Cynergy Bank

PO Box 17484, 87 Chase Side
London N14 5WH
Enquiries 0345 850 5555
Outside UK +44 (0)20 3375 6422
www.cynergybank.co.uk

The Directors
Blumin Capital Limited
Lynwood House
373-375 Station Road
Harrow
HA1 2AW

25 January 2023

Ref: 4221 20221116 153 002/437818

Dear Director

Facility Letter

We are pleased to offer you a Term Facility on the following conditions set out in this Facility Letter (the "**Facility Letter**"). The Conditions for Commercial Facilities (December 2018) scheduled to this Facility Letter as Schedule 1 (the "**Conditions for Commercial Facilities**") form part of this Facility Letter.

Capitalised terms defined in the Conditions for Commercial Facilities have the same meaning when used in this Facility Letter unless expressly defined to the contrary in this Facility Letter. If there is any inconsistency between this Facility Letter and the Conditions for Commercial Facilities, this Facility Letter prevails.

For the avoidance of any doubt, any specific conditions in the Conditions for Commercial Facilities as regards variation of the Interest Rate (as defined below) shall not apply to the Facility Letter.

The headings in the "Summary" section below are included for convenience and reference only and do not affect how these provisions are to be interpreted.

Summary

Borrower(s):	Blumin Capital Limited
Guarantor(s):	Mr Fyodor Blumin
Facility Amount:	Term Facility in the amount of £1,820,000.00
Purpose:	You will apply all amounts borrowed under the Term Facility to refinance borrowing at Octopus Real Estate.
Availability Period:	The Term Facility will be available to you for a period of three months from the date of acceptance of the offer contained in this Facility Letter. Any Facility Amount that has not been advanced within the Availability Period will be immediately cancelled, unless otherwise expressly agreed by us in writing. During the Availability Period (and without prejudice to Condition 20 *(Increasing our charges)* of the Conditions for Commercial Facilities), we shall, at our absolute discretion, be entitled to increase the Interest Rate

	to reflect any changes or anticipated changes in money market interest rates or the cost of money we lend.
Term:	60 months after initial Drawdown.
Repayment:	For your Term Facility, based on a Fixed Interest Rate, monthly instalment repayments of £9,479.17 consisting of interest only payable on each Interest Payment Date. You shall repay the Facility in full, together with the last monthly instalment of interest, on the Termination Date. You will be responsible for ensuring that you have the funds to repay the Facility in full on the Termination Date. Failure to make payments on the due dates or the occurrence of any other Event of Default may result in all outstanding amounts owed to us (together with all accrued interest and fees (including for the avoidance of any doubt any applicable ERC)) becoming immediately due and payable. By accepting the offer contained in this Facility Letter you agree to us debiting your Current Account with the payments required under this Facility. You must retain this Current Account until all outstanding amounts owed to us have been repaid in full. It is your responsibility to ensure that there are sufficient funds available to make all payments on the days when they fall due. See Condition 10 *(Payments)* of the Conditions for Commercial Facilities for further payment conditions.
Current Account:	The account held with us and agreed by us and you from time to time to be the Current Account. You must keep your Current Account open until all outstanding amounts owed to us have been repaid in full. Your payments and repayments on any Facility must be made through your Current Account. We may, at our discretion, debit any sums due from you under any Facility to your Current Account or any other account you hold with us. See Condition 10 *(Payments)* of the Conditions for Commercial Facilities for further payment conditions relating to your Current Account.
Interest:	The rate of interest charged on the Facility will be 6.25% per annum of the Facility Amount (the "**Interest Rate**"). The Interest Rate will be fixed for the Term. You will pay the interest accrued on the Facility at the Interest Rate on each Interest Payment Date as monthly instalments, in accordance with the Repayment section above. Notwithstanding that the Interest Rate is fixed for the Term, in the event that you fail to pay any amount payable by you under a Facility Document on its due date, default interest will accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which is 1% higher than the Interest Rate. In the event you do not repay the Facility in full on the Termination Date, an Event of Default will occur. As a result, a revised rate of default interest (the **"Revised Default Interest Rate"**) shall apply to the Facility comprising 5% above the "**Reference Rate**" being the Bank of England Base Rate applicable on the Termination date, or in the event of a material change to the basis or manner of its calculation or direction, or any recommendation from the Bank of England and/or the Financial Conduct Authority that the Bank of England Base Rate is no longer an appropriate representative rate, or any recommendation from the Bank of

England and/or the Financial Conduct Authority to cease using the Bank of England Base Rate altogether such alternative rate as may be utilised by comparable lenders within the commercial banking market within England and Wales. In the event this rate falls below 0.25%, the Reference Rate will be 0.25% per annum.

The Revised Default Interest Rate is calculated in line with the default interest rates applicable across other Cynergy Bank products and shall apply monthly from the expiry of the Term until such time as any outstanding balance of the Facility is repaid in full. We will notify you in writing of the Revised Default Interest Rate to be charged as soon as reasonably practicable after the Termination Date.

Please note that we reserve the right to vary the Reference Rate by substituting an alternative reference rate (any equivalent or replacement market reference rate) for the Reference Rate. Any such variation will be effected in accordance with Condition 29 (Right to Vary) of the Conditions.

If the Revised Default Interest Rate shall apply, the Interest Period (as defined in the Conditions) shall be extended until such time as any outstanding balance of the Facility is repaid in full.

Please see Condition 6 (Interest) and Condition 8 (Default Interest) of the Conditions for Commercial Facilities (as applicable) for further interest conditions.

Notwithstanding anything in the Facility Letter to the contrary, Conditions 6.7 to 6.9 of the Conditions for Commercial Facilities inclusive shall be waived in their entirety and shall not apply to the Facility Letter. This waiver is without prejudice to any rights or remedies that we may have now or in the future with respect to any other matters under the Facility Letter and the Conditions for Commercial Facilities (including, without limitation, our right to change the Interest Rate if any Reference Rate applicable to the Facility changes), and is limited to the conditions to which it refers.

Drawdown Notice Date:

Unless otherwise agreed by us in writing, you must deliver a Drawdown Request to us no later than 11:00am four Business Days before the proposed Drawdown Date.

We will only be obliged to advance funds to you if we have received and are satisfied that each of the Specific Conditions, together with any other applicable conditions, have been met.

Fees:

Arrangement Fee: £13,650.00 which is payable on initial Drawdown by debit to the Current Account.

Credit Delivery and Recoveries Fees: See Schedule 2 (*Credit Delivery and Recoveries Fees*) hereto.

Early Repayment Charge: See "Prepayment" section below for further details.

Security:

We will require the following Guarantees and Security, and related documents, from the Relevant Parties in our standard form:

- A Guarantee from Mr Fyodor Blumin for the amount of £364,000.00 plus interest that may be due and charges, costs and expenses referred to in the Guarantee, supported by any Security we require from such Guarantor(s). By accepting a Facility, you irrevocably consent to us contacting the proposed Guarantor(s) and any

solicitor(s) instructed by them. We may disclose to the Guarantor(s) and their solicitor(s) any information we think necessary about the Facility (including, but not limited to, the Facility Documents) or your existing security with us. Our right to make such disclosure will be on-going.

- A Debenture, being a first legal mortgage, legal assignment and fixed and floating charge over all of the assets, business, undertakings and rights of Blumin Capital Limited.
- A Legal Charge, being a first ranking legal mortgage, legal assignment and fixed charge, granted by Blumin Capital Limited in respect of the freehold property known as 323 Green Lanes, London, N4 2ES.

Unless we have expressly agreed otherwise, Security already held or Security we take in the future will be continuing Security for all your liabilities, whether actual or contingent.

By accepting this Facility you irrevocably consent to us contacting any proposed Guarantor(s) and/or any solicitor instructed by them. You permit us to disclose to the Guarantor and their solicitor any information we think necessary about the Facility or your existing credit facilities with us. Our right to make such disclosure will be on-going.

Please note that any Guarantor must obtain independent legal advice prior to providing any such Security.

Valuations:

We reserve the right at any time to commission a Valuation of any Property held as Security and you agree to allow or arrange for access to the Property to facilitate this.

You will be required to pay for the following Valuations requested by us:

- the Initial Valuation;
- any Valuation obtained by us on an annual basis;
- any Valuation obtained by us in connection with the compulsory purchase of all or part of a Property; and
- any Valuation obtained at any time when an Event of Default is continuing or where we reasonably believe a Potential Event of Default will occur as a result of obtaining that Valuation.

Any other Valuation requested by us will be at our own cost.

If a Potential Event of Default does not occur as a result of obtaining any Valuation requested at any time when we reasonably believe a Potential Event of Default will occur as a result of obtaining that Valuation in accordance with the above, we will promptly reimburse you for the costs of such Valuation to the extent that you have paid such costs.

Unless expressly agreed to the contrary with us, you agree that you will be liable for the cost of any of the above Valuations and that we may debit your Current Account for the costs of any of the above Valuations unless you have paid our nominated panel valuer directly and provided us with a copy of your proof of payment.

Drawdown Conditions:

The General Conditions and the Acquisition Conditions and the Investment Conditions (as set out in the Conditions for Commercial Facilities) (the "**Drawdown Conditions**") apply to the Facility.

Specific Conditions: We shall only be required to make funds available by the relevant Drawdown Date if each of the Specific Conditions set out in this section of the Facility Letter (together with each applicable Drawdown Condition) has been met by you to our satisfaction on or before that Drawdown Date.

The following Specific Conditions apply to the Facility:

- We must receive a satisfactory Initial Valuation report on the property known as 323 Green Lanes, London, N4 2ES.
- You must ensure that the Loan to Value does not, at any time, exceed 60%.
- The Borrower must ensure that Interest Cover is, at all times, at least 170% for the relevant calculation period and "income" is calculated on the basis of rental income. "**Interest Cover**" means, at any date, income as a percentage of finance costs at that date. For the purposes of this definition: "**calculation period**" means a period of 12 months ending on the relevant test date; "**finance costs**" means the aggregate amount of interest and fees payable to us under any loan facility or facilities made available to you during any calculation period in respect of which income has been calculated; "**income**" means rental income or other amounts described in the Facility Letter for the purposes of calculating Interest Cover and calculated for the calculation period; "**rental income**" means the aggregate of all amounts paid or payable to you during the calculation period in connection with the letting, licence or grant of other rights of use or occupation of any part of the Property over which we have been granted Security, including any rent, licence fees and equivalent amounts paid or payable but exclusive of service charge and all insurance premiums; and "**test date**" means the date falling 12 months after first Drawdown and each anniversary of that date thereafter.
- For each Property that is subject to a commercial lease, we require our appointed solicitor to: a. provide us with a copy and details of any lease agreement(s) under which the Property is held; and b. confirm that (a) all rent payments relating to any lease(s) are up to date; and (b) there are no provisions in any lease agreement(s) which are onerous to us or which our solicitor reasonably considers ought to be brought to our attention.
- We require a separate firm of solicitors to act for us. You must pay all fees, charges and expenses incurred by us in connection with the negotiation, preparation and execution of the Facility Documents, including stamp duty, registration fees, legal fees and any other taxes imposed.
- Rental income from the Property known as 323 Green Lanes London N4 2ES must be deposited into your Current Account throughout the Term of the Facility.

Property: 323 Green Lanes, London, N4 2ES

Prepayment: An ERC will apply to the Facility.

Please see below and please also see Condition 25 (*Early Repayment Charge)* of the Conditions for Commercial Facilities (as applicable) in this regard.

Upon receipt of written notice from you that you have elected to make an early repayment, the applicable ERC will be specifically calculated on the amount of the early repayment as set out below and, shall be repayable, together with the repayment amount and all accrued interest and other fees on amounts paid, on the repayment date, by debit to the Current Account.

Date of Loan Repayment	**Basis of Charge**
If repaid within 24 months of the initial Drawdown Date	5% of the amount repaid
If repaid within 25 and 60 months of the initial Drawdown Date	3% of the amount repaid

All Loans made under or in connection with this Facility Letter are unregulated agreements for the purposes of the Financial Services and Markets Act 2000 and related legislation and, as a result, you understand that you are not entitled to the regulatory protections that would otherwise apply if any Loan was regulated by such legislation.

To accept this offer, please sign the enclosed copy of this Facility Letter and return it to us. Prior to your acceptance of our offer, we reserve the right to withdraw our offer at any time on written notice to you.

If we do not receive your acceptance of our offer within 28 days from the date of this Facility Letter, the offer will, at our discretion, lapse without further notice. If the offer does lapse but you would like to proceed with it please contact us. We will not be liable for any costs, fees or expenses (including, but not limited to, any professional fees) that you have incurred in respect of our offer if it is withdrawn or lapses.

Before accepting this offer, we recommend that you seek professional independent advice.

Yours faithfully,

E-SIGNED by Liliana Ferreira
on 2023-01-25 12:23:48 GMT

For and on behalf of
Cynergy Bank Limited

Acceptance of Facility Letter

By accepting on behalf of the Borrower the terms contained in this Facility Letter you confirm that the Borrower has considered whether it needs to obtain professional independent advice (legal, financial or otherwise), prior to entering into the Facility Letter.

By signing below, you also confirm and acknowledge that the terms of the Facility Letter are fair, clear and not misleading, that the risks associated with entering into the Facility Letter have been given due consideration, and that the decision to enter into the Facility Letter has been made on a non-advised basis.

The Facility detailed above is accepted for and on behalf of the Borrower Blumin Capital Limited on the terms contained in the Facility Letter and the Conditions for Commercial Facilities.

Executed by **Blumin Capital Limited**

acting by a director, in the presence of:

.....

Director

Name: Fjodor Blumin

.....

Name of Witness: Stephanie Koffler

Address of Witness: 15156 SW 142 CT, Miami, Florida 33186

Occupation of Witness: Lawyer

Date:_____

Schedules to this Facility Letter:

Conditions for Commercial Facilities (December 2018) - **Schedule 1**

Credit Delivery and Recoveries Fee - **Schedule 2**

SCHEDULE 1
Conditions for Commercial Facilities (December 2018)

SCHEDULE 2
Credit Delivery and Recoveries Fees

Service	Description	Tariff (£)
Deeds retrieval (Deeds dispatch)	Debited to your Current Account when deeds are sent to solicitor(s) acting on your behalf. This fee does not apply if the deeds are sent in preparation for a Discharge (see below) and the legal charge is then released.	35
Discharge	Debited to your Current Account when we release a legal charge over a Property.	175
Photocopying deeds (1)	Photocopying your deeds.	40
Change of Borrower	Agreeing to a change over the legal title of a Property charged to us.	150
2nd charge questionnaire	When we provide information for another lender.	100
Deed of postponement (2)	Preparing and sealing a deed of postponement.	150
Consent to lease	Consenting to you letting a Property charged to us.	125
Consent to S.106 planning agreements	Consenting to planning changes to a Property charged to us.	200
Leasehold charge	If we pay ground rent/service charge on your behalf and add the amount paid to the mortgage debt.	100
Registration of charge at Land Registry (3)	If we handle the registration of a charge.	250
Accelerated completion (4)	We require the Certificate of Title (COT) from your Solicitor(s) 4 days before completion. If COT received less than 4 days before completion, the following fees apply: - received more than 2 days before completion - received 2 days or less before completion - received 1 day or less before completion	 75 100 150
Registration of a security document at Companies House	If we apply to register a charge over the Property at Companies House.	125
Deed of substituted security	If we agree to release Security held and substitute new Security (usually in the context of an extended lease).	125
Mortgage of Life Policy	If we release a charge of life policy or re-assign a life policy.	35
Change to terms and conditions	When at your request we make changes to existing Conditions for Commercial Facilities.	100
Request for redemption statement	If you request 3 or more redemption statements on the same Facility during a 12 month period we will charge this fee for the third and each subsequent statement.	20

Service	Description	Tariff (£)
Monthly Recoveries charge	Charged monthly while the debt is in default and being handled by our Recoveries Department. The fee is 0.1% of the outstanding debt per month with a minimum of £30 and a maximum of £150 per account.	30 to 150
Referral to Recoveries	Charged as a one off fee when you are referred to our Recoveries department for recovery of debt.	75
Referral to solicitors	Charged if you are in default and our Recoveries Department refers your case to external solicitor(s). The Monthly Recoveries Charge will continue to apply after such referral.	140
Realisation of property charged as security	This fee applies when we take possession of the Property charged to us. The fee is £350 if the Property is your home, otherwise it is 0.5% of the gross sale proceeds of the Property up to the amount of the debt outstanding, with a maximum of £1,000.	350 to 1,000
Appointment of receiver	A monthly fee is charged if we appoint a receiver under the Law of Property Act 1925 or our fixed charge. The fee will be 0.1% of the value of the Property up to the amount of the debt outstanding, with a maximum of £1,000 per month.	

(1) This covers the first 20 sheets. Additional sheets are charged at 20p plus VAT.

(2) If a lender insists on using its own Deed of Postponement, we will charge £250.

(3) This fee will not apply where we have requested a second charge over a Property, and we are handling the registration.

(4) In calculating days, the day of receipt by us of a Certificate of Title ("COT") does not count. Furthermore, a COT received after 4.00 pm on a Business Day is treated as being received the next Business Day.

Guidance for Board Minutes

Please read and consider the enclosed template board minutes("**Board Minutes**") carefully in order to ensure they accurately reflect the board approvals which are required, and please complete the missing information in the Board Minutes (including in Appendix B) as appropriate. Once you approve the Board Minutes, please ensure that the appropriate board meeting is held and the resolutions set out in the Board Minutes are properly and duly passed by the board. Please then return the signed Board Minutes (including its Appendices) to us at the address indicated above. If you do not agree with any provision in the Board Minutes (including its Appendices) or any provision does not apply to you or reflect the board approvals required, please contact us to discuss this so that the Board Minutes can be amended prior to returning a signed version to us.

Blumin Capital Limited
(COMPANY NUMBER 08258647)
(the **"Company"**)

Minutes of a meeting of the board of directors of the Company held at Blumin Capital Offices on 30th January 2023 (the "**Meeting**").

Present
- **("Chairman")**
-
-
-

In attendance
- Fyodor Blumin
-
-
-

1 QUORUM AND NOTICE

1.1 It was resolved to appoint Fyodor Blumin as Chairman of the Meeting.

1.2 The Chairman reported that a quorum was present and that due notice of the Meeting had been properly given to all directors of the Company and that the Meeting had been duly convened.

1.3 The directors noted that they were aware of the need to consider their general duties including but not limited to those set out in the Companies Act 2006 (the "Act") and, in particular, their duty to promote the success of the Company for the benefit of its members as a whole, having regard (amongst other matters) to the factors set out in section 172(1) of the Act. The directors must have formed the bona fide opinion that it is of commercial benefit to, and in the best interests of, the Company to enter into the Facility Documents (as defined below) and that the entering into of the Facility Documents is for the purpose of carrying on the Company's business.

1.4 The Chairman noted that unless otherwise stated or expressly defined in Appendix A or elsewhere in these minutes, capitalised terms defined in the Facility Letter have the same meanings when spoken at the Meeting and referred to in these minutes.

2 BUSINESS OF THE MEETING

The Chairman reported that the purpose of the meeting was to consider, and if thought fit, authorise, confirm, ratify and approve:

(a) the Company's entry into certain Facility Documents (as defined below) required by Cynergy Bank Limited (the "Lender"); and

(b) the giving of security, guarantees and other financial support by the Company,

in accordance with the Lender's commitment to finance the Purpose (as defined in the Facility Letter) (the "**Transaction**").

3 Declarations of interest

3.1 The directors present at the Meeting declared their interests in the matters to be discussed at the Meeting and each such declaration was taken as sufficient for the purposes of the Company's articles of association and sections 177 and 182 of the Act.

3.2 It was noted that, under the articles of association of the Company, each director present was entitled to vote on the business to be transacted at the meeting and be counted towards the quorum present, notwithstanding any interest in the proposed Transaction, provided that the same had been disclosed to the board as required by section 177 of the Act.

4 FACILITY DOCUMENTS

Copies of the each of the documents listed in Appendix A hereto to which the Company is or is intended to be a party (the "Facility Documents") were produced to the meeting.

5 CONSIDERATION OF FACILITY DOCUMENTS

The Chairman reminded the directors present that they must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so they must have regard (among other things) to the factors referred to in section 172(1) of the Act in each case insofar as they consider those factors likely to be affected by or otherwise relevant to entering into the Facility Documents.

6 APPROVAL OF FACILITY DOCUMENTS

Accordingly, after due and careful consideration, it was unanimously resolved that:

(a) the Transaction be and hereby is approved;

(b) each copy document relating to the Company attached to these minutes and/ or supplied (i) pursuant to Schedule 1 (Drawdown Conditions) of Schedule 1 (Conditions for Commercial Facilities) of the Facility Letter, and (ii) as a Specific Condition under the Facility Letter, which relates to the Company is correct, complete and in full force and effect and has not been amended, varied, novated, supplemented, superseded or terminated as at the date of these minutes;

(c) the execution and delivery by the Company of each of the Facility Documents (to which it is a party) and the performance of its obligations under each of the Facility Documents (to which it is a party) is approved;

(d) any one director of the Company is authorised and instructed to execute and deliver such of the Facility Documents (to which it is a party) requiring execution under hand;

(e) any two directors of the Company or any one director and the secretary of the Company or any one director in the presence of a witness, are authorised to execute and deliver any of the Facility Documents (to which it is a party) requiring execution as a deed (including, if so required, by witnessing the affixation of the Company's seal to any such Facility Documents); and

(f) any of the person or persons authorised pursuant to paragraphs 6(d) and 6(e) above (each an "**Authorised Signatory**") shall attach their specimen signature at Appendix B and is severally authorised to:

(i) do all acts and things so as to carry into effect the purposes of the resolutions referred to in these minutes;

(ii) give or execute any or all notices, communications, or other Facility Documents on behalf of the Company pursuant to or in connection with

each of the Facility Documents or the transactions contemplated by them;

(iii) substitute any new Authorised Signatory and/or appoint any additional Authorised Signatory; and

(iv) agree such amendments, variations or modifications to any or all of the Facility Documents or such notices, communications or other documents as such Authorised Signatory may (in his absolute discretion) think fit (such discretion being evidenced by that Authorised Signatory's execution of such document).

7 FILINGS AND REGISTRATIONS

It was resolved to attend to the necessary filings and to make all necessary entries in the Company's statutory books to reflect the business transacted at the meeting.

8 CHAIRMAN'S CERTIFICATION

Accordingly, after due and careful consideration, it was unanimously resolved that:

(a) the borrowing or guaranteeing or securing, as appropriate, of the Facility Amount (as defined in the Facility Letter) would not cause any borrowing, guarantee, security or similar limit binding on such the Company to be exceeded;

(b) no material adverse change has occurred in the business, assets or financial condition of the Company since the date of the Facility Letter;

(c) each copy document relating to the Company specified as a Drawdown Condition is correct, complete and in full force and effect as at a date no earlier than the date of the Facility Letter;

(d) the signatories whose specimen signatures appear at Appendix B below are duly elected, qualified and acting directors or the secretary of the Company and are authorised to sign and execute the Facility Documents and related documents to which the Company is a party and to give any instructions, notices or certificates required in connection therewith; and

(e) the foregoing is a true extract / copy of the minutes referred to herein.

9 CLOSE OF MEETING

There being no further business, the Chairman declared the meeting closed.

Chairman of the Meeting

Appendix A
Facility Documents

- A facility letter (the "**Facility Letter**") to be made between the Company as borrower and Cynergy Bank Limited as lender (the "**Lender**") under which the Lender agrees to make available to the borrower a Term Loan Facility.
- A debenture to be made between the Company as the chargor and the Lender.
- A Legal Charge, being a first ranking legal mortgage, legal assignment and fixed charge, granted by Blumin Capital Limited in respect of the freehold property known as 323 Green Lanes, London, N4 2ES (as defined in the Legal Charge).
- All notices required to be sent under the relevant Security Documents; and
- All share certificates, notices, undertakings to register and stock transfer forms (or equivalent) to be executed by the Company in relation to the assets subject to or expressed to be subject to the Security Documents.