

**REPORT AND PROPERTIES SUMMARY**  
**ADDRESSED TO PROPLEND SECURITY LIMITED**

**The Borrower:** Ronald Lee Johnson of 19 High Street, Wilmington, Dartford, Kent DA2 7EQ.

**Transaction:** Facility and lending to the Borrower.

**Properties:** 281 Broadway, Bexleyheath, Kent DA6 8DG and 38-40 Belmont Road, Erith, Kent DA8 1LB.

**The Lender/s:** As defined in the Security Documents.

**1 SCOPE OF THE REVIEW AND LIMITATION OF LIABILITY**

- 1.1 This report has been prepared for the sole benefit of you, Proplend Security Limited, in connection with the Transaction and for no other purpose.
- 1.2 The contents of this report are private and confidential. It must not be relied on by or made available to any other party without our written consent. We have already given our permission to you to provide this report to the Lenders and their solicitors but it should be noted that the Lenders and their solicitors are not entitled to rely on this report and it is supplied for information only. We will not answer any further questions on this report from anyone other than Proplend Security Limited.
- 1.3 The report is based on our review of the final draft of the certificate of title relating to the Transaction supplied by the Borrower's solicitors which we understand is also to be disclosed to the Lenders and their solicitors.
- 1.4 We have not inspected the Properties and are unable to advise on the physical condition of the Properties. We would advise you to arrange for a survey of the Properties to be carried out, if this has not already been arranged. A survey should identify any physical defects and may warn of potential defects.
- 1.5 We are unable to advise on the value of the Properties. We understand that you have instructed Cluttons LLP to provide a valuation of the Properties. You should ensure that the valuer is aware of the matters mentioned in this report, as these may have an impact on their valuation. We draw your attention to clause 3 of the certificate of title. This clause requires the Borrower's solicitor to certify that the valuer has been sent the certificate of title and as such the

valuer should hopefully already be aware of any issues raised in this report and factored them into their valuation.

## **2 THE PROPERTIES**

2.1 The Properties are as follows:

2.1.1 the freehold land and buildings known as 281 Broadway, Bexleyheath, Kent DA6 8DG and registered at the Land Registry under title number SGL693087 (**“Property 1”**); and

2.1.2 38-40 Belmont Road, Erith, Kent DA8 1LB and registered at the Land Registry under title numbers SGL335001 and SGL 332774 (**“Property 2”**).

2.2 The Properties are registered at the Land Registry with class of title absolute freehold title. Absolute title is the best class of title available.

2.3 The registered owner of the Properties is the Borrower.

2.4 The certificate of title confirms that the Properties are both multi let. Details of the occupational tenancies are contained in schedule 5 of each of the certificates of title but the basic terms are outlined below:

### ***Property 1***

#### **Ground Floor Shop**

- A lease dated 3<sup>rd</sup> February 2014 for 5 years.
- The tenant is Graham Hodgson.
- Rent is £15,000 per annum paid in advance on the usual quarter days. There is a rent review on 3<sup>rd</sup> February 2017.
- The lease is not contracted out of the Landlord and Tenant Act 1954 and as a consequence the tenant will have security of tenure.
- Use is as a lock up shop within class A1 of the Town and Country Planning (Use Classes) Order 1987.
- Otherwise the lease as stated is generally on institutionally acceptable terms.

### Ground Floor Offices

- A lease dated 6th May 2013 for 5 years.
- The tenant is Emperor Homes Limited.
- Rent is £12,000 per annum paid in advance on the usual quarter days. There is a rent review on 6th May 2016.
- The lease is not contracted out of the Landlord and Tenant Act 1954 and as a consequence the tenant will have security of tenure
- Use is as a lock up shop within class B1 of the Town and Country Planning (Use Classes) Order 1987.
- Otherwise the lease as stated is generally on institutionally acceptable terms.

### Unit 2b Lion Road

- A lease dated 7th January 2013 for 5 years.
- The tenant is Bexleyheath Metals Limited.
- Rent is £26,000 per annum paid in advance on the usual quarter days. There is a rent review on 7th January 2016.
- The lease is not contracted out of the Landlord and Tenant Act 1954 and as a consequence the tenant will have security of tenure
- Use is as a lock up shop within Sui Generis of the Town and Country Planning (Use Classes) Order 1987.
- Otherwise the lease as stated is generally on institutionally acceptable terms.

## **Property 2**

### Car Showroom

- A lease dated 13<sup>rd</sup> October 2014 for 5 years.
- The tenant is Ravinder Chhokar.
- Rent is £14,000 per annum paid in advance on the usual quarter days. There is a rent review on 13 October 2017.

- The lease is not contracted out of the Landlord and Tenant Act 1954 and as a consequence the tenant will have security of tenure.
- Use is as a car showroom.
- Otherwise the lease as stated is generally on institutionally acceptable terms.

#### Car Body Shop Unit

- A lease dated 10th September 2012 for 5 years.
- The tenant is Terence Gladwin and Thomas Burbury trading as GW Coachworks.
- Rent is £30,540 per annum paid in advance on the usual quarter days. There is a rent review on 10 September 2015.
- The lease is not contracted out of the Landlord and Tenant Act 1954 and as a consequence the tenant will have security of tenure
- Use is as a car body repair shop.
- Otherwise the lease as stated is generally on institutionally acceptable terms.

#### Car Mechanic Unit

- A lease dated 10th September 2012 for 5 years.
- The tenant is William Lole trading as WD Autos.
- Rent is £9,204 per annum paid in advance on the usual quarter days. There is a rent review on 10 September 2015.
- The lease is not contracted out of the Landlord and Tenant Act 1954 and as a consequence the tenant will have security of tenure
- Use is as a car mechanic shop.
- Otherwise the lease as stated is generally on institutionally acceptable terms.

2.5 The Properties are each subject to a registered charge in favour of Nationwide Building Society. These charges will be discharged and redeemed in full on completion of the transaction. .

### **3      SIGNIFICANT DISCLOSURES MADE AGAINST THE STANDARD CONDITIONS OF THE CERTIFICATE OF TITLE**

- 3.1      The certificate of title does not disclose any issues that materially adversely affect the Transaction however the certificate does disclose the following information:

#### **Property 1**

- 3.1.1      The property benefits from a right of way with or without vehicles over the passageway to the rear of Property 1 running from Lion Road. The certificate confirms that the right is sufficient and is all that is required for access to and from Property 1 to and from a highway maintainable at public expense.
- 3.1.2      There were no deeds available on first registration of Property 1 and the property is therefore subject to any restrictive covenants imposed before the 23rd November 2007. The Borrower has nonetheless been granted title absolute and has indemnity insurance in place for breach of these unknown covenants. Indemnity insurance was taken out with First Title Insurance Plc on the 16th April 2008. The policy cover is up to £800,000.00 and the policy number is 00098155.
- 3.1.3      The certificate confirms that the indemnity policy referred to above is sufficient cover against:
- the Borrower being prevented from exercising a right of access to the land at all times over the access way leading from Lion Road to the rear of the property; and
  - a claim by a third party enforcing any restrictive covenants imposed on the land prior to the its registration.

The policy remains valid as at the date of this report, none of the policy terms have been breached and the policy insures the Lenders as well as the Borrower.

#### **Property 2**

- 3.1.4      The property benefits from a right of way at all times for all purposes with or without vehicle over an access road leading from Belmont Road. The certificates confirms that this right is sufficient and is all that is required for access to and from Property 2 to and from a highway maintainable at public expense.

3.1.5 The property is subject to a restriction prohibiting use of Property 2 for wholesale or retail sale of petrol or spirits or for the display, advertisement or sale of petrol or spirits. There is no disclosure in the certificate to state that the restriction has been breached.

## **4 LAND REGISTRY SEARCHES**

4.1 A Land Registry official search shows whether the register for a property has changed since the copy of the register was originally issued to the Borrower's solicitor. The search also gives the applicant a "priority period". Any new entries that are registered in the priority period will not bind the applicant, as long as the Land Registry receives their application for registration within the priority period. It is too early to carry out a Land Registry official search now, but the Borrower's solicitor will carry out a search before completion of the Transaction and confirm that:

4.1.1 there are no further issues raised by that search; and

4.1.2 priority will be afforded to the registration of the security in favour of Proplend Security Limited.

## **5 INSURANCE**

The Borrower's solicitor will be required to note your interest in the Properties on the relevant insurance policies from completion of the Transaction.

## **6 CERTIFICATE OF TITLE**

Following completion of the final Land Registry searches, the draft agreed certificate of title will be completed by the Borrower's solicitors and dated on the day of completion of the Transaction.

## **7 CONCLUSION**

Subject to the matters referred to in this report, we are of the opinion that upon completion of the Transaction and registration at the Land Registry in respect of both Properties, you will have a first legal charge over the Properties to protect against the lending by the Borrower.

Keystone Law

Signed: **KEYSTONE LAW**

Dated: 11 May 2015