

TRANSAIR
TRANSAIR
Pilot's Flight Equipment

Transair (UK) Limited

Shoreham Airport
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Hi Stacy

TIM SSAS FUND PROPERTY
VALUATION FOR YOUR
FILES.

With Compliments

B.R. Tom

Property Valuation
Ref:

TM SSAS FUND

UNIT 9
SHOREHAM AIRPORT
SHOREHAM-BY-SEA
BN43 5PA.

REF: TM SSAS FUND

VALUATION

Prepared for

Nat West Bank plc

In respect of

**UNIT 9
SHOREHAM AIRPORT
SHOREHAM-BY-SEA
BN43 5PA.**

**Date of inspection: 21st September 2011
Our ref: NCDJ/LB/11.110**

Commercial Property Appraisal Report (Investment / Owner Occupied)

To

Nat West Bank plc

 Instruction Reference Number

690172

We,

MLSurveyors	<i>(Insert full name of Firm/Company)</i>
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of

14 The Courtyard, East Park, Crawley, West Sussex RH10 6AG	<i>(Insert Address of Firm/Company)</i>
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Acknowledge receipt of your instructions dated follows:-

14	09	11
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to inspect and report on the property as

Address	Town/City	Post Code
Unit 9 Shoreham Airport	Shoreham-by Sea	BN43 5PA

(hereinafter referred to as the 'Property') and confirm:

- (i) we are able to act on your behalf as Independent Valuer and have no existing or potential conflicts of interest in complying/having complied with your instructions (other than disclosed to and approved by you immediately prior to commencing work);
- (ii) we have the necessary expertise and experience to advise you in relation to the Property;
- (iii) we maintain Professional Indemnity Insurance on a per claim basis which is adequate in respect of this appraisal;
- (iv) we have carried out our valuation in accordance with your instructions;
- (v) we are providing you with advice on the Property for loan security purposes;
- (vi) we agree that, whilst we may:
 - (a) rely upon information supplied as to the Property, tenure, tenancies, permitted uses and related matters,
 - (b) assume such information to be accurate, up to date and complete, and
 - (c) not examine title documents save as mentioned below;we shall:
 - (d) read and comment upon any head or occupational leases from a property perspective,
 - (e) liaise with your solicitors and other professional advisers as advised by you,
 - (f) provide your solicitors with a copy of this Report,
 - (g) obtain from your solicitors a copy of their report on title on the Property, and
 - (h) advise you if there is anything contained in the report on title which might affect, adversely or otherwise, our advice to you in relation to the Property;
- (vii) we have used, for the purposes of advising you as to capital value, the definition Market Value as defined in the RICS Appraisal and Valuation Standards unless otherwise directed by you;
- (viii) we agree that (a) this Commercial Property Appraisal Report (Investment / Owner Occupied) shall constitute a report and valuation certificate as envisaged by the RICS Appraisal and Valuation Standards and (b) we shall not caveat the Report unless previously agreed in writing with you;
- (ix) the Property was inspected on

21	09	2011
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by

N C D Jones

 Qualifications

BSc., MRICS

who is registered with the Valuation Faculty of RICS and is experienced in valuing properties of a comparable nature, complexity, value and location to the Property; and

- (x) we respond to your enquiries and advise you in relation to the Property as follows:

THIS REPORT FORMAT SHOULD NOT BE USED IF ANY SIGNIFICANT DEVELOPMENT OR REFURBISHMENT IS UNDERWAY OR PROPOSED.

You are required to answer all questions in this Report other than those relating to Occupational Leases where the property is wholly vacant or owner occupied. You may, if you consider it necessary, use the 'Comments' section to elaborate on your responses to specific questions.

1.0 Executive Summary

* Delete as appropriate

<p>On the basis of evidence available to you, do you consider that over the next five years:-</p> <p>1.1.1 demand from prospective purchasers for the Property is likely to</p> <p>1.1.2 the amount a prospective purchaser might pay is likely to</p> <p>1.1.3 the condition of buildings on the Property (save for normal 'wear and tear') is likely to</p> <p>1.1.4 the vicinity as a location for its current use(s) is likely to</p> <p>1.1.5 demand from prospective tenants for the Property is likely to</p> <p>1.1.6 if the Property becomes vacant, the covenant quality of prospective tenants is likely to</p>	<p>improve</p> <p>increase</p> <p>remain static</p> <p>improve</p> <p>improve</p> <p>improve</p>
<p>Volatility of the performance of the Property is of paramount importance to the Bank in the assessment of risk. Do you consider that during the term of the Facility:-</p> <p>1.2.1 Rental value of the Property will</p> <p>1.2.2 Capital value of the Property will</p>	<p>remain static</p> <p>improve</p>
<p>1.3.1 Have you been provided with a copy of the report on title to the Property prepared by the Bank's solicitors?</p> <p>1.3.2 If 'Yes'; Can you confirm that there is nothing contained in the report on title that affects your advice in this Report or opinion of value?</p> <p><i>If 'No'; you will be required, on its receipt, to issue a side letter confirming the above and providing further advice on any questions you have answered herein as 'Awaiting Legal Confirmation'.</i></p>	<p>No</p> <p>* Yes No</p>
<p>1.4.1 Are there any defects or suspected defects that you consider require more detailed investigation?</p> <p>1.4.2 If 'Yes'; please list opposite and comment on these in the body of this Report.</p>	<p>No</p> <p>.....</p> <p>.....</p>
<p>1.5 What types of purchaser/investor are likely to wish to acquire the Property? (e.g. developer, trader, owner occupier or investor, be it an institution, property company, private individual or family trust etc.)</p>	<p><i>Please list below</i> Owner occupiers, investors, small property companies and private individuals</p>
<p>1.6 Bearing in mind the Bank is contemplating a Loan of the amount and term and with repayment arrangements indicated in its letter of instruction and assuming the Property will be maintained in a reasonable state of repair, do you consider the Property as a lending security is</p>	<p>Good</p>

2.0 Location

You should forward with this completed Report an Ordnance Survey extract scale 1:1,250 detailing the Property with its boundaries edged clearly in red and/or such other extracts, plans and/or Goad's plans as you deem appropriate.

2.1 *Outline briefly the principal attributes of the location of the Property in a regional context.*

The subject property forms part of Shoreham Airport, being within its commercially developed area adjacent to the airfield and the airfield infrastructure.

Shoreham is located on the south coast lying between Brighton to the east and Worthing to the west. The location is immediately adjacent to the A27 south coast route linking in with the A23 to the east and the A24 to the west.

The location is convenient for residential areas. Shoreham Airport is a well known location within the aviation industry. The airport is fully operational for light aircraft and helicopters as well as providing flight school and training together with a museum detailing its history from its origins.

2.2 *Describe briefly the situation of the Property in its local context.*

The property is located within the south western section of the airport but immediately adjacent to the airfield and its taxiways/infrastructure. The property is accessed via the main service road linking the A27 to the north with the A259 to the south.

The property is within a short distance of Shoreham town centre with all its facilities including rail access and various bus routes. The unit is within the western section of the development which has seen construction of purpose built premises during the last 10 years. The development is ongoing.

The airport through its previous owners has seen expansion in terms of commercial premises. In addition to aviation related buildings there are premises occupied by Northbrook College together with units primarily associated with the aviation industry.

2.3.1 What are the predominant uses of the surrounding land? (insert 1 Commercial, 2 Industrial, 3 Retail 4 Residential 5 Mixed)

Mixed

2.3.2 If 'mixed use', what are the uses?

Airport premises, warehouses,
college premises and to the south
residential

2.3.3 Is the purpose for which the Property is used in keeping with other property in the area?

Yes

2.4.1 List (and explain below) any locational factors, which in your opinion might have a material adverse effect on either:

the lettability of the Property?

None

and/or

2.4.2 the saleability of the Property?

None

If, in your opinion, no such factors exist; insert 'None'

2.5 *Comments / Explanation*

3.0 Description

You should forward with this completed Report recent photographs of the exterior of the Property (showing the Property in its context), and if appropriate, the interior of the Property.

- 3.1 *Describe the Property (to include construction, arrangement, divisibility, flexibility, suitability, use etc).*
The subject property comprises a purpose built detached warehouse together with retail show room and ancillary offices. The retail area is used for the sale of aviation/pilot merchandise.
The property is set within a site which provides an extensive parking area delineated for 32 vehicles. The site also includes an area of landscaping.
The building is of steel frame construction with profile clad elevations and beneath a pitched roof which incorporates translucent panels.
The building is specifically designed to include a ground floor retail sales area which benefits from suspended ceilings and inset lighting and receives good natural light through full length fenestration. There are ancillary offices to the ground floor area.
The building has a feature entrance being part atrium leading into a staircase giving access to the first floor offices. The offices are to a good specification and include a suspended ceiling with inset lighting and air conditioning throughout.
The warehouse space is clear and benefits from gas fired warm air heating. There are loading doors from the south elevation.
The unit is approached via a service road leading from the perimeter road, this is in joint use with premises located to the west. The fit out of the property, particularly to the offices, retail shop and WC/entrance is to a high standard. It is a standard above speculatively built schemes and is a feature of the property. This has been reflected in our valuation.

3.2.1	When approximately were the main building(s) constructed?	<i>Insert year or decade</i>	1999
3.2.2	If there are later additions, when were these constructed?.... <i>Insert year, decade or 'n / a'</i>		N/a
3.2.3	Was the Property purpose built for its current use?		Yes
3.2.4.	If refurbished, when did this take place?	<i>Insert year, decade or 'n / a'</i>	N/a

- 3.3 *If there any factors present that, in your opinion, might impact adversely on lettability/saleability, please explain what effect these might have.*

4.0 Accommodation

All measurements to be provided in accordance with the current RICS Code of Measuring Practice.

4.1.1 The Property has been measured on a * internal basis * please insert gross or net

Floor/Unit No	Use	Area		If Retail Space, insert		Measured on Site *Yes / No
		sq M	Sq ft	ITZA areas (sq M / sq ft)	Remainder (sq M / sq ft)	
Ground floor	Retail area	206.90	2227			Yes
	Ancillary offices	53.51	576			Yes
	Reception/entrance	53.70	578			Yes
	Warehouse	974.44	10489			Yes
First floor	Offices	312.11	3359			Yes
Mezzanine	Storage	35.79	385			Yes

Totals **1636.45** **17614**

4.1.2 If retail space, what is the adopted Zone A depth?M /ft

4.2.1 Please state source if you did not undertake the measurements on site

4.3.1	If <u>offices</u> , does the 'slab to slab' height, in your view, limit future refurbishment and/or use of the Property?	No
4.3.2	If <u>industrial, retail warehouse or 'leisure box'</u> , please state: (a) eaves height (M / ft), and (b) loading bay height (M / ft).	6M/20ft 4.24M/13'11"
4.3.3	If <u>offices, industrial, retail warehouse or 'leisure box'</u> , does the floor loading capacity, in your view, limit future use of the Property?	No
4.3.4	If <u>retail shop unit</u> , please state (a) the gross frontage (M / ft); (b) the net frontage (M / ft); and, (c) the return frontage (M / ft / not applicable)	..... ..... .....

4.4 Are there any material issues to consider in relation to the Property complying with the Disability Discrimination Act 1995?
If 'Yes'; please explain below. No

4.5.1	How many on site parking spaces are provided?	32
4.5.2	Is vehicular parking provision adequate for the use of the Property?	Yes
4.5.3	Is there adequate parking generally in the area?	Yes

4.6 Is the loading and/or access adequate for the Property? Yes

4.7 If any answers to the above questions reflect adverse factors, please explain what effect these might have on your assessment of the Property.

5.0 Condition

You are not requested nor expected to carry out a structural survey but your responses to (and comment upon) the questions in this section will assist the Bank in gauging the quality and general state of repair of the Property.

During the course of your inspection of the Property were any of the following (of a significant nature) identified:		
5.1.1	any immediate repairs required to the exterior of the buildings?	No
5.1.2	any immediate repairs required to the interior of the buildings?	No
5.1.3	any defects which might affect the lettability of the Property?	No
5.1.4	any defects which might affect the saleability of the Property?	No
5.1.5	any evidence of past or current structural movement affecting the buildings?	No
5.1.6	are the buildings of an age or type which might lead you to suspect the presence of any materials which are deleterious, hazardous and/or likely to give rise to structural defects?	No
During the course of your inspection; did you establish whether, in compliance with the Asbestos at Work Regulations 2002:		
5.2.1	a survey of the Property has been completed?	No
5.2.2	records are maintained at the Property including any plan for management / monitoring of asbestos carrying materials?	No
5.3.1	Have you made any allowance in your valuation to cover the likely costs of immediate repairs/remedying any defects identified?	No
5.3.2	If 'Yes'; please state what amount has been deducted and explain below	£.....
5.4	What is the minimum remaining useful economic life of the building(s)?	30 years
5.5.1	Do any unusual construction techniques appear to have been used in construction of the buildings or have been subsequently incorporated into the structure?	No
5.5.2	Do the buildings have any unusual features?	No
If, in your opinion, either of these may adversely impact upon lettability and/or saleability of the Property, please explain below.		
5.6	If any answers to the above questions reflect adverse factors, please explain what effect these have had on your assessment of the Property.	

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You should disregard any plant and machinery that does not form an integral part of the Property for letting or sale purposes.

6.1	What services have been connected to the Property?	Electricity Gas Water Mains Drainage	Yes Yes Yes Yes
			* All / Floors / Units
6.2	Has any of the equipment outlined opposite been installed?	central heating air-conditioning comfort cooling lift equipment raised floors perimeter trunking suspended ceilings sprinkler systems [other - specify]	Yes Yes No No No Yes Yes No Yes Offices/shop Offices/shop Offices/shop Offices/shop Warehouse heating
6.3.1	During the course of your inspection did you notice or was your attention drawn to any obvious defects in the services and equipment?	No	
6.3.2	If 'Yes'; list the defects opposite	..... .....
6.3.3	Do you consider any of these defects might adversely affect the saleability or lettability of the Property?	* Yes / No	
6.4	Please explain what effect any defects identified have had on your assessment of the Property.		

7.0 Site and Ground Conditions

You are not requested nor expected to undertake detailed investigation of the site or ground conditions affecting the Property and your responses to the following questions should reflect the normal investigations undertaken by a prudent valuer.

7.1.1	What is the site area of the Property?	0.30 Hectares 0.75 Acres
7.1.2	What is the approximate site coverage?	60 %
7.2.1	Do you consider there are any site characteristics that might have a material adverse impact on the value and/or saleability of the Property?	No
7.2.2	If 'Yes'; what are these characteristics? Please list	.....
7.3.1	Are you aware of any adverse ground conditions affecting the Property?	No
7.3.2	If 'Yes'; what are these conditions? Please list	.....
7.4	Is the Property situated in an area that has suffered or is susceptible to flooding?	No
7.5	Please explain what effect any adverse factors identified have had on your assessment of the Property.	

8.0 Statutory Enquiries

8.1.1	Are there any policies in the relevant Structure Plan / Unitary Development Plan that are likely to have an adverse effect the Property?	No
8.1.2	What is the current status of the relevant Local Plan?	Adopted
8.1.3	What is the land use allocation of the Property within the relevant Local Plan?	Airport use

8.2.1	Are there any outstanding consents or applications for development in the vicinity that if built out might have an impact on the value of the Property?	No
8.2.2	Are there any road and/or pedestrianisation proposals that might have an adverse affect on the Property?	No

8.3.1	What is the current planning use of the Property (including Use Classes Order classification)?	B8 Warehouse and Retail Shop & offices
8.3.2	Does the Property appear to comply with its planning permission?	Yes
8.3.3	Are there any enforcement actions pending in relation to the Property or its current use?	No

8.4.1	Is the Property listed?	No
8.4.2	If listed, what is the listing grade?	.....
8.4.3	If the Property is situated in a Conservation Area / Green Belt / Enterprise Zone / Disadvantaged Area etc, please indicate	.....

8.5.1	Does the Property appear to comply with building regulations?	Yes
8.5.2	Is there any dispute between the local authority and the present owners of the Property as regards compliance with building regulations?	* Yes No

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8.6.1	Is a Fire Certificate required in respect of the Property?	No
8.6.2	If 'Yes'; have you had sight of the Certificate?	*Yes / No
8.6.3	If 'Yes'; has the Certificate been issued?	* Yes / No / Awaiting Legal Confirmation

8.7.1	Has the Property direct access to roads adopted by the local Highways Authority?	Yes
8.7.2	If 'No'; does this have a material adverse impact on the lettability and/or saleability of the Property?	* Yes / No

8.8.1	What is the Rateable Value of the Property? (If necessary, provide a separate schedule)	£125,000
8.8.2	What is the current Uniform Business Rate?	43.3 pence
8.8.3	Insert Financial Year.	2011/2012

8.9	<p><i>If any of your answers to the foregoing questions reflect adverse factors, please explain what effect these might have on your assessment of the Property. Please comment also on any material planning consents/refusals affecting the Property.</i></p> <p>Original planning consent includes the condition that the property is to be used for "storage and distribution of pilots supplies, ancillary shop and offices and no other purposes within class B8".</p>	
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9.0 Environmental Issues

The Bank will advise if it is aware of any contamination on the Property and make available any specialist reports in its possession. All such reports must be regarded as confidential and their existence and contents may not be disclosed to any other party.

It is recognised that Valuers are not able to give formal comment on the implications of site contamination. However, in order that the Bank can fully assess its position informal comment as to the potential for any such problems to exist is required.

9.1.1	Have you had sight of any environmental reports and /or a Remediation Certificate relating to the Property?	No
9.1.2	If 'Yes'; do you consider the Bank need take any specific action in relation to their content? If 'No'; do you consider that:	* Yes / No
9.1.3	the Property and/or its immediate environment is being or has been used for the manufacture, storage, and/or sale of hazardous /toxic materials such as chemicals, petroleum products, pesticides, fertilisers, acids, asbestos, explosives, paint or radioactive materials?	No
9.1.4	Hazardous materials or techniques have been used in the construction of any of the buildings or have been subsequently incorporated into the structure?	No
9.1.5	there may be land or water pollution on or close to the Property?	No
9.1.6	the buildings are situated on or near to landfill sites?	No
9.1.7	there may be storage tanks below ground or incinerators or chimneys giving off heavy emissions?	No
9.1.8	there are any adverse ground conditions in the adjoining properties and/or uses of adjoining properties which might give rise to soil contamination?	No
9.1.9	the Property and/or its immediate locality is affected by naturally occurring gases?	No
9.1.10	the Property, in your opinion, is likely to be included in the Register of Contaminated Land?	No
9.1.11	the Bank, in light of the above, should commission a specialist environmental assessment in respect of the Property?	No
9.2	<i>Please provide such further comment upon environmental issues as appropriate.</i>	

10.0 Tenure

10.1	Is the title to the Property on which you are reporting freehold / feuhold?	No
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10.2 *If the title is held leasehold, the principal terms of the lease(s) should be inserted below*

Name of Freeholder	Lease Start Date	Lease Expiry Date	Break Date / Not applicable	Current Annual Rent	Next Review	Upward only * Y / N	Review Pattern	Gearing % * Received / Receivable
Brighton & Hove City Council and The Borough Council of Worthing	15/09/1999	14/09/2124	2059	£23,000	2014	Yes	5 yearly	20%

10.3.1	What is your estimate of the Market Rent of the ground rent reviewed in accordance with the provisions of the head lease(s)?	£23,000
10.3.2	Are there any fixed uplifts or stepped increases?	No
10.3.3	If 'Yes'; please list and explain below	

10.4.1	Are there any restrictive or onerous clauses contained in the head lease(s) that may adversely affect the current or future marketability of the Property?	No
10.4.2	Are there any restrictive or onerous clauses contained in the head lease(s) that may adversely affect the current or future value of the Property?	No

10.5	Are there any known easements, servitudes or rights of way, light or escape that may adversely affect the Property?	Awaiting Legal Confirmation
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10.6	<p><i>If any of the answers to the foregoing reflect adverse factors, please explain what effect these might have on your assessment of the Property.</i></p> <p>The rent review clause to the lease requires the ground rent to be increased to the fair ground rent or 20% of the rack rental value of the premises. The user clause to the lease states the property is to be "not to use or permit or suffer to be used the demised premises on the plan other than for aviation related purposes including hangarage, warehousing, mail order distribution, associated offices and retail shop". Change of use requires landlords consent which cannot be unreasonably withheld.</p>	
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11.0 Occupational Leases

11.1	If the Property is subject to occupational lease(s) please complete Schedule A attached	
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11.2.1	Are the terms of the lease(s) appropriate having regard to the quality and type of property and the market conditions currently prevailing?	* Yes / No
11.2.2	Are there any fixed uplifts or stepped increases in rental?	* Yes / No
11.2.3	Are the terms of the review clause in the lease(s) likely to have a material adverse effect upon: (a) the level of rent fixed at next review(s)? (b) the property as an investment?	* Yes / No * Yes / No
11.2.4	If 'Yes' to any of the above; please list floors/units affected and explain below	.....

11.3.1	Are there any alienation provisions in respect of the whole / any part of the Property?	* Yes / No
11.3.2	Can the tenant(s) assign their whole interest(s)?	* Yes / No
11.3.3	Can the tenant(s) sublet their interest? (If 'Yes'; please provide details below)	* Yes / No
11.3.4	Are there any under-lettings? (If 'Yes'; please provide details below)	* Yes / No

11.3.5	Will the alienation provisions affect saleability or lettability of the Property?	* Yes / No
11.3.6	If 'Yes'; please list floors/units affected and comment below.	.....

11.4.1	Is/are the lease(s) subject to 'privity of contract'?	* Yes / No
11.4.2	If 'No'; does / do the lease(s) make provision for the granting of an Authorised Guarantee Agreement?	* Yes / No
11.4.3	If 'No'; will the absence of such provision adversely impact on the Property as security?	* Yes / No
	If 'Yes'; please explain below.	

11.5.1	Have you had sight of any financial records maintained in respect of the Property by the current owner and/or managing agents?	* Yes / No
11.5.2	If 'Yes', (a) did you note any evidence of material rent collection difficulties? (b) please advise as to the extent of service charge under-recovery for the three year period immediately preceding the date of your inspection?	* Yes / No £.....

Do the obligations of the tenant(s) under the relative lease(s) cover / extend to:		If 'Yes'; insert 'All' or list the relevant floors/units as appropriate below
11.6.1	all internal repairs and maintenance (including common parts)?	* Yes / No
11.6.2	all external repairs and maintenance?	* Yes / No
11.6.3	replacement of plant and machinery no longer serviceable?	* Yes / No
11.6.4	costs of dilapidations on expiry of the lease(s)?	* Yes / No
11.6.5	recovery of insurance premiums?	* Yes / No
11.6.6	full recovery of managing agents' fees?	* Yes / No
If 'No' to any of the above, please explain and quantify below		

11.7.1	Are any of the floors/units subject to schedule(s) of condition?	* Yes / No
11.7.2	If 'Yes'; please list the floors/units affected opposite	.....

11.8	<i>Please list and explain the effect of any additional occupational lease issues that you consider should be drawn to the Bank's attention.</i>
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12.0 Market Trends and General Comments

Having regard to all relevant information including condition, obsolescence, planning applications, consents or developments in the locality that would have an effect, either beneficial or adverse, on the Property; what is your assessment of the following?

12.1 *The value and marketability of the Property in comparison with other competing properties in its market sector; i.e. how is the property placed with respect to the market in which it competes and will it perform better or worse than its peers?*

The property is satisfactory for the type of building in its particular market. It is usual for such buildings to be held under the terms of ground leases on airport premises.

12.2 *The volatility of the sector compared to the property market as a whole.*

Generally stable notwithstanding the current property recession.

12.3 *If the Property is or became vacant in whole or in part, its letting prospects in relation to the market sector.*

Very good. The property could be let with reference to its individual parts although the market is probably stronger in respect of a single letting of the whole.

12.4 *In event of refurbishment of the Property, the letting or sale prospects of the refurbished accommodation having regard to the timescale required to complete the works.*

The building is in a condition not to warrant a programme of refurbishment. Your customers have maintained a good programme of repair and decoration to the property.

12.5 *The strategies that might be adopted to mitigate the effect of any future adverse factors upon the Property as security.*

None.

13.0 Rental Value

You should complete this section and provide a separate schedule of comparable evidence supporting your view of rental value of the Property whether vacant, owner occupied and/or tenanted

13.1	What is the current aggregate annual rent receivable?	£.....
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13.2.1	What is your opinion of the unit market rent of the Property?	£70 per sq M £6.50 per sq ft	Aggregate Market Rent £115,000
13.2.2	If retail and appropriate, please state	£.....per sq M / sq ft ITZA	

13.3.1	If the Property is over-rented, do you anticipate it will become rack-rented during the term of the existing lease(s)?	* Yes / No
13.3.2	When approximately, do you anticipate the Property becoming rack-rented?	.....Year

13.4	Are there any tenants' improvements that you have disregarded in your assessment of Market Rent of the Property?	* Yes / No
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13.5	If the accommodation is or became vacant within the next 12 months, how long do you consider it would take to re-let:	Period (Months)	Floors/Units
(a)	as a whole	6 - 12	.....
(b)	in floors/units? <i>Insert as appropriate the floors/units</i>	6 - 12	.....

13.6.1	If the accommodation is or became vacant within the next 12 months, do you consider that incentives would need to be offered to secure letting(s)?	No
13.6.2	If 'Yes'; what is your view of the cost of such incentives in terms of:	
(a)	capital contribution, and/or	£.....
(b)	length of rent free period?	.....months

* All / Floors / Units

13.7	If the accommodation is or became part or wholly vacant within the next 12 months, what in your view are the approximate annual holdings costs as security in terms of :		
(a)	Rates <i>(where appropriate, consider any phasing provisions affecting the Property)</i>		£30,000
(b)	Maintenance and Repairs		£ 2,500
(c)	Insurance		£ 5,000
(d)	Security		£ 2,500
(e)	Other		£
	Total		£40,000

13.8	If the Property is in multi-occupation, what is your view of its likely average occupancy level over the term of the Loan? <i>Insert percentage or 'n / a'</i>	N/a %
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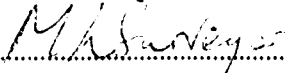
13.9	<p><i>Please provide detailed comment on the Market Rent and your supporting comparables.</i></p> <p>The property is held on a ground lease with periodic rent renewal. Comparable buildings let are equating to rents of between £6.00 and £7.50 p.s.f. These include premises on nearby estates. The subject property has a planning restriction and a user clause restriction which have been reflected in our valuation.</p> <p>The ground rent is reviewed periodically to the fair market rent or 20% of the rack rental value of the buildings. This is a usual term for such property and is utilised by Local Authorities particularly on the grant of their ground leases.</p> <p>The market is established for the purchase of such leases where the owner enjoys the profit rent. A higher yield is taken as compared to freehold premises.</p> <p>Similar sales have been achieved for Sheddingdean Industrial Estate, Burgess Hill.</p>		
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16.0 Security for the Loan

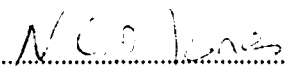
16.1	In your opinion are there any factors that are likely to have a material adverse effect on the future performance/value of the Property as security?	No
16.2	<p><i>Please provide your conclusion as to the commercial strengths and weaknesses of the Property and appropriate advice as to what action might be taken to mitigate against any factors which, in your opinion, might have a material adverse effect on the future performance/value of the Property.</i></p> <p>Strengths: Location; specification; size; being on airport.</p> <p>Weaknesses: Planning condition although this limits the end user for which there is current demand.</p>	

Date 23rd September 2011

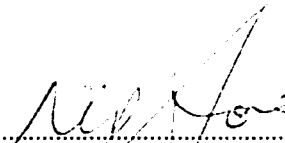
Signed for and on behalf of


.....
MLSurveyors

By a Partner or Director)


.....
N.C.D. Jones, BSc., MRICS

CPAR (01/05/04)


.....(
Signature)

**VALUATION OF UNIT 9 SHOREHAM AIRPORT,
SHOREHAM-BY-SEA BN43 5PA.**

Estimated rental value:	£115,000
Less rent paid:	£ 23,000

Profit rent:	£ 92,000
YP for 113 years @ 9½% & 2%:	£ 10.85

Capital Value:	£998,200
Less costs @ 1.0575%:	£ 54,275
	£ 43,924

But say:	£950,000
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CONDITIONS OF ENGAGEMENT FOR COMMERCIAL VALUATIONS
PREPARED BY M L SURVEYORS

- 1.0 The Service:**
- 1.1 The report will provide the following:-
- 1.1.1 A description of the property, its location, apparent state of repair and other relevant information.
- 1.1.2 The valuation will be on the basis as set out in paragraph 4 below agreed between us and the client and/or such other basis as we may have agreed.
- 1.1.3 Advice on any factors which we consider are likely materially to affect the value or status of the property.
- 1.1.4 A statement as to any special assumptions which we have made in the preparation of our valuation.
- 1.1.5 A statement as to the valuation method adopted and:
- (a) In the case of property valued for existing use as an operational entity having regard to trading potential the opinion which the Valuer has formed as to the future trading potential, including the gross income and profitability likely to be achieved; and
- (b) In the case of property valued on a residual basis the significant material figures and assumptions made and the consequences of changes thereto.
- 1.1.6 Where an indication is given for insurance purposes of the current reinstatement costs of the buildings, it is given solely as a guide as a formal estimate for insurance purposes and only given by a Quantity Surveyor or other person with sufficient experience of replacement costs. The figure will include the cost of clearance and professional fees, but excludes:-
- (i) V.A.T. (except on fees);
- (ii) Loss of rent; and/or
- (iii) Cost of alternative accommodation for the reinstatement period.
- 1.2 Following provision of the report, we shall be prepared to discuss its contents with you.
- 1.3 We shall, unless otherwise expressly agreed, rely upon information provided by you as our client and or your legal or other professional advisors relating to tenure, leases and all other relevant matters.
- 1.4 Subject to paragraph 2.1 below, we shall carry out such inspections and investigations as are, in our professional judgement, appropriate and possible in particular circumstances. These will include such verbal Town Planning enquiries as are possible.
- 1.5 If our inspection suggests that there may be material hidden defects, we shall so advise and may exceptionally defer submitting a final report until the results of further investigations are available.
- 1.6 Our report will not identify the existence of contamination, unless by agreement with the client, reports thereon from others have been obtained and made available to us. We shall, of course have no liability in respect thereof. If, however, in the course of our inspection we conclude that there may be material contamination, we will report this to you with a view to a decision being taken as to whether our instructions are to be amended.
- 1.7 In preparing our report, unless otherwise stated by us, the following assumptions will be made which we shall be under no duty to verify:-
- (a) That no deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated;
- (b) That good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or other outgoings;
- (c) That the property and its value are unaffected by any matters which would be revealed by a local Search and replies to the usual enquiries, or by any Statutory Notice, and that neither the property nor its condition nor its use or its intended use is or will be unlawful.
- (d) That inspection of those parts that have not been inspected would neither reveal material defects nor cause us to alter our valuations materially; and
- (e) Unless otherwise stated that no contaminative or potentially contaminated uses have been carried out on the property and that there is no potential for contamination of the subject property from past or present uses of the property or from any neighbouring property.
- 1.8 Our report will be provided for the stated purpose and for the sole use of the named client. We accept responsibility to you as our client alone that the report will be prepared with the skill, care and diligence reasonably expected of a competent valuer, and accepts no responsibility whatsoever to any parties other than the client. Any such parties rely upon the report at their own risk. Neither the whole nor any part of the report nor any reference to it, may be included in any published document, circular or statement or published in any way without our written approval of the form and context in which it may appear.

2.0 The Inspection:

- 2.1 We will undertake a visual inspection of so much of the exterior and interior of the property as is accessible with safety and without undue difficulty, and which we consider reasonably necessary to provide the service having regard to its purpose. We are not under any duty to inspect those parts of the property which are covered, unexposed or inaccessible or to raise boards, move anything, use a moisture detecting meter, or to arrange for the testing of electrical, heating or other services
- 2.2 The valuation report does not represent a Building Survey or a Structural Survey, both of which require a more detailed inspection. It is possible that there are defects in the property which will not be evident during the course of our limited inspection, or which the valuer has not disclosed as they are not considered significant by the valuer or do not materially affect the value.
- 2.3 The client should not assume that if the valuation report mentions no defects that the property is free from defects, nor should the client assume that any defects mentioned in the valuation report are the only defects that are present in the property.
- 2.4 It is important that the client does not rely on this report in deciding whether to proceed with, where applicable, the purchase of the property. It is strongly recommended that the client obtains a more detailed inspection report to assess whether the property is suitable for their purposes.

3.0 The Report:

- 3.1 If it is not reasonably possible to carry out a substantial part of the inspection (see paragraph 2 above), this will be stated.
- 3.2 Where we rely upon information provided, this will be indicated in the report, together with the source of information.

4.0 The Valuation:

- 4.1 The valuation will be provided on the aforementioned assumptions in respect of individual subject properties (unless otherwise agreed) as inspected on the following basis as have been agreed between us and you as our client. These basis are as defined in the R.I.C.S. Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors and effective from 1st May 2011.

"Market value" means "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion".

- 4.2 The Valuation will exclude any additional value attributable to personal goodwill, or the value of any fixtures and fittings which are only of value in situ to the present or proposed occupier, except in the case of property which is fully equipped and valued as an operational entity where only personal goodwill is excluded.

5.0 The Fee:

- 5.1 All instructions of the client will be made directly by the client and confirmed in writing.
- 5.2 The client will pay to M L Surveyors the fee as initially agreed between us or any amendment thereto to be agreed if our instructions are subsequently modified.

6.0 Compliance:

- 6.1 The Conditions of Engagement are in accordance with the RICS Valuation Standards effective from May 2011.
- 6.2 A copy of our Partnership complaints procedure is available on request.
- 6.3 In accordance with the RICS Valuation Standards, this valuation may be subject to monitoring under the institution's conduct and disciplinary regulations.

COM.VAL.020108

14 September 2011

For the attention of Mr M B Dutt

MLSurveyors LLP
14 The Courtyard
East Park
Crawley
West Sussex RH10 6AG

Commercial Banking

Guildford Commercial Office
PO Box 1, 2nd Floor G3
2 Cathedral Hill
Guildford
Surrey GU1 3ZR
Tel: 01483 739544
Fax: 01483 578405

Dear Sirs.

Our Ref: 690172 (Please quote this reference number in all correspondence with the Bank.)

Commercial Property Appraisal

We shall be obliged if you will act on behalf of the Bank in providing an appraisal of the Property referred to in the accompanying Schedule including a valuation thereof for security purposes as at the date of your report. Your Report should be in the form of the Bank's Commercial Property Appraisal Report (Investment / Owner Occupied) template already supplied to you and which should not be altered in any way.

In terms of the Service Agreement entered into between you and the Bank (the 'Service Agreement'), we expect the valuation to be carried out in accordance with the Appraisal and Valuation Standards issued by The Royal Institution of Chartered Surveyors (the 'Red Book') as amended from time to time. However, the terms and conditions of the Service Agreement and this letter take precedence over the Red Book and, whilst you should have regard to it, the Bank's instructions should be followed at all times.

Whilst your opinion of Capital Value is required, the future performance and marketability of the Property are of paramount interest to the Bank and it is essential these issues are addressed fully in your report.

You have already confirmed that you:

1. are able to act on our behalf as Independent Valuer and have no existing or potential conflicts of interest in complying with this instruction (other than approved by us);
2. have the necessary expertise and experience to advise us in relation to the Property; and
3. maintain in force adequate Professional Indemnity Insurance on a per claim basis in respect of this instruction and have made no material changes since last supplying us with details of the cover in place.

You have agreed with us a fee £700.00 (including all disbursements but excluding VAT) for carrying out the work. Your fee note addressed to the Bank should be submitted for settlement to the office specified in the accompanying Schedule along with four copies of the completed Report. You should also forward one copy of the Report to the Bank's Solicitor and Monitoring Surveyor respectively if mentioned in the accompanying Schedule.

Finally, your Report must include copies of this instruction letter and any Guidance Note(s) that you have followed in complying with our instructions

Yours faithfully



Beata Townsin
SRMA

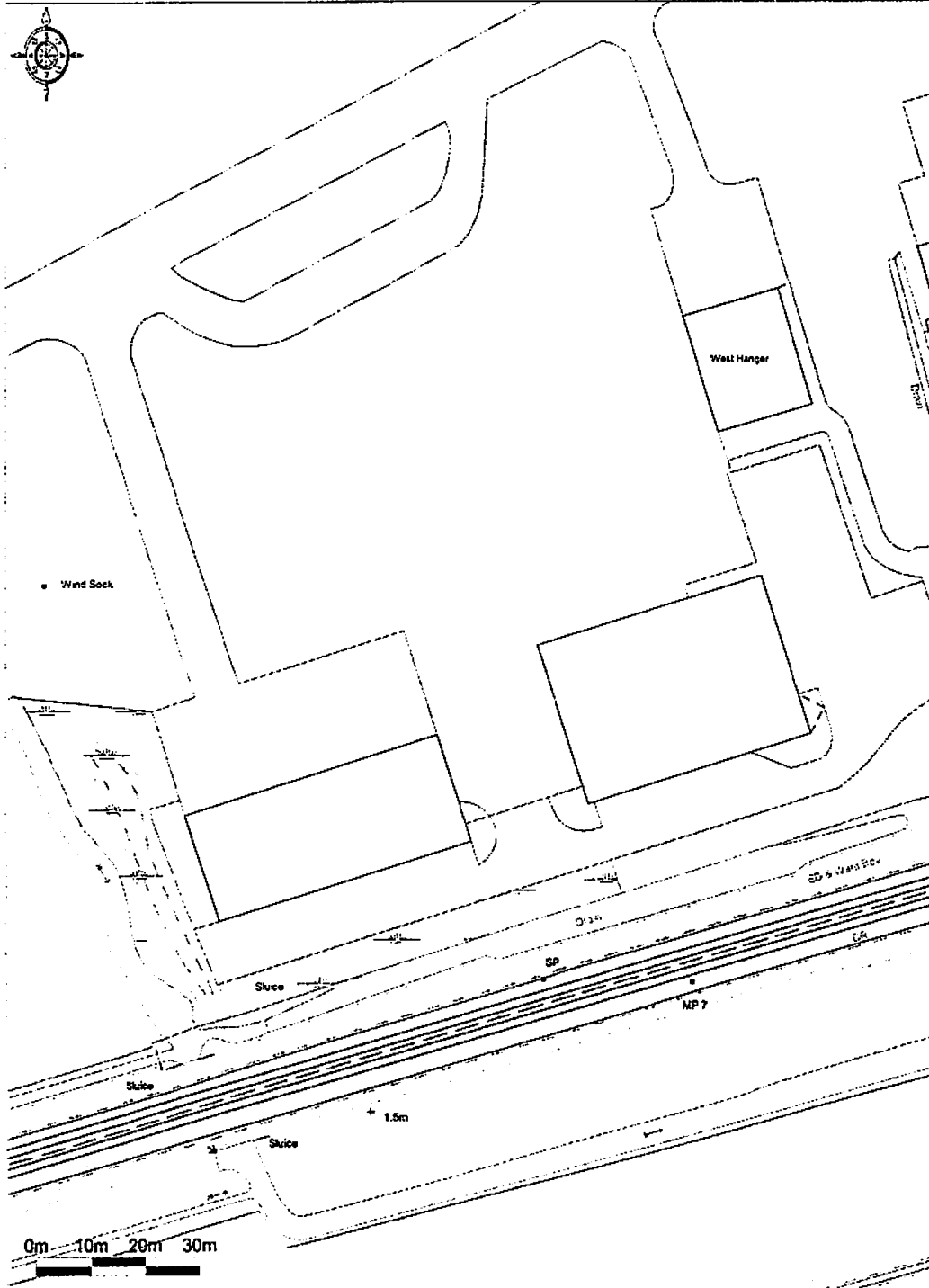
SCHEDULE

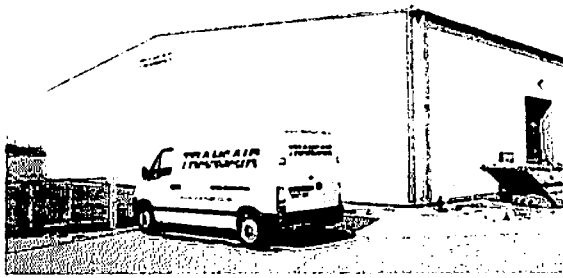
Division:	Corporate Banking Division - Business & Commercial Banking
Bank Office and Address:	Po Box 1, 2nd Floor G3, 2 Cathedral Hill, Guildford, Surrey GU1 3ZR
Relationship Manager:	Joann Cater Manager
Telephone Number:	01483 739555
Customer:	Trans Holdings Ltd
Address of Property:	Unit 9, Shoreham Airport, Shoreham-by-sea West Sussex BN43
Type of Property:	Retail Warehouses
Contact Name:	Tom Moloney
Telephone Number:	01273 466000
Loan Amount:	£200,000
Term of Loan:	1 years
Loan Repayment Arrangements:	Security for £200,000 overdraft

Legal Title:	Leasehold
Copies of Lease(s)/Agreement(s) to Lease if available:	None

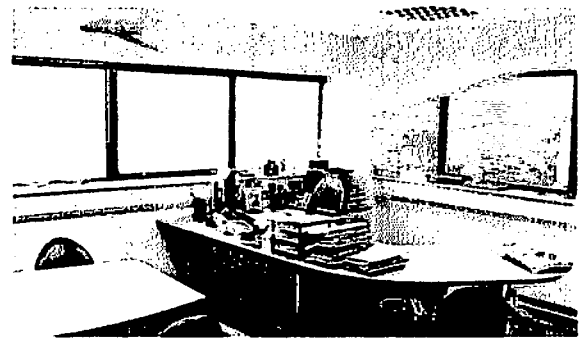
Bank's Solicitors and Address:	Not Yet Appointed
Contact Name:	
Telephone Number:	
Specialists Reports if available:	None

Special appraisal requirements over and above those contained in the relevant Guidance Note:	None
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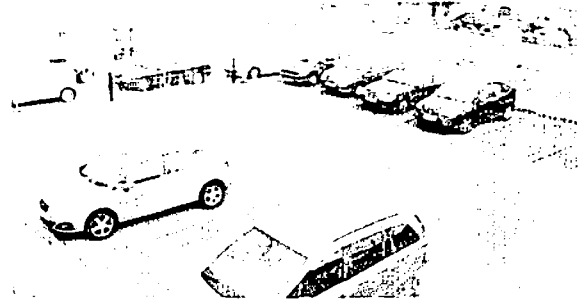




First Floor Offices



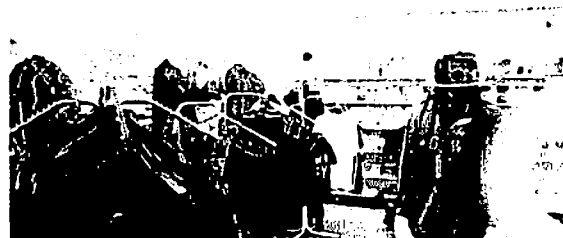
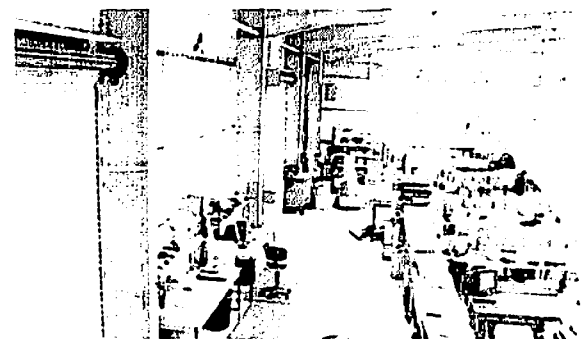
East Elevation



Car Park Area



North Elevation



Warehouse