3.10 We have had regard to the following sales within the past 12-24 months

Units 10 Park Royal Metro Centre, Britannia Way London, NW10 7PA, an industrial unit sold for £650,000 in August 2022 and was arranged over 1,856 sq ft over ground and first floors. This equates to £350.22 per sq ft.

Units 12 - Sovereign Park Coronation Rd London, NW10 7PQ comprising a 3,501 sq ft industrial unit sold for £940,000 in June 2023. The property was arranged over 2,127 sq ft on the ground floor and 1,374 sq ft mezzanine space. This equates to £268 per sq ft.

Units 28 - Cumberland Business Park, 17 Cumberland Ave, London, NW10 7RX a 2,334 sq. ft. light industrial unit sold in July 2022 for £380,000 reflecting £162.81 per sq ft.

The Capitalisation rates that we have applied for the purpose of this valuation are based upon the following:

Capitalisation Rate Considerations

3.11 The property could subject to planning and freeholders' consent be converted into residential and possibly incorporated into another flat in the building. The size of the property, however, may preclude conversion into a standalone unit.

- The subject property is in an affluent location.
- The subject property is of a size likely to be in demand by owner occupiers.

Capitalisation Rate

3.12 In considering our valuation of the Property, we have applied a net initial yield of 7% to the passing rent until the end of the lease, we have weighed that the lack of a review in the next 12 years is onerous in a high inflationary period and that passing rent is below market level and therefore less risky. There was a review in 2021 which we understand is still being discussed. However, given the very narrow user clause 'a restaurant and shisha lounge, within Use Class A3.' We have therefore, been able to apply a rental increase from the passing rent which is further impacts value materially, we further note that the lack of a review clause between 2021 and the end of the lease also impact value and prevents us from coming to the estimated valuation figure.

At reversion we have considered how much the property would sell to an owner occupier, with reference to the evidence which suggests that most demand for units of this size is from owner occupiers and consider with reference to recent transaction that a rate of £220 per sq ft is appropriate.

We have considered the property as an industrial unit.



4. Valuation

Methodology 4.1 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement. Our valuation has been carried out using the investment method of valuation.

We note that the planning situation is complicated, and it appears that the current use is contravention with the properties B8 user clause. The draft lease only has a rent review in 2021, with no provision to review the rent for the next 12 years of the term which is onerous to the landlord. The rent review allows for a review of the rent based on its permitted use. However, the permitted use, in the area is uncommon and therefore, problematises the rent review which we understand is still ongoing. We outlined the calculation below:

We have therefore, valued the property considering it in the B8 user clause, we have assumed that the cost of putting the property back into its original condition is shouldered by the tenant in respect of the market value valuation. In respect of the vacant possession value we have assumed that £50,000 worth of works are required to put the property back into a format that could be used as a warehouse.

Market Value 4.2 We are of the opinion that the Market Value of the freehold interest in the above property as at the date of the valuation, subject to the Tenancy referred to above and the facts and assumptions as set out in this Report and the Appendices is in the region of:-

£640,000 (Six Hundred and Forty Thousand Pounds)

Vacant Possession

We are of the opinion that the Market Value on the special assumption that the subject property is available with full vacant possession, but otherwise on the same facts and assumptions laid out in the above Report and associated Appendices would be in the region of:-

£750,000 (Seven Hundred and Fifty Thousand Pounds)

90 Day Market Value

You have also asked us for a value of the leasehold interest in the property on the basis that it could be marketed for a period of between 90 days only. On this basis, but otherwise in accordance with the facts and assumptions as stated in this report, we are of the opinion that the market value of the property is fairly reflected in the sum of

£545,000 (Five Hundred and Forty Five Thousand Pounds)



- Market Rent** 4.3 You have also asked us to indicate our opinion of the likely rental value of the property. In this connection, we consider that the property would let for £53,000 per annum.
- Suitable Security** 4.4 We consider that this property is suitable as security for bank lending purposes.
- General Comments** 4.5 This valuation report is provided for the stated purpose and for the sole use of the named client. It is confidential to the client and his professional advisors and the valuer accepts no responsibility whatsoever to any other person.

The borrower should be informed of the limits of our inspection and report and should not enter into any legal commitment to the vendor before further investigations are complete.

Neither the whole nor any part of this valuation report or any references hereto may be included in any published document, circular or statement or published in any way without the valuers written approval of the form and context in which it may appear.

We trust that the information contained in this report is sufficient for your purposes, but please do not hesitate to let us know if we can be of any further assistance.

- Reinstatement Costs** 4.6 As a guide, we would advise that the property should be insured for reinstatement in its present form under the terms of a comprehensive policy in a sum of not less than **£980,000 (Nine Hundred and Eighty Pounds)**. This figure allows for demolition, site clearance and professional fees, but excludes the effect of VAT except in relation to professional fees. No allowance has been made for loss of rent cover on possible alternative accommodation during the reinstatement period.

Report signatures

4.7

Report prepared by

Report checked by

Jonathan Davis MSc MRICS
Director

Jacob Cope BSc (Hons) MRICS
Director



For and on behalf of
Grant Stanley Chartered Surveyors

Dated

23 AUGUST 2023



Summary of Requirements

Background

You are instructed to provide a report and valuation of the Property for secured loan purposes in accordance with the RICS Valuation - Global Standards 2020 'the Red Book'.

The report is to be addressed to Proplend Security Limited (the "Security Trustee") in accordance with the terms set out in this instruction letter who will rely on the Valuation as Security Trustee.

The Professional Indemnity Insurance Policy must be in your own name effected and maintained with an insurer approved by the Royal Institution of Chartered Surveyors providing you with full cover against your potential liabilities under your report and valuation including without limitation claims for breach of instructions and claims for professional negligence.

You will not do anything which might invalidate any Professional Indemnity Insurance Policy or to prejudice our entitlement thereunder. You will on request provide us with evidence of the existence and renewal of the Professional Indemnity Insurance Policy, the name of the insurer and proof of payment of the premium.

We never lend on security of property where we are aware that the borrower or any related or connected person uses or intends to use the property as a dwelling. Please report to us who is in occupation of the property and let us know immediately if you believe or suspect that that the borrower or any related or connected person uses or intends to use the property as a dwelling.

Instruction

The report containing your valuation (Valuation Report) should be addressed to Proplend Security Limited which must clearly state that it can be relied upon for the purposes described in this instruction letter by the parties named herein. Please ensure that the Valuation Report accords with the current RICS Appraisal and Valuation Manual.

Please indicate in your Valuation 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 and valuation must be undertaken and signed by a qualified valuer with a minimum 2 years PQE. A qualified valuer must be both a member of the Royal Institution of Chartered Surveyors, MRICS/FRICS and an RICS registered valuer. The Lender requires all residential and commercial valuation reports (excluding short form residential templates) are to be countersigned by a Chartered Surveyor, MRICS/FRICS and an RICS registered valuer with a minimum of 5 years PQE.

Content of 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 Valuation Report, and changes in market conditions that you are able to predict, and should include:

- Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies;
- Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies assuming a sale to be completed within 90 days;
- Market Value of the Property assuming Vacant Possession;
- Estimated rental value for the subject Property(s).
- Estimated Reinstatement Cost for fire insurance purposes, including site clearance costs and professional fees;
- Executive Summary;
- Provide commentary on whether the Property is suitable for loan security purposes;
- Details of tenant(s), including passing rent, lease start/expiry/break dates and any non-recoverable costs etc. For commercial tenancies provide strength of covenant, service charge issues etc;
- Tenure and principle terms of lease for leasehold properties;
- Provide comparable sales and rental evidence to support your assumptions on values;
- Provide commentary on continued likely market demand for properties of this size and nature, in this location, for sale and to let;
- Provide a full description of the Property to include its accommodation, its size, its construction, location and general state of repair. These details should be supported with photos of the Properties. 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
- Valuation methodology including justification of value, calculations and residual appraisals on land with planning valuations;
- If the property is a development, we require information on build costs, comparison to BCIS indices and full commentary to support the build costs adopted within your valuation.
- Provide copies of relevant planning consents and documentation including approved drawings, Section 106 agreements etc and commentary thereon.
- Copy of the most recent Energy Performance Certificate
- Specific commentary concerning access right to the different areas of the Property.



- Purchase history of the Property during the last 10 years. If the Property is on the market, please confirm the selling agent and include a copy of the sales particulars in the report.
- Lending risks both short and medium term
- Residential element as a percentage of the land area.
- For new builds / conversions (last 10 years), please comment on the completion date, whether NHBC or similar certification would be required, the number of properties in the development and any recent sales
- Commentary on any invasive vegetation, contamination, and/or hazardous substances identified upon inspection
- Any additional reports required on the Property i.e. Ground Investigation Structural Survey, Asbestos Report etc
- Council tax band / Rateable Value
- Disability Discrimination Act issues.

Please provide as appendices:

- Sufficient colour photographs of the street scene, exterior (front and rear) and interior of the Property.
- A general location map and a more detailed plan showing boundaries you have assumed for the Property.
- Land registry extract.

Report on Title

The Security Trustee requires that its acting Solicitors arrange to send you a copy of their Report on Title in respect of the Property and obtain your written confirmation that nothing in the report on title has any effect on the valuation report you have provided to the Security Trustee. Please respond to any such request by the acting Solicitors timely and without delay.

Terms and Conditions for the supply/receipt of instructions by Customers/Panel Members, between Customers and Panel Members using Method's software system.

The following Terms and Conditions apply to the provision and receipt of valuation and/or IMS survey reporting services (and any related work) to a Customer by a Panel Member.

These Terms and Conditions are in addition to, but do not form part of the framework agreement between (1) Method and (2) the Customer (herein referred to as the Panel Management Agreement) (where applicable) and the framework agreement between (1) Method and (2) the Panel Members (herein referred to as the Panel Services Agreement).

Agreed Terms

1. Interpretation

The following definitions and rules of interpretation apply.

1.1 Definitions

Applicable Laws: means the laws of England and Wales and any other laws or regulations, regulatory policies, guidelines or industry codes which apply to the activities of the parties under these Terms and Conditions including those issued by relevant regulatory bodies in the property sector.

Applicant: means any person to whom the Customer is considering making a Mortgage Advance based on the security of the Property Asset and/or Business.

Charges: means the agreed fee referred to within the Letter of Instruction.

Contract: means a contract formed between the Customer and the Panel Member for the supply of the Services by the Panel Member to the Customer in accordance with clause 2.

Customer Group: means any holding company or companies of a Customer and any subsidiary or subsidiaries of that Customer or any such holding company, from time to time. Holding company and subsidiary shall be defined according to Section 1159 of the Companies Act 2006.

Customer Materials: all documents, information, items and materials in any form, whether owned by the Customer or a third party, which are provided by the Customer to the Panel Member in connection with the Services.

Customer: means any company that receives Services pursuant to the Letter of Instruction

Data Protection Legislation: means all applicable data protection and privacy legislation in force from time to time in the UK including the UK GDPR, The Data Protection Act 2018 (and regulations made thereunder) (the Act) and the Privacy and Electronic Communications Regulations 2003 as amended.

Deliverables: means the valuation or IMS reports which are prepared by the Panel Member for the Customer and any documents, products and materials provided by the Panel Member to Method and the Customer.

Good Industry Practice: means that standard of skill, care, diligence, prudence knowledge and foresight expected from a skilled and experienced person which is in the business of providing services which are the same as or similar to the Services.

Letter of Instruction: means the letter of instruction issued by the Customer to a Panel Member requesting provision of the Services following receipt of a Panel Member's quote for the provision of Services.

Method: means Method Valuation UK Limited (CRN: 08894835).

Terms and Conditions: means these Terms and Conditions as may be varied by the parties from time to time.

Mortgage Advance: means any advance made or proposed to be made by the Customer secured or to be secured over the Property Asset and/or Business to be valued.

Panel Management Agreement: means the framework agreement between Method and the Customer in relation to the procurement of software and supporting services provided by Method to the Customer (where applicable).

Panel Member Materials: means any Panel Member confidential information, processes, methodologies, procedures, technologies, techniques, know-how, tools, templates, materials, software, including, without limitation, supplier licensed software and any third-party software, information, data and trade secrets developed or acquired by the Panel Member, or licensed to the Panel Member by a third party.

Panel Member: means any company that supplies Services pursuant to a Letter of Instruction and has entered into a Panel Services Agreement with Method.

Panel Services Agreement: means the framework agreement between Method and the Panel Member in relation to the provision of the Services by the Panel Member to the Customer.

Personal Data: has the meaning given in applicable Data Protection Legislation from time to time.

Property Asset and/ or Business: means the assets to be secured by the Mortgage Advance as detailed in the Letter of Instruction.

Services: means the provision of valuation and/or IMS services and the Deliverables by the Panel Member in relation to the Property Assets and/or Businesses pursuant to the Letter of Instruction.

1.2 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).



1.3 The Schedules form part of this Agreement and the content of the Schedule or the documents referred to in the Schedule shall have effect as if set out in full in the body of this Agreement. Any reference to this Agreement includes the Schedule.

1.4 A reference to a company shall include any company, corporation or other body corporate, wherever and however incorporated or established.

1.5 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular and a reference to one gender shall include a reference to the other genders.

1.6 This Agreement shall be binding on, and ensure to the benefit of, the parties to this Agreement and their respective personal representatives, successors and permitted assigns, and references to any party shall include that party's personal representatives, successors and permitted assigns.

1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.

1.8 A reference to writing or written includes email

1.9 Any obligation on a party not to do something includes an obligation not to allow that thing to be done.

1.10 Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2. Commencement and duration

Each Contract shall be formed and come into effect on the issue of a Letter of Instruction by the Customer through Method's software system to the Panel Member confirming acceptance of the Panel Member's quotation for the supply of the Services received by the Customer through Method's software system. Each Contract shall continue in force until or unless terminated in accordance with clause 9 below. Each Contract shall comprise of these Terms and Conditions, the Letter of Instruction and the Panel Member's quotation, and in the case of a conflict between these documents, the Terms and Conditions shall take precedence over the Letter of Instruction and the Panel Member's quotation, and the Letter of Instruction shall take precedence over the Panel Member's quotation.

Panel Members shall accept these Terms and Conditions on submission of their quotation for the supply of Services through Method's software system and Customers shall accept these Terms and Conditions on issue of the Letter of Instruction for the supply of Services through Method's software system. The parties' signatures using Method's electronic signature system will be their deemed acceptance of these Terms and Conditions and no subsequent or other terms or conditions submitted by either party, whether on a purchase order or otherwise shall have any effect or validity.

3. Customer's obligations

3.1 The Customer shall:

3.1.1 co-operate with the Panel Member and Method as applicable in all matters relating to the Services;

3.1.2 appoint a manager for the Services, who has the authority to contractually bind the Customer on matters relating to the Services.

3.1.3 provide to the Panel Member in a timely manner all documents, information, items and Customer Materials in any form (whether owned by the Customer or third party) required under these Terms and Conditions or otherwise reasonably required by the Panel Member in connection with the Services and ensure that they are accurate and complete in all material respects; and

3.1.4 obtain and maintain all necessary licences and consents and comply with all relevant legislation as required to enable the Panel Member to provide the Services, including the use of all Customer Materials insofar as such licences, consents and legislation relate to the Customer's business, premises, staff and equipment, in all cases before the date on which the Services are to start.

3.2 If the Panel Member's performance of any of its obligations under these Terms and Conditions is prevented or delayed by any act or omission of the Customer, its agents, subcontractors, consultants or employees, then, without prejudice to any other right or remedy it may have, the Panel Member shall be allowed an extension of time to perform such obligations equal to the delay caused by the Customer.

4. Panel Member's responsibilities

4.1 The Panel Member shall provide the Services and deliver the Deliverables as instructed in accordance with these Terms and Conditions and:

4.1.1 the Letter of Instruction and Panel Services Agreement;

4.1.2 Good Industry Practice;

4.1.3 Applicable Law;

4.1.4 the rules, regulations and guidance of RICS and/or other Appropriate Professional Body applicable from time to time; and

4.1.5 such policies and procedures of the Customer as notified in writing by Method and/or the Customer as applicable from time to time.

4.2 The Panel Member shall be given instructions regarding the Services and the Deliverables pursuant to the Letter of Instruction and shall submit the Deliverables via and in accordance with such electronic system as Method may specify from time to time. The Panel Member shall ensure that at all times it has the capability to receive and process such instructions and provide such Deliverables using such system specified by Method from time to time.

4.3 The Panel Member shall:

4.3.1 co-operate with the Customer where required and act reasonably and in good faith in providing the Services and performing its obligations under the Contract always in accordance with clause 4.1;

4.3.2 ensure that it provides and maintains at all times all equipment, systems and materials necessary for the proper performance of the Services, appropriately licensed for the purposes for which it is to be used and at all times in conformance with Applicable Law;

4.3.3 deliver the Services in compliance with these Terms and Conditions and comply with any Prudential Regulation Authority or other regulators' requirements regarding audit and/or data access as are in effect from time to time;

4.3.4 provide such advice and assistance as may be reasonably requested to enable the Customer to take the full benefit of the Deliverables and Services. The Panel Member confirms that any such work is included in the Charges for the report and does not constitute additional work for which an additional fee would be chargeable;

4.3.5 supply an electronic copy of each report that is a Deliverable in the first instance, supplemented by additional hardcopies as required by Method and/or Customers as applicable; such additional hardcopies of such reports being supplied without any additional charge or fee; and

4.3.6 provide such assistance, support and information as reasonably requested by Method and/or the Customer as applicable, in relation to any investigations, questions or complaints arising from the provision of services (or any report) provided by the Panel Member, at no additional cost to the Customer.

5 Warranty and Representation

5.1 The Customer warrants and represents that it has full legal capacity and authority to enter into each Contract and Letter of Instruction, to procure the Services and perform its obligations under the Contract and in accordance with these Terms and Conditions.

5.2 The Panel Member warrants and represents that:

5.2.1 it has full legal capacity and authority to enter into each Contract and to provide the Services in accordance with these Terms and Conditions and the Letter of Instruction;

5.2.2 it has and will maintain throughout the period each Contract remains in force all licences, permissions, registrations and other rights, including those required under Applicable Law, necessary to enable it lawfully to provide the Services and to perform its obligations under and in accordance with each Contract; and

5.2.3 the Services shall be performed with all reasonable skill and care by appropriately qualified, experienced and trained personnel devoting sufficient time to the proper performance of the Services and always in accordance with clause 4.

5.3 All conditions, warranties and other terms implied by statute, common law, course of dealing or otherwise are excluded from the Contract to the fullest extent permitted by law.

5.4 Notwithstanding clause 10 (limitation of liability), the Panel Member shall indemnify and hold the Customer harmless from all claims and all direct, indirect or consequential liabilities (including loss of profits, loss of business, depletion of goodwill and similar losses), costs, proceedings, damages and expenses (including legal and other professional fees and expenses) awarded against, or incurred or paid by, the Customer as a result of or in connection with any claim made against the



Customer in respect of any liability, loss, damage, injury, cost or expense sustained by the Customer, Customer Group, Applicant or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relating to or arising from the provision of the Services as a consequence of a breach or negligent performance or failure or delay in performance of these Terms and Conditions by the Panel Member.

6. Charges and payment

6.1 In consideration of the provision of the Services by the Panel Member, the Customer shall pay the Charges by providing such funds to Method to enable Method to pay such Charges to the Panel Member on the Customer's behalf in accordance with the Panel Services Agreement.

6.2 The Panel Member acknowledges that Method may receive the Charges from either the Applicant or the Customer. The Panel Member further acknowledges that Method is under no obligation to pay the Charges to the Panel Member until Method has received the Charges from the Applicant and/or the Customer.

6.3 The Panel Member shall notify Method in writing of the details of its bank account for payment of the Charges and any changes to the same shall be notified to Method in writing at least 30 days prior to such change becoming effective.

7. Intellectual property rights

7.1 Any information (including but not limited to valuation estimates and valuation reports provided as part of the Services) and any Intellectual Property Rights created by the Panel Member as a result of the provision of the Services shall vest in and are hereby assigned to the Customer. Notwithstanding any other provision of these Terms and Conditions it is acknowledged that the Panel Member shall be entitled to retain on an anonymised and aggregated basis the valuation estimates set out in the valuation reports for the purposes of maintaining a database of local property valuations for the purposes of providing the Services.

8. Data protection

8.1 The Customer and the Panel Member will comply with all applicable requirements of the Data Protection Legislation. This clause 8 is in addition to, and does not relieve, remove or replace, a party's obligations or rights under the Data Protection Legislation.

8.2 The Customer and the Panel Member warrant that each shall in connection with each Contract:

8.1.1 comply with the Data Protection Legislation and

8.1.2 not, by act or omission, put any other party in breach of the Data Protection Legislation or any other applicable privacy laws and regulations in any relevant jurisdiction.

8.3 The Customer and the Panel Member acknowledge and agree that the Customer is the Data Controller and Method and the Panel Member are Data Processors with respect to all Personal Data of Applicants processed pursuant to these Terms and Conditions, the Letter of Instruction, the Panel Management Agreement and the Panel Services Agreement (in all cases capitalised terms used in this clause 8 if not otherwise defined are as defined in the Act). Where Method provides the software system to enable the Services to be provided, the Customer and Panel Member acknowledge that Method is doing so as a Data Processor acting under the Customer's instructions as Data Controller, and a Letter of Instruction provided via Method's software system in accordance with these Terms and Conditions shall constitute prior written approval from the Customer to the Panel Member to process Personal Data necessary to provide the Services in accordance with the Contract.

8.4 Without prejudice to clause 8.3 to the extent that the Panel Member is required to process Personal Data on behalf of the Customer under these Terms and Conditions, they will:

8.4.1 process such Personal Data only to the extent strictly necessary for the purposes of performing the Contract and otherwise in accordance with the Customer's instructions, and for the avoidance of doubt it will not disclose any such Personal Data to any third party, except on the Customer's express written instructions;

8.4.2 acquire no rights in Personal Data and on demand will either return or destroy and/or permanently delete in so far as practicable, from its information technology systems (at the option of the Customer) all copies of any such Personal Data in its possession and provide to the Customer a certificate signed by one of its authorised signatories confirming that it has done so;

8.4.3 put and at all times maintain in place appropriate technical and organisational measures against unauthorised or unlawful processing of Personal Data and, having regard to the nature and content of the Personal Data and the damage that may be caused by such unauthorised or unlawful processing, against accidental loss or destruction of or damage to such Personal Data, to ensure compliance by with the seventh data protection principle set out in the Act;

8.4.4 promptly provide such evidence as the Customer reasonably requests of the technical and organisational measures in place from time to time under Clause 8.4.3;

8.4.5 not transfer any Personal Data outside the UK, except with the prior written consent of the Customer and in accordance with any additional terms which the Customer imposes on such transfer, including a requirement to enter into the EU standard contractual clauses (SCCs) (where relevant) or the UK ICO's approved equivalent to the SCCs with the transferee. Where transfer is between UK and EEA, such transfer may be made in reliance upon mutual adequacy decisions for so long as they remain approved and in force;

8.4.6 immediately notify the Customer of any complaint, notice or communication which it receives, and which relates directly or indirectly to the processing of any Personal Data or to either party's compliance with the Act, and provide the Customer with full co-operation and assistance in relation to any such complaint, notice or communication;

8.4.7 assist the Customer in responding to any request from a Data Subject and in ensuring compliance with its obligations under the Data Protection Legislation with respect to security, breach notifications, impact assessments and consultations with supervisory authorities or regulators;

8.4.8 ensure that all personnel who have access to and/or process Personal Data are obligated to keep the Personal Data confidential; and

8.4.9 notify the Customer without undue delay on becoming aware of a Personal Data breach and provide the Customer with all requested assistance in respect of the same.

8.5 The Customer and the Panel Member will not use any Personal Data which either may obtain from the other in the course of receiving or providing the Services for any purpose other than the receipt or provision of the Services unless and to the extent otherwise agreed in writing in advance by the party providing such Personal Data. For the avoidance of doubt, this restriction on use of Personal Data includes sending marketing materials or any other marketing communications of any sort and by any means either party's employees or to any other Data Subject of that Personal Data and the Customer and Panel Member will under no circumstances transfer any such Personal Data received from the other to any third party for use for marketing purposes. This Clause is without prejudice to the generality of Clause 8.3.

8.6 The Customer and the Panel Member warrant that each has, and undertakes that it will continue to maintain, a valid, complete and up to date registration or notification to the Office of the Information Commissioner (or any successor) under the Act to process Personal Data under each Contract.

8.7 Nothing in any Contract shall limit any parties' liability for any breach of its obligations under clause 8 of these Terms and Conditions.

9 Confidentiality

9.1 The Panel Member and Customer will keep confidential the details of these Terms and Conditions and each Contract and any technical, commercial or valuation information related to the provision of the Services including all Personal Data and other details of any Applicant and details of or any Mortgage Advance, that either of them receives (the Recipient) from, or creates on behalf of, the other Party (the Discloser) or acquires in the performance of the Contract (Confidential Information) and each party agrees to:

9.1.1 use that Confidential Information only if and to the extent necessary for the purposes of performing its obligations and/or exercising its rights under the Contract;

9.1.2 not disclose that Confidential Information to any person other than any person employed or engaged by it, its auditors and other professional advisers, or any person having a statutory or other legal right (other than a contractual right) to request and receive that information, including any court of competent jurisdiction or Regulator, provided that the Recipient informs the Discloser prior to such disclosure that it has been required to disclose it (if and to the extent that the Recipient is legally permitted to so inform the Discloser); and

9.1.3 otherwise protect and maintain the confidentiality of that Confidential Information.

9.2 Clause 9.1 will not apply to any information which:

9.2.1 is or becomes public knowledge other than as a result of a breach of this clause 9;

9.2.2 was rightfully in the Recipient's possession before its disclosure to the Recipient under or in connection with the Contract;

9.2.3 following its disclosure to the Recipient under or in connection with the Contract, is received by the Recipient from a third party who is not under an obligation of confidentiality in relation to that information;

9.2.4 is developed independently without access to, or use or knowledge of, the Confidential Information; or



9.2.5 is trivial or obvious; provided that this clause 9.2 is not intended to exclude from the application of clause 9.1 any information generated by or on behalf of the Customer for the Panel Member under the Contract (which for the avoidance of doubt will be kept confidential by the Panel Member in accordance with clause 9.1).

9.3 The Customer and Panel Member agree that damages may not be an adequate remedy for any breach of clause 9.1 and that the Discloser will be entitled to a court order to enforce compliance with this clause 9 or to stop any breach of it, actual or threatened.

9.4 Notwithstanding clause 10 nothing in the Contract shall limit the Customer's and Panel Member's liability for any breach of clause 8 of these Terms and Conditions.

10 Limitation of liability

10.1 Nothing in these Terms and Conditions or any Contract limits any liability which cannot legally be limited, including liability for:

10.1.1 death or personal injury caused by negligence;

10.1.2 fraud or fraudulent misrepresentation; and

10.1.3 breach of the terms implied by section 2 of the Supply of Goods and Services Act 1982 (title and quiet possession).

10.2 Subject to clauses 5.4, 8.7, 9.4, and 10.1:

10.2.1 the Customer and the Panel Member shall not be liable to each other whether in contract, tort, or for breach of statutory duty for any indirect or consequential loss arising under or in connection with any Contract;

10.2.2 the Customer's total aggregate liability to the Panel Member whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with each Contract shall be limited to the total aggregate Charges paid by the Customer under that Contract;

10.2.3 the Panel Member's total aggregate liability to the Customer, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with each Contract shall be limited to the market value or gross development value as applicable of the Property Asset and/or Business that is the subject of the Services under that Contract as reported by the Panel Member.

10.3 The Customer and Panel Member further acknowledge that all potential liability with respect to any Deliverables and the Services provided lies solely with the Panel Member who ultimately provides the Deliverables and the Services for the benefit of the Customer and both parties acknowledge and agree that Method is not a party to and has no liability to either party under or in connection with these Terms and Conditions or any Contract.

11 Termination

11.1 Subject to clause 11.2 and clause 13.5 below, each Contract shall commence on the date it is formed and shall continue in force until all of the obligations of both parties under it have been performed at which point it shall automatically terminate.

11.2 Without affecting any other right or remedy available to either of them, the Customer or the Panel Member may terminate a Contract with immediate effect by giving written notice to the other party:

11.2.1 the other commits a material breach of any term of the Contract (which shall include any failure to pay any of the Charges on the date when they are due) which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of 30 days after being notified in writing to do so;

11.2.2 the other repeatedly breaches any of the Contract in such a manner as to reasonably justify the opinion that its conduct is inconsistent with it having the intention or ability to give effect to the Contract;

11.2.3 the other suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 as if the words "it is proved to the satisfaction of the court" did not appear in sections 123(1)(e) or 123(2) of the Insolvency Act 1986;

11.2.4 the other commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with any of its creditors;

11.2.5 any event occurs, or proceeding is taken, with respect to the other party in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause 11.2.3 to clause 11.2.4 (inclusive);

11.2.6 the other suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business; or

11.2.7 the Panel Management Agreement or Panel Services Agreement is terminated for whatever reason.

12 Consequences of termination

12.1 On termination of a Contract:

12.1.1 the Customer shall on request return any of the Panel Member Materials received in the provision of the Services;

12.1.2 the Panel Member shall on request return any of Customer Materials not used up in the provision of the Services; and

12.1.3 the following clauses shall continue in force: clause 1 (Interpretation), clause 7 (Intellectual property rights), clause 9 (Confidentiality), clause 10 (Limitation of liability), clause 12 (Consequences of termination), clause 16 (Waiver), clause 18 (Severance), clause 24 (Governing law) and clause 25 (Jurisdiction).

12.2 Termination of a Contract shall not affect any rights, remedies, obligations or liabilities of the Customer that have accrued up to the date of termination or expiry, including the right to claim damages in respect of any breach of such Contract which existed at or before the date of termination or expiry.

13 Force majeure

13.1 Force Majeure Event means any circumstance not within a party's reasonable control including, without limitation:

13.1.1 acts of God, flood, drought, earthquake or other natural disaster;

13.1.2 epidemic or pandemic;

13.1.3 terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;

13.1.4 nuclear, chemical or biological contamination or sonic boom;

13.1.5 any law or any action taken by a government or public authority, including imposing an export or import restriction, quota or prohibition, or failing to grant a necessary licence or consent;

13.1.6 collapse of buildings, fire, explosion or accident;

13.1.7 non-performance by suppliers or subcontractors (other than by companies in the same group as the party seeking to rely on this clause); and

13.1.8 interruption or failure of utility service.

13.2 Provided it has complied with clause 13.4, if the Customer and/or Panel Member is prevented, hindered or delayed in or from performing any of its obligations under a Contract by a Force Majeure Event (Affected Party), the Affected Party shall not be in breach of such Contract or otherwise liable for any such failure or delay in the performance of such obligations. The time for performance of such obligations shall be extended accordingly.

13.3 The corresponding obligations of the Customer and/or Panel Member will be suspended, and its time for performance of such obligations extended, to the same extent as those of the Affected Party.

13.4 The Affected Party shall:

13.4.1 as soon as reasonably practicable after the start of the Force Majeure Event but no later than five days from its start, notify the other party in writing of the Force Majeure Event, the date on which it started, its likely or potential duration, and the effect of the Force Majeure Event on its ability to perform any of its obligations under the Contract; and

13.4.2 use all reasonable endeavours to mitigate the effect of the Force Majeure Event on the performance of its obligations.

13.5 If the Force Majeure Event prevents, hinders or delays the Affected Party's performance of its obligations for a continuous period of more than four weeks, the party not affected by the Force Majeure Event may terminate the relevant Contract by giving two weeks' written notice to the Affected Party.

14 Assignment and other dealings



14.1 The Customer and Panel Member shall not assign, transfer, mortgage, charge, subcontract, delegate, declare a trust over or deal in any other manner with any of its rights and obligations under a Contract (Dealing) without the prior written consent of the Customer or Panel Member and shall notify Method in writing of such Dealing prior to the same being effected.

15 Variation

15.1 These Terms and Conditions may be varied from time to time and upon doing so Method will provide written notification of any changes to both the Customer and Panel Member.

16 Waiver

16.1 A waiver of any right or remedy under the Contract or by law is only effective if given in writing and shall not be deemed a waiver of any subsequent right or remedy.

16.2 A failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under the Contract or by law shall prevent or restrict the further exercise of that or any other right or remedy.

16.3 A waiver of a right or remedy provided under the Contract or by law in relation to one party, or takes or fails to take any action against that party, does not affect its rights in relation to any other party.

17 Rights and remedies

The rights and remedies provided under the Contract are in addition to, and not exclusive of, any rights or remedies provided by law.

18 Severance

18.1 If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of the Contract.

18.2 If any provision or part-provision of the Contract is deemed deleted under clause 18.1 the parties shall negotiate in good faith to agree a replacement provision that, to the greatest extent possible, achieves the intended commercial result of the original provision.

19 Entire Agreement

19.1 These Terms and Conditions, the Letter of Instruction, the Panel Member's quotation and any documents referred to in them constitute the entire agreement between the parties and supersede and extinguish all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to the provision of the Services.

20 No partnership or agency

20.1 Nothing in the Contract is intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, constitute any party the agent of another party, or authorise any party to make or enter into any commitments for or on behalf of any other party.

20.2 The Customer and the Panel Member each confirm it is acting on its own behalf and not for the benefit of any other person.

21 Third party rights

21.1 Except as expressly provided in these Terms and Conditions, a person who is not a party to it shall have no rights under the Contracts (Rights of Third Parties) Act 1999 or otherwise rely upon or enforce any term within the Contract save that:

21.1.1 Method shall be entitled to rely upon and enforce a Contract or any provision which is expressed to be for the benefit of Method as if it were a Party to the Contract but for the avoidance of doubt shall have no obligation to do so and Method shall have no obligations itself under any Contract capable of being enforced by either the Customer, the Panel Member or any third party;

21.1.2 any Regulators of the Customer may enforce any audit rights expressed to be for their benefit.

21.2 Notwithstanding that the Contract may be enforceable by a person who is not a party to it, each Contract may be varied, modified or amended or terminated by agreement in writing between the parties without the consent of any such third party.

22 General

22.1 The relationship of the Panel Member to the Customer will be that of independent contractor and nothing in any Contract shall render the Panel Member an employee, worker, agent or partner of the Customer and the Panel Member shall not hold itself out as such.

22.2 The Customer and the Panel Member acknowledge and agree that in entering into each Contract it does not rely on any undertaking, promise, assurance, statement, representation, warranty or understanding (whether negligently or innocently made and whether in writing or not) of any person relating to the subject matter of that Contract. The Customer and the Panel Member irrevocably and unconditionally waive all claims, rights and remedies which but for this clause it might otherwise have had in relation to any of the foregoing.

23 Notices

23.1 Any notice given to the Customer and/or Panel Member under or in connection with the Contract shall be in writing and shall be sent by email to the Email address: admin@method-vm.co.uk

23.2 Any notice shall be deemed to have been received at the time of transmission, or, if this time falls outside business hours in the place of receipt, when business hours resume. In this clause 23.2.3, business hours means 9.00am to 5.00pm Monday to Friday on a day that is not a public holiday in the place of receipt.

23.3 This clause does not apply to the service of any proceedings or any documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

24 Governing law

24.1 These Terms and Conditions and each Contract and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with them or their subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

25 Jurisdiction

25.1 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with a Contract or its subject matter or formation.

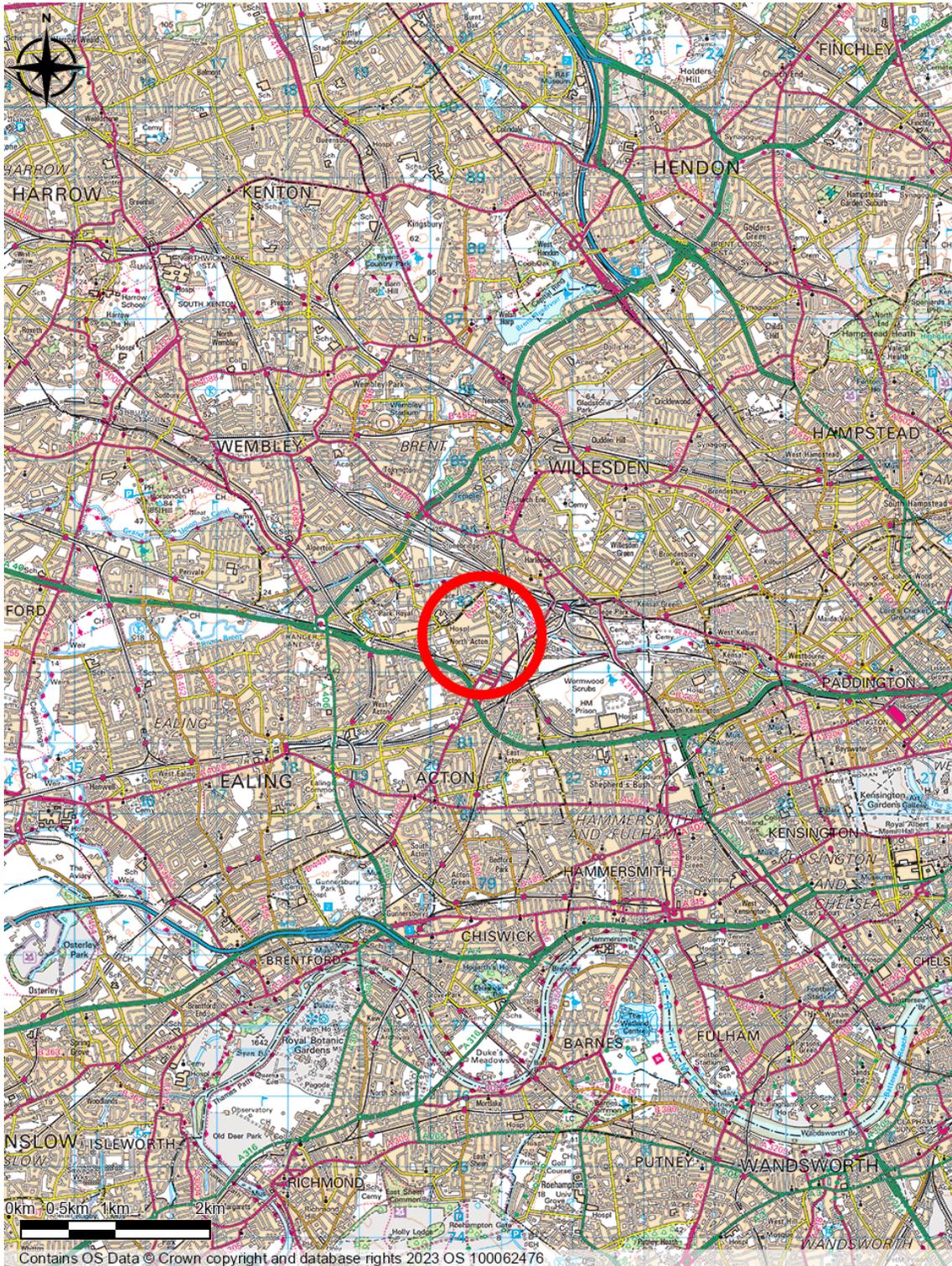


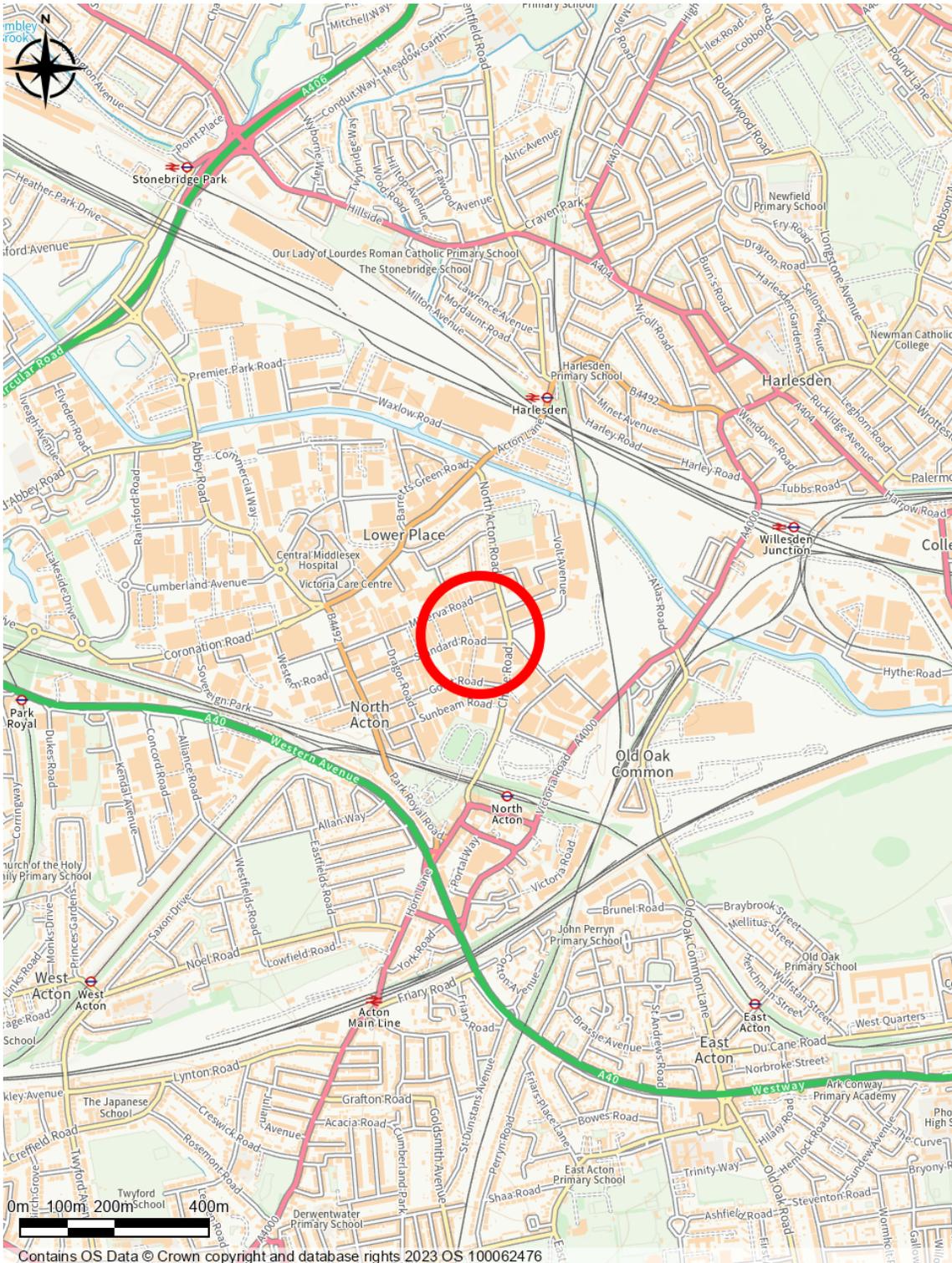
Appendix II – Title Plan





Appendix III – Location Plans





Appendix IV – Photographs

Exterior of Property





Interior of Property













End of Report