

REPORT ON TITLE

TO: Proplend Security Limited

FROM: Paris Smith LLP

FULL NAME OF BORROWER: Henmore Property Limited

COMPANY NUMBER (if appropriate): 10007902

DESCRIPTION OF PROPERTY: Unit 6, Henmore Trading Estate, Mayfield Road, Ashbourne DE6 1AS

IS BORROWER THE SAME AS OWNER? Yes

FULL NAME OF OWNER IF DIFFERENT (Where property is being transferred state intended owner):
Not applicable.

1. TITLE

a. We certify that the property is:

Tenure:	Freehold
Title number (if registered) or if not confirm whether it is unregistered and/or subject to first registration:	DY433830
Class of title (if registered):	Title Absolute

- b. We certify that the Title to the property is good and marketable and can be accepted by you as security.
- c. We annex hereto a copy of the Title Plan (or in the case of a property that is not registered, a plan) showing the property edged red.
- d. The property will be registered in the name of the Borrower on completion.
- e. We confirm that the only Restrictive Covenants which affect the property are set out in the attached Schedule.
- f. We confirm that the only Adverse interests affecting the property are referred to in the Schedule.
- g. No person other than the Borrower has an equitable or overriding interest in the property.
- h. The Borrower will not be in sole possession of the property.
- i. Proplend Security Limited will obtain a First Legal Charge over the property.

2. SEARCHES: We confirm we hold:-

- a. Clear Land Registry Search giving Proplend Security Limited priority beyond the date of completion.

- b. Local Land Charges and Local Authority Search no older than four months prior to the date of completion of the charge revealing no Entries which might adversely affect Proplend Security Limited's security.
- c. Bankruptcy Search giving Proplend Security Limited priority beyond the date of completion against the Guarantor.

All other appropriate Searches have been carried out and, save as referred to below, reveal no Entries adverse to Proplend Security Limited's security.

3. VALUATION:

We have read the Valuation Survey Report dated 8 March 2017 prepared by Salloway Property Consultants and confirm that:-

- i) there are no discrepancies between the report, the title documentation and the results of our searches.
- ii) we are satisfied that Proplend Security Limited will obtain a legal mortgage over the whole of the land shown edged red on the Title Plan

4. PURCHASE CONTRACT:

- i. Purchase Price: £182,500.00
 - a. Property: £182,500.00
 - b. Fixtures and Fittings: £N/A

5. SECURITY DOCUMENTATION:

The following security documentation has been properly executed and witnessed and is held by ourselves. (Please delete if not applicable).

- a. Legal Charge The Legal Charge will be dated upon completion
- b. Debenture The Debenture will be dated upon completion
- c. Guarantee The Guarantees will be dated upon completion

6. COMPLETION ARRANGEMENTS

We now request you to pay to us the Advance Amount and undertake that if you pay to us the said sum and we shall use the same only to effect the remortgage of the Property by the Borrower.

We confirm we hold an irrevocable undertaking from a firm of solicitors that following completion they will send a completed AP1 in respect of the remortgage of the Property and registration of Proplend Security Limited's Charge, any necessary supporting documentation, and any title documents that are received from the Seller's solicitors.

Our banking details are:

Account Name: Paris Smith LLP Client Account
Account Number: 37559583
Bank: National Westminster Bank plc
Branch: 12 High Street Southampton
Sorting Code No: 56-00-68
Completion date:

SCHEDULE

RESTRICTIVE COVENANTS (onerous)

(please confirm whether or not the restrictive Covenants are

The Property is subject to the following covenants and rights affecting the title:-

- 1 The Property is subject to a provision contained in the Conveyance of 31 March 1981 that no rights of light or air were granted to the Property. It is not considered that this is onerous.
- 2 The Property is subject to covenants in the Conveyance of 31 March 1981 in favour of British Gas Corporation that no trees or large shrubs should be planted and no material alterations and no building wall or other structure or erection built on the area which is shown tinted blue on the plan attached. Again this is not considered to be onerous. The Conveyance contains rights in favour of the gas corporation as follows:
 - the right to retain, use, maintain, protect, etc. replace and relay the gas main. The Borrower and their solicitors from their personal knowledge of the site say that they have no information as to where the gas main might be and would be very surprised if it was still in place. They say that they have not had any communication with British Gas since their occupation of the site in 2008.
 - the Conveyance also includes rights to use service media on the Property with rights of entry to carry out the repairs making good any damage caused as soon as possible to the satisfaction of the owner of the Property.
- 3 The Property is subject to rights and covenants contained in a Conveyance of 31 January 2008 as follows:
 - the Property is part of the larger estate comprising 10 units at Henmore Trading Estate. A copy of the plan for the Transfer is attached as Plan 2 to this report.
 - The Property has rights to use services on the estate rights of lateral and subjacent support from the remainder of the estate; rights to maintain foundations, gutters, eaves, downspouts etc. insofar as they fall onto any part of the estate; to enter onto the estate for the purposes of carrying out repairs and maintenance in the case of emergency making good any damage caused and the right to pass with or without motor vehicles over the accessway shown coloured blue on the attached plan.
 - Similar rights are reserved for the benefit of the other properties on the estate over the Property including rights for public utilities (water, gas, electricity etc.) to exercise rights over the Property in pursuance of their statutory powers and the right for the remainder of the estate to be built upon even if it interferes with rights of light and air to the Property.
- 4 The 2008 Transfer contains covenants as follows:
 - 4.1 To maintain boundaries on the south of the main property and the north of the smaller part of the Property.
 - 4.2 Not to park vehicles or obstruct the accessway.
 - 4.3 To comply with any reasonable requirements made in relation to the use of the common parts on the estate. The Borrowers say that no such regulations have been made.
 - 4.4 Not to put any waste or refuse on the common parts.
 - 4.5 Contribute to the management company running the estate 18.37% of the costs of the landlord:
 - Paying all rates for the common parts

- Keeping the common parts in good repair and maintenance.
- Insuring the common parts against third party liability.
- All professional costs in administering the maintenance charge and the estate.
- Providing street lighting, foul and surface water drains, gas, water, electricity and telecommunications to the development, maintenance of all external boundaries and street furniture, signage and planting.

4.6 The owners of the estate can provide additional services if it is considered to be in the best interest of the estate.

We have asked for details of the service charges payable for the last three years. The Borrowers and their clients say that no service charges had been demanded at any time since they have owned the Property in 2008.

4.7 There is a provision that on any transfer of the Property or Lease the owner of the Property must enter into a Deed of Covenant with the owners of the estate confirming that they will comply with all obligations of a positive nature in respect of the covenants affecting the Property. We have raised with the Borrower's solicitors the fact that a Deed of Covenant will be required on the transfer from the current registered proprietor to the Borrower. As you will be aware, the management company who has the benefit of this restriction has now requested additional information and deeds of covenant to be entered into which will need to be in place on completion so that the consent under the restriction can be given.

4.8 There are two leases of the Property (please see the separate lease reports) we have asked for copies of the consents on the grant of each of those leases from the management company. Again as you will be aware the management company requires deeds of covenant so that the consent under the restriction can be granted which must be in place on completion.

4.9 The Transfer also reserves a rent charge of £1 per annum. The Borrower's say that this has never been charged. It is in place to protect the service charge/maintenance charges referred to above and includes the service charge as well as the £1 annual fee.

4.10 The covenants are not considered onerous for a unit on an industrial estate of this type. There is potential for the covenants to be amended and therefore to increase the liability to additional service charges. However it would appear that very little has been demanded by way of service charge in the past.

5 The Property is subject to a restriction in favour of SAS (Safe and Secure) which protects a charging order registered on the Property by way of order from Derby County Court on 23 July 2014. We have raised this with the Borrower's solicitors. We have advised them that on completion we require an undertaking from them to discharge all monies due under the Charging Order and to provide the removal of the Restriction in a form approved by us.

ADVERSE INTERESTS

(please confirm whether or not the Adverse Interests are onerous)

- 1 Reference is made to the separate Lease Reports in respect of the occupiers at the Property.
- 2 The Property should have fire risk assessment and asbestos risk register reports. We have raised this with the Borrowers who say that they do not have them.
- 3 The Property is in a Radon affected area. The Borrower's solicitors say that this is a response received across the whole of the Derbyshire Dales area. Their understanding is that it would be unlikely for any Radon gas to be found here which is normally found in the more exposed limestone areas to the north of the area and in the Peak District.

- 4 The Property is affected by the potential for Chancel Repair and an indemnity policy for the value of the Property will be on risk on completion.
- 5 The Property has planning permission granted on 14 May 2008 for a change of use to the premises to general industrial storage and distribution and for car washing. The only restrictions are that the car was facility can only operate between the hours of 8:30am and 6pm, Mondays to Saturdays and 9:30am to 4:30 on Sunday unless there is a written variation from the planning authority. No audible warning systems are to be introduced into the car was facility unless they have been approved by the local authority and requirements for all car washing foul water to be directed to the solids interceptor and then into a sealed pit or recycle unit.
- 6 Facilities for the storage of oil, fuels or chemicals are to be on impervious bases and surrounded by impervious bund walls which are to be sealed with no discharge to any water course.
- 7 These conditions are not considered to onerous but do restrict the use of the car wash facility.
- 8 It is now standard procedure to undertake environmental desktop searches in transactions of this nature. However please note the limited nature of the search. The search is undertaken by independent search consultants at a limited cost and is complied by the search consultants on the basis of inspection of documentary records only accessed by means of a "desk top" search. It does not, of course, arise from a physical inspection of the site. Clearly it will not reveal information which is not recorded in public documentation. The search should therefore be regarded as a general guide only. If you have concerns as to possible contamination of the site then you should discuss further with us the need for a more detailed survey (possibly including a site survey). You will understand that we are not qualified to advise on whether or not the search results are acceptable (or the level of risk involved) but we would be happy to discuss any particular queries with you and to consider with you whether further expert advice should be obtained on any matters arising from the search result itself and/or with regard to the site or your proposals generally.

The original search has been referred for further action in view of the previous uses of the Property as being in the presence of gas manufacturer and distribution on or within 25 metres of the site boundary. We have advised the Borrower's solicitors that they need to provide information to the search provider to ensure that the result is amended and shown as having passed. The Borrower's solicitors have now produced a revised environmental desktop search which has been marked as "passed" this is on the basis of the supporting information copies of which we provided to you which now provides that the level of contamination risk is unlikely to be designated as contaminated land and is unlikely to have an adverse effect on the security of the property for normal lending purposes. This is subject to the warranty from the Borrower that the information they have provided (which has come from the local authority) is genuine and accurate.

The Property is also potentially within an area of floodplain. The Borrower's solicitors have said that the river and its floodplain are on the land to the south of the Property but at a lower level. Extensive flood prevention works have been carried out in Ashbourne over the last 10 years and although these predominately protection the town centre the land to the south of the subject property is a floodplain and has flooded once in the last 10 years. The Property is substantially higher than the floodplain and has not been flooded at any time in the owner's knowledge. We have not carried out any further investigation of the Property.

Signed by:

Signature:



Name: Nick Vaughan

Position: Senior LLP Partner

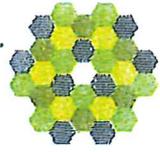
authorised to sign for and on behalf of **Paris Smith LLP**

Date: 21 June 2017

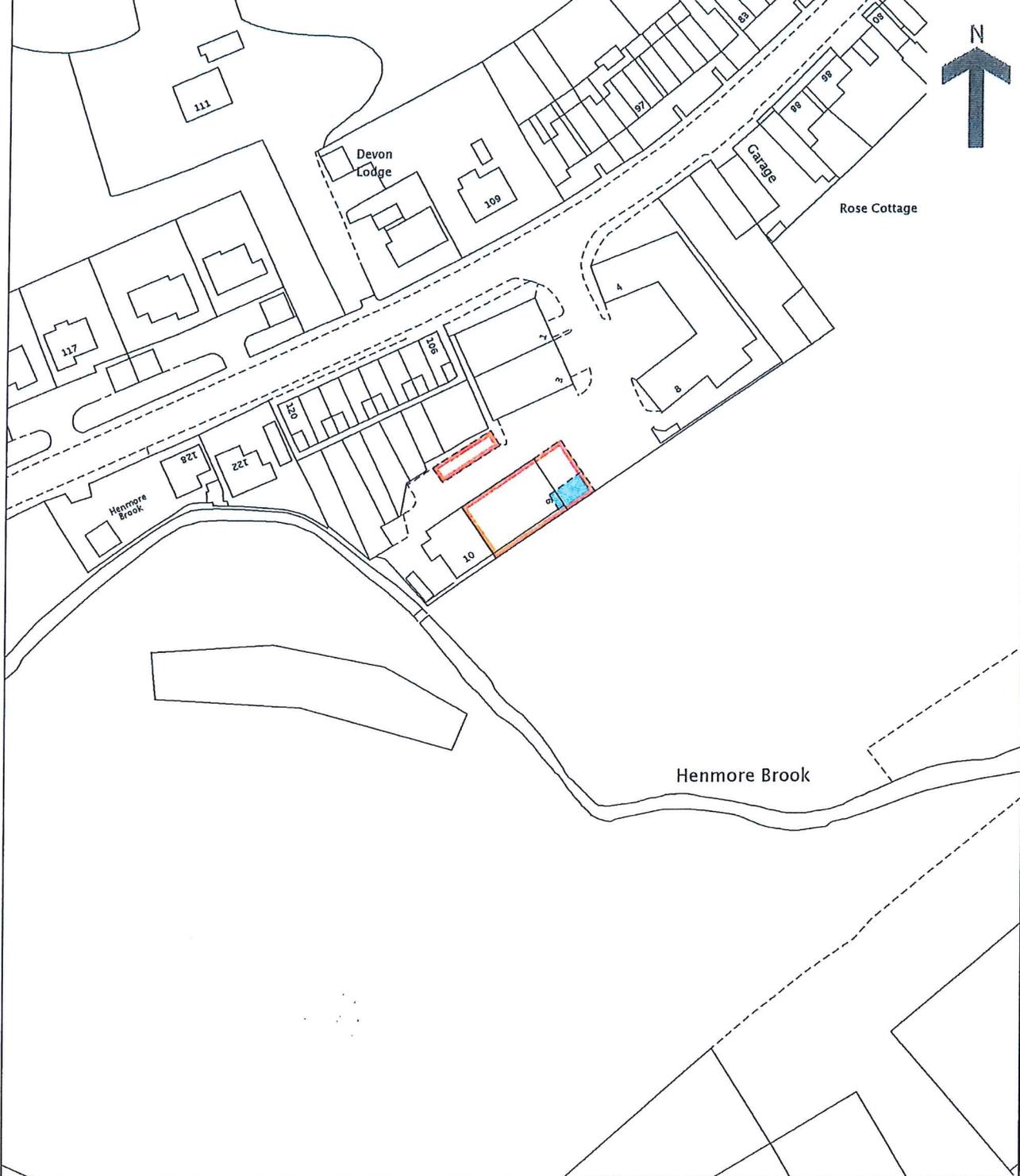
Land Registry
Official copy of
title plan

Title number **DY433830**
Ordnance Survey map reference **SK1746SW**
Scale **1:1250 enlarged from 1:2500**
Administrative area **Derbyshire : Derbyshire Dales**

PLAN 1



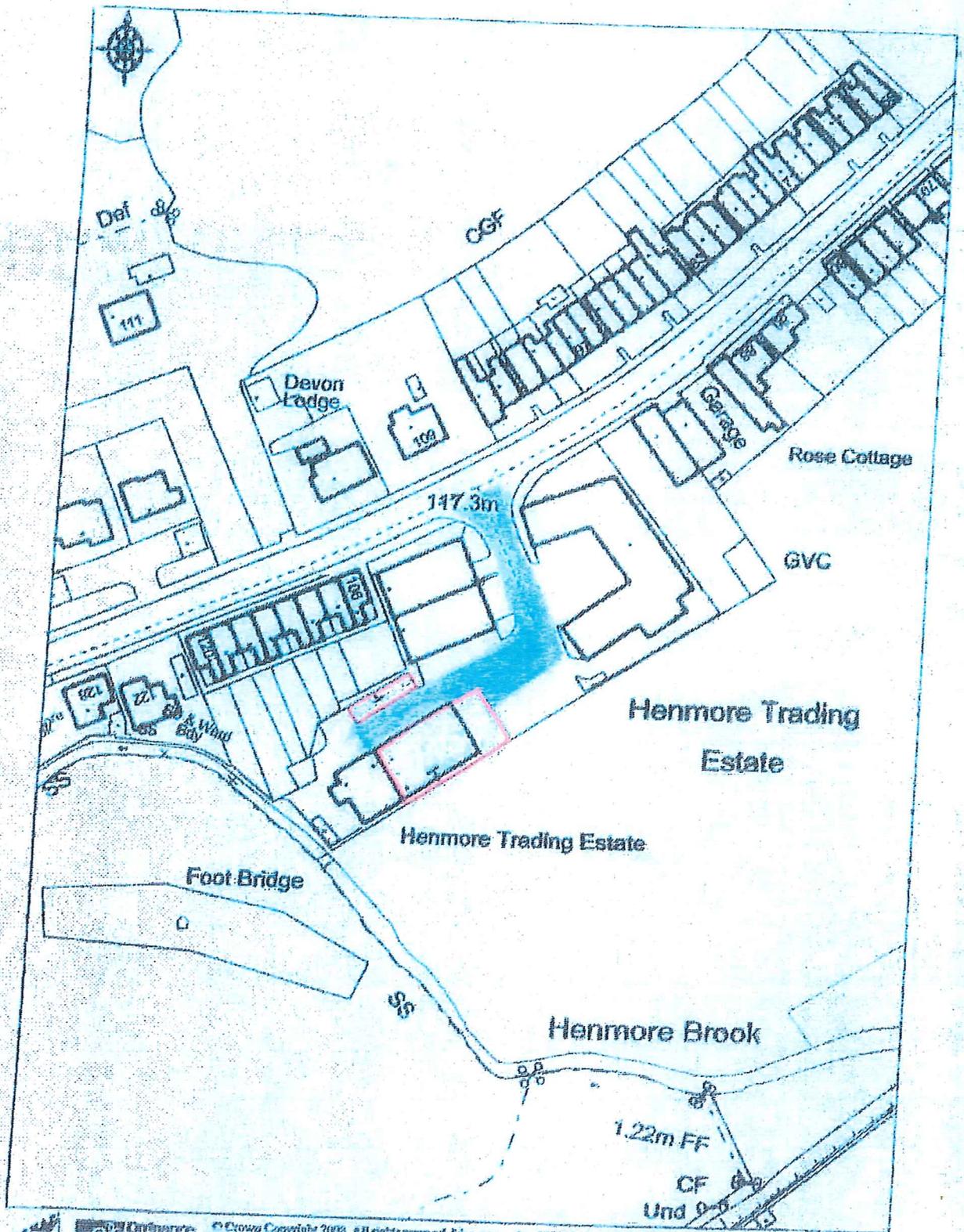
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PLAN 2



PLAN



Ordnance Survey

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