shawbrook

HEADS OF TERMS

Date: 22/04/2024

Our Ref: 2024040927

Dear Mr Gundogdu

We are pleased to provide our agreement in principle only to a loan for your client on the terms below. This is always subject to formal offer.

Client Name	LONDONIST INTERNATIONAL MANAGEMENT LTD *** If the application is being made by a limited company, please note that any directors/shareholders with over 25% of shares in the business will need to provide a personal guarantee unless otherwise specified below ***
Security	53 Warminster Road, London, SE25 4DQ **– please note if the security is multiple units then a quotation for fees will need to be obtained.** *see notes below on types of valuation required. Please let us know if our understanding of the Client's intentions are incorrect*
Mortgage Product:	STL1 Bridging Loan - Interest Only, Reference Rate Full Description (Reference rate code).
Requested Mortgage Term:	**12 Months**
Product Margin:	**3.03%** per annum
Shawbrook Base Rate (or our minimum base rate floor if higher)	**5.25%** If Shawbrook Base Rate falls below **0.75**%, Shawbrook Bank adopts a minimum base rate floor of **0.75**%. Our 'all in' rate (see below) will be the current Shawbrook Base Rate plus the margin, except that our 'all in' rate will at all times be at least 0.75% plus the margin, even if Shawbrook Base rate is lower than 0.75% as at the date of completion/commencement of the Variable Interest Rate Period, or falls below 0.75% subsequent to that date. Interest is calculated daily and charged monthly in arrears. Any change to Shawbrook Base Rate between the date of these Heads of Terms and the date of the Offer Letter will be reflected in the Offer Letter.
All in rate:	**8.28**%
Estimated Net Advance:	£1,234,980.00
Repayment Method:	Serviced interest. Monthly payments will cover interest only, the full capital balance will not be reduced

Shawbrook Bank Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Shawbrook Bank Limited is registered in England and Wales – Company Number 388466.

Registered Office: Shawbrook Bank Limited, Lutea House, Warley Hill Business Park, The Drive, Great Warley, Brentwood, Essex, CM13 3BE
Correspondence address: Shawbrook Bank, Sunderland, SR43 4AG

	throughout the term. **Client to service monthly by Direct Debit**
Gross Loan Amount:	**£1,259,700.00** **This figure includes the amount of the Loan, the Arrangement Fee and estimated interest on the Loan.**
Early Repayment Charge (ERC):	There is no Early Repayment Charge. However, there will be an administration fee of £200 on repayment of the Loan (whether in full or in part) at any time (including on the expiration of the Mortgage Term).
Arrangement Fee:	**£24700.00** This is included in the above gross loan amount and will be deducted from the advance on completion.
Broker Fee:	**£**0.00
Commission:	If your client takes out this Loan, in consideration of you introducing them to us, we will pay you a commission equivalent to 1.95% of the loan amount on completion. You may share this commission with any other brokers and/or parties involved in your application.
Lenders Legal Fee:	**£TBC** inclusive of VAT (excluding any additional disbursements incurred)
Telegraphic Transfer Fee:	**£20.00** inclusive of VAT (deducted from the amount advanced to you on completion)
Prepayment of Interest Period:	A period of **0** months from completion
Monthly Payment:	**£8,691.93** (this is an approximate figure based on current rates)

These heads of terms are only valid for 14 days from the date of issue. If you do not proceed to valuation within this period, these heads of terms will expire.

These heads of terms are based on the information you have supplied to us and full personal and business credit searches. It is not a formal loan offer.

We will only be in a position to provide your client with a formal offer when we are in receipt of and satisfied with the following items:

1. A fully completed Shawbrook application form, including Direct Debit Mandate, signed by all applicants.
2. Explanation and evidence of original source of funds used to purchase the property, or explanation how the property is owned unencumbered.
3. Certified proof of residency for the last 3 years, most recent document to be dated in the last 3 months with the following statement: "I confirm that this is a true copy and I have seen the original document." The person certifying the document must provide a name, date, their position, body with which they are registered, and the signature must be by hand (not electronic).
4. Evidence by way of bank statements the client has sufficient outside income, portfolio income or savings to meet the monthly interest payment.

5. Please can Asim Erturk unlock his credit report to allow us to complete updated personal credit search. We will confirm once this has been completed and the applicant can relock their account
6. A satisfactory Damp and Timber report by qualified specialist is required, including estimates for works. We will refer to the surveror for comment.
7. Portfolio Schedule - Fully completed property portfolio schedule uploaded via eTech BTL Hub
8. Latest 3 months business bank statements, to include the investment income. Bank statements are valid for 6 months from the date of the last transaction. After that, updated statements will be requested.
9. Please provide the full financial accounts for Londonist DMC Ltd for the financial year ending 31/08/2022.
10. I understand there is an intercompany loan agreement from Londonist DMC Ltd for this purchase, please can you provide a copy of this and the supporting bank statements to evidence the funds sent to the solicitor and the Completion Statement.
11. Completion of client interview
12. The Bank & valuer are to be provided with a fully costed schedule of works (To include proposed floorplans if relevant) prior to valuation in order to provide commentary on current value & rental as well as post-works value (GDV) & rental. The valuer should also comment on the feasibility of the project. Please note that the fee paid for the valuation must be based on the expected end-value, not the current property value
13. Schedule of works, including costs, for the works carried out the security since original purchase. This will need to be verified by the surveyor

*** Note we may have additional identity verification requirements if your client does not reside in the UK.**

In order to complete the loan we will also require the following, completed to our satisfaction.

1. Written confirmation from the Insurer or a copy of the buildings insurance policy schedule to confirm there is a valid buildings insurance policy in place for the security. Details of the policy number, renewal date, security address, policyholders name and the name and address of the Insurer must be confirmed. For loans over £750k, our interest should also be noted on the policy. It is your responsibility to ensure you have sufficient insurance cover for your property.
2. Original signed Deed of Guarantee(s).
3. Up to date redemption figure from existing lender as applicable, together with written confirmation that upon receipt of the redemption funds they will release their charge over the security, that there are no further accounts or secondary branch based borrowings secured by their charge and bank details for transmission of the redemption funds. If the lender is a non CML lender, please provide the lenders solicitors details, to enable our Solicitors to obtain the relevant undertakings.
4. A satisfactory Damp and Timber report by qualified specialist is required, including estimates for works. We will refer to the surveror for comment.

Please note these heads of terms are indicative only, which means that it is an indication only of the mortgage offer we may be able to make. It does not in any way constitute an offer to lend or otherwise commit the Bank to provide the loan facility and should not be construed by implication or inference to do so. It is based on the estimated total security value of **£1,900,000.00**

The Bank reserves the right to make a formal mortgage offer which contains different terms from those indicated here, or to decline to make any formal mortgage offer at all. The full terms and conditions of the loan facility will be set out in the formal mortgage offer and the facility documentation and that documentation when signed will form the basis of the legal contract between you and the Bank.

Please note the way in which we use your personal information is set out in our privacy notice at https://www.shawbrook.co.uk/privacy-notice/. If you would like a paper copy of our privacy notice, you can print a copy from our website or contact us on 0345 8480223 to request one.

VALUATION

If you are happy to proceed based on these terms, the valuation can then be instructed via our panel manager, VAS Panel. The type of valuation required has been indicated within these heads of terms.

SOLICITORS INSTRUCTION

We can instruct our solicitors at any stage in the process. Please advise us if you would like us to do so and our solicitors will obtain the necessary undertakings for legal fees.

Yours sincerely

Shawbrook Bank

N.B. It is a condition of our bridging loans that we visit you at the security property part way through your loan term, to make sure your plans are on track and the loan can be exited on time. The fee charged will be dependent on loan size. The fee currently ranges from £135 plus VAT to £400 plus VAT but may be varied from time to time by our agents. We will write to You before the site visit to, amongst other things, confirm the amount of fee payable and to arrange for payment.

N.B This is a commercial mortgage product. Shawbrook Bank is not currently able to lend in circumstances where the mortgage would become a regulated mortgage contract under current FCA rules (this is where at least 40% of the total area of the property is to be used by the applicant or a close family member for their own residential purposes). You have indicated on the enquiry form that less than 40% of the property will be for such residential use. If we proceed, then we will ask the valuer to confirm the respective commercial and residential areas of the property. If the valuer confirms that more than 40% of the property is or will be for residential use by the applicant or a close family member, then we will NOT be able to proceed and you will LOSE any valuation fee you have by then incurred. We will

make the valuation report available to you but we cannot guarantee that the valuer will allow any other lender to rely on the valuation report
Website: www.financial-ombudsman.org.uk. Email: complaint.info@financial-ombudsman.org.uk
Phone: 0300 123 9 123 (calls to this number are charged at the same rate as 01 or 02 numbers on mobile phone tariffs)