

REPORT AND PROPERTIES SUMMARY
ADDRESSED TO PROPLEND SECURITY LIMITED

The Borrower: Amandeep Singh Kainth of 3 The Courtyard, Alexander Studios, Haydon Way, London SW11 1YF.

Transaction: Facility and lending to the Borrower.

Properties: 10 Lion Yard, London SW4 7NQ and Ground Floor Unit, Unit 2, Witham House (Block B), 13 Enterprise Way, London SW18 1EJ.

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 HNG and KFH chartered surveyors to provide a valuation of the Properties. You should ensure that the valuers are 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 10 Lion Yard, London SW4 7NQ and registered at the Land Registry with title absolute, freehold title under title number TGL28919. ("**Property 1**"); and

2.1.2 and Ground Floor Unit, Unit 2, Witham House (Block B), 13 Enterprise Way, London SW18 1EJ and registered at the Land Registry with title absolute, Leasehold title under title number TGL404330 ("**Property 2**").

2.2 The Properties are registered at the Land Registry with class of title absolute freehold and leasehold titles as described above. Absolute title is the best class of title available.

2.3 The title to Property 2 is leasehold and the terms of the Lease are set out in full in Schedule 4 of the relevant certificate of title. The Lease is for 999 years commencing on 25 March 2009 and expiring on 24 March 3008. Rent is a peppercorn with the permitted use being within Use Classes A1, B1, D1 and D2 of the Town and Country Planning (Use Classes) Order 987, or such other use as the Landlord may agree in writing.

2.4 The registered owner of the Properties is the Borrower.

2.5 The certificates of title confirm that the Properties are both 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 and Mezzanine Offices

- A lease dated 10 December 2014 for 5 years.
- The tenant is Perfect 10 Mobile Beauty Limited.
- Rent is £21,600 per annum paid in advance on the usual quarter days. There is no rent review. This rent may increase to £27,000 per annum from 10 June

2015 if the tenant chooses to take up an option to expand its space into Office A by taking a new lease of the space on the same terms (save rent). There is an initial rent deposit of £6,750.

- The lease is contracted out of the Landlord and Tenant Act 1954 and as a consequence the tenant will not have security of tenure.
- As it stands, the tenant pays 30% of the service charge which may increase to 40% if they expand their space.
- The lease does not specifically state what insured risks the landlord is to insure against but the Borrower insures against the standard commercial risks.
- The lease states that either party may terminate the lease from 10 June 2018 by giving at least 6 months' notice.
- Use is as offices.
- Otherwise the lease as stated is generally on institutionally acceptable terms.

First and Second Floor Offices

- A lease dated 1st July 2014 for 5 years.
- The tenant is Scala Publishing Ltd.
- Rent is £33,000 per annum paid in advance on the usual quarter days. There is no rent review. There is an initial rent deposit of £8,250.
- The lease is contracted out of the Landlord and Tenant Act 1954 and as a consequence the tenant will not have security of tenure
- As it stands, the tenant pays 60% of the service charge.
- The lease does not specifically state what insured risks the landlord is to insure against but the Borrower insures against the standard commercial risks.
- The lease states that either party may terminate the lease from 1st July 2017 by giving at least 6 months' notice.
- Use is as offices.

- Otherwise the lease as stated is generally on institutionally acceptable terms.

Part of First Floor

- A lease dated 1st August 2013 for 5 years.
- The tenant is Active Letting London Limited.
- Rent is £6,000 per annum paid in advance monthly on the first day of each month. There is no rent review.
- The lease is contracted out of the Landlord and Tenant Act 1954 and as a consequence the tenant will not have security of tenure
- As it stands, the tenant pays 14.29% of the service charge.
- The lease does not specifically state what insured risks the landlord is to insure against but the Borrower insures against the standard commercial risks.
- The lease states that either party may terminate the lease at any time on 90 days' notice.
- Use is as offices.
- Otherwise the lease as stated is generally on institutionally acceptable terms.

Property 2

Ground and mezzanine floor offices (being the whole of the Property)

- A lease dated 1st April 2015 for 5 years.
- The tenant is Tillman Domotics LLP.
- Rent is £36,000 per annum paid in advance on the usual quarter days. There is a rent review on 1st April 2018. There is an initial rent deposit of £9,000.
- The lease is contracted out of the Landlord and Tenant Act 1954 and as a consequence the tenant will not have security of tenure.
- Use is as offices.
- Either party may terminate the lease by giving at least 6 months' notice from 1 September 2019.

- Otherwise the lease as stated is generally on institutionally acceptable terms.

2.6 The Properties are not subject to any existing registered charges.

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 Property 1 benefits from a number of rights listed in Schedule 2 Part 2 in the certificate of title. The most significant right is a right of way to and from Property 1 over the development's courtyard to reach Tremadoc Road (which is a publicly maintained highway). 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 Property 1 is subject to a number of encumbrances detailed in Schedule 2 Part 3 of the certificate of title. These restrictions in part relate to the use of service media by the owner and adjoining land users of the development of which Property 1 forms part. There are also the usual restrictions prohibiting illegal or immoral use, keep animals etc. and restrictions for the good management of development of which the Property 1 forms part.

3.1.3 The Borrower pays a service charge to the company that manages the development (as do the other occupiers of the development) in respect of the maintenance and repair for the communal areas within the development. The Borrower pays £4,000.00 per annum in service charges which are charged to the tenants as referred to in the Letting Documents in Schedule 5 of the certificate of title. As you will see from the percentages quoted as payable by the tenants (see paragraph 2.5 above), the tenants under the Letting Documents appear to be responsible for more than 100% of the service charge. Clearly this is an error in the leases but there would appear to be a surplus paid rather than a shortfall.

Property 2

- 3.1.4 A restriction referred to in the Proprietorship Register of the title to Property 2 states that no disposition shall be registered without a certificate signed by Enterprise Way Management Company Limited (or their conveyancer) confirming that a clause within the Lease to the property has been complied with. The relevant clause in the Lease is not intended to catch disposition by a charge but rather an assignment or transfer by the Borrower. As the Transaction is not in relation to an assignment or transfer, the clause is not relevant, however the consent will be provided by the Borrower on completion to avoid any issues with the Land Registry.
- 3.1.5 Part of Property 2 is subject to a number of encumbrances detailed in Schedule 2 Part 3 of the certificate of title. These restrictions in the main relate to the use of service media under the property by adjoining landowners. There is also a reservation in favour of an adjoining landowner to the mines and minerals under part of Property 2. These encumbrances are unsurprising and result from multiple uses of the land over the years.
- 3.1.6 Enterprise Way Management Company Limited (referred to above in paragraph 3.1.4) is the management company that maintains the development situated on adjoining land and this property. Their duties include, amongst others, maintaining communal areas and the structure of the building of which the Property forms part of. The management company currently charge £550 per annum for providing these services and 100% of the service charge is passed on to the current tenant of the property.
- 3.1.7 Under the Lease, the Borrower is restricted from transferring or parting with or sharing possession of any part or parts (as opposed to the whole) of the Property. The current letting is of whole and therefore does not breach the Lease.

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

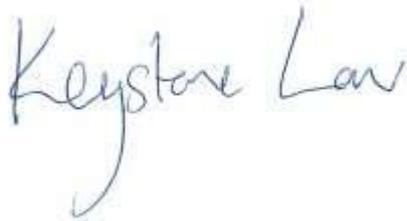
The Borrower's solicitor will be required to note your interest in the Properties on the relevant insurance policies from completion of the Transaction.

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.

A handwritten signature in blue ink that reads "Keystone Law". The signature is written in a cursive, flowing style.

Signed: **KEYSTONE LAW**

Dated: 19 May 2015