

REPORT AND PROPERTY SUMMARY
ADDRESSED TO PROPLEND SECURITY LIMITED

The Company: Trallwyn Limited (company number 09854192).

Transaction: Loan from the Lenders to the Company to finance the purchase of the Property and the granting of a first legal charge over the Property as security for the loan to the Company.

Property: 1 St Mary Street and 66 Wind Street Swansea SA1 1EQ.

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. 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 Company's solicitors which we understand is also to be disclosed to the Lenders and their solicitors.
- 1.4 We have not inspected the Property and are unable to advise you on the physical condition of the Property. We would advise you to arrange for a survey of the Property 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 you on the value of the Property. We understand that you have instructed Rees Richards & Partners of Druslyn House, De-la Beche Street, Swansea, SA1 3HH to provide a valuation of the Property. 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 requires the Company'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 PROPERTY

- 2.1 The Property is known as 1 St. Mary Street and 66 Wind Street Swansea SA1 1EQ and is used as a bar & restaurant on the ground and basement floors and offices on the upper floors.
- 2.2 The registered owner of the Property will be the Company following completion of the acquisition. The current registered owner of the Property is Moloney Properties Limited (company number 348708 (Irish registered company)) of Abbeyleix Road, Ballyroad, County Laois, Republic of Ireland. The Company will be acquiring the Property as part of the Transaction.
- 2.3 The Property is freehold and is registered at the Land Registry under title number WA448006. The class of title is absolute freehold title. Absolute title is the best class of title available.
- 2.4 The Property does not benefit from any rights.
- 2.5 The Property is not subject to any encumbrances.
- 2.6 The Certificate confirms that the Property is multi let. Details of the occupational tenancies are contained in Schedule 5 of the Certificate however we outline brief details below:

Ground and basement floor

- 2.6.1 The lease is of the ground and basement floors, dated 1 November 2015 and is for a term of 5 years 10 months commencing on 1 November 2015 and expiring on 31 August 2021.
- 2.6.2 The tenant is CMR (Swansea) Limited.
- 2.6.3 Rent is £30,000 per annum. Rent is paid monthly in advance rather than quarterly. The first rent review is due on 1 December 2018. Rent review is on an open market review basis and is reviewed upwards only.
- 2.6.4 Use is as the current use i.e. bar and restaurant. This use is not personal to the Tenant.
- 2.6.5 The lease is not contracted out of the Landlord and Tenant Act 1954.

- 2.6.6 There is no VAT charged on the rent as there has been no option to tax the Property. However the Tenant is obliged to pay VAT if the Property is subsequently opted.
- 2.6.7 Either party may give notice to the other to terminate this lease if following damage to or destruction to the Property, it is impossible or impractical to reinstate the demised premises. Either the Tenant or the Landlord must wait three years after the damage or destruction before it can terminate the lease if rebuilding of the Property has not occurred.
- 2.6.8 Otherwise the lease is on generally institutionally acceptable terms.

First and Second Floor

- 2.6.9 This is a licence not a lease of the first and second floors, dated 8 December 2016 and is for an uncertain term with the occupation terminable by either party on one months' notice. No notice has been given at this time. It should be noted that although the Certificate states that this is a genuine licence, the licensee seems to have been granted exclusive possession of the first and second floors as there is no other occupier of the space. We think it is safer to assume that this licence is a periodic tenancy with security of tenure protection under the Landlord and Tenant Act 1954.
- 2.6.10 The licensee is Islam Suliman.
- 2.6.11 Rent is payable £350.00 per month in advance rather than payable quarterly. There is no rent review.
- 2.6.12 Use is as the current use i.e. offices and is personal to the licensee.
- 2.6.13 This licence does not permit alterations or any alienation by the licensee.
- 2.6.14 There is no contribution to any services provided to the Property by the Company nor to the cost of buildings insurance of the Property. It should therefore be assumed that the rent payable is inclusive of these sums.
- 2.6.15 There is no VAT charged on the rent as there has been no option to tax the Property. However the Tenant is obliged to pay VAT if the Property is subsequently opted.

- 2.7 The Property is subject to a legal charge to Property Finance Nominees (No 3) Limited which affects the Property. The Company's solicitors will undertake to redeem all charges over the Property on or before completion of the Transaction.

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

- 3.1 The Property is within a Conservation Area but is not listed under the Planning (Listed Buildings and Conservation Areas) Act 1990.

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 Company'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. Prior to completion of the Transaction we will check that the Land Registry official search has been carried out and require the Company's solicitor to 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 over the Property.

5 INSURANCE

The Company's solicitor will confirm in their firm's undertaking that your interest in the Property will be noted (automatically or otherwise) on the buildings insurance for the Property from completion of the Transaction.

6 CERTIFICATE OF TITLE

Following completion of the final Land Registry searches, the draft agreed certificates of title will be completed by the Company'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 you

will have a first legal charge over the Properties to protect against the lending by the Company.

A handwritten signature in blue ink that reads "Keystone Law". The signature is written in a cursive style. The text is positioned on the left side of a light blue rectangular area.

Signed:

KEYSTONE LAW

REPORT AND PROPERTY SUMMARY
ADDRESSED TO PROPLEND SECURITY LIMITED

The Company: Milford Flats Limited (company number 10503468).

Transaction: Loan from the Lenders to the Company to finance the purchase of the Property and the granting of a first legal charge over the Property as security for the loan to the Company.

Property: 4-5 Hamilton Terrace, Milford Haven, SA73 3AN.

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. 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 Company's solicitors which we understand is also to be disclosed to the Lenders and their solicitors.

1.4 We have not inspected the Property and are unable to advise you on the physical condition of the Property. We would advise you to arrange for a survey of the Property 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 you on the value of the Property. We understand that you have instructed Rees Richards & Partners of Druslyn House, De-la Beche Street, Swansea, SA1 3HH to provide a valuation of the Property. 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 requires the Company'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 PROPERTY

- 2.1 The Property is known as 4-5 Hamilton Terrace, Milford Haven, SA73 3AN and is used as a retail bank on the ground floor, while the upper floors are vacant but with a current use as offices. The upper floors have planning permission for conversion from offices to four 2 bedroom apartments.
- 2.2 The registered owner of the Property will be the Company following completion of the acquisition. The current registered owner of the Property is Moloney Properties Limited (company number 348708 (Irish registered company)) of Abbeyleix Road, Ballyroad, County Laois, Republic of Ireland. The Company will be acquiring the Property as part of the Transaction.
- 2.3 The Property is freehold and is registered at the Land Registry under title number WA906670. The class of title is absolute freehold title. Absolute title is the best class of title available.
- 2.4 The Property does not benefit from any rights.
- 2.5 The Property is not subject to any encumbrances.
- 2.6 The Certificate confirms that the Property is let only on the ground floor. Details of this occupational tenancy is contained in Schedule 5 of the Certificate however we outline brief details below:

Ground floor

- 2.6.1 The lease is of the ground floor, dated 22 February 1999 and is for a term of 20 years commencing on 22 February 1999 and expiring on 21 February 2019.
- 2.6.2 The tenant is National Westminster Bank Plc.
- 2.6.3 Rent is £10,900 per annum payable quarterly in advance on the usual quarter days. There are no remaining rent reviews.
- 2.6.4 Use is within Class A1, A2, B1 (a) or C3 of the Schedule to the Town and Country Planning (Use Classes) Order 1987. The use is not personal and the current use appears to fall within the authorised use.
- 2.6.5 The lease is not contracted out of the Landlord and Tenant Act 1954.

- 2.6.6 The Tenant does not need the Company's consent for non-structural alterations or for the alteration and modification of telecommunications equipment or installation of an electricity supply to the Premises provided that the Tenant gives notice as soon as reasonably practicable after such works have been carried out, providing to the Company all necessary plans and specifications to identify the same alterations.
- 2.6.7 The amount of time that the Company is to insure for loss of rent isn't specified in the lease however the Company will insure for 3 years loss of rent. The proportion of insurance cost payable by the Tenant is determined by the Company's surveyor and is based on the due proportion attributable to the Premises. This due proportion is currently 50%.
- 2.6.8 The Tenant has the option to determine the lease at any time on 6 months' written notice.
- 2.6.9 In addition to the option to determine, the Tenant has the option to renew the lease. This option is exercisable at any time by giving the Company 12 months' written notice. If the option is exercised, the new lease will be for 15 years on the same terms as the existing one.
- 2.6.10 The lease restricts the Company from charging VAT to the Tenant unless the Company is under a statutory obligation to do so. The Company does not charge VAT on the rent.
- 2.6.11 The Tenant is entitled to be charged 45.77% of the cost of the Company providing services to the Property. Service Charge isn't currently being charged as no cost has been incurred for the last 12 months.
- 2.6.12 The Company may give one months' notice to the Tenant to terminate this lease, if following damage to or destruction to the Property, it is impossible or impractical to reinstate the demised premises.
- 2.6.13 Otherwise the lease is on generally institutionally acceptable terms.
- 2.7 The Property is subject to a legal charge to Property Finance Nominees (No 3) Limited which affects the Property. The Company's solicitors will undertake to redeem all charges over the Property on or before completion of the Transaction.

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

- 3.1 The Property has Planning Permission to convert the 2 upper floors from offices to four 2 bedroom apartments; Planning Ref: 14/0816/PA. As the change of use has not yet been implemented the conditions attached to this permission have not been satisfied. The Company has however confirmed in the Certificate that it does not know of any reason why they are not capable of being satisfied and complied with.

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 Company'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. Prior to completion of the Transaction we will check that the Land Registry official search has been carried out and require the Company's solicitor to 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 over the Property.

5 INSURANCE

The Company's solicitor will confirm in their firm's undertaking that your interest in the Property will be noted (automatically or otherwise) on the buildings insurance for the Property from completion of the Transaction.

6 CERTIFICATE OF TITLE

Following completion of the final Land Registry searches, the draft agreed certificates of title will be completed by the Company'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 you will have a first legal charge over the Properties to protect against the lending by the Company.

Keystone Law

Signed:

KEYSTONE LAW