

REPORT ON TITLE

TO: Proplend Security Limited

FROM: Paris Smith LLP

FULL NAME OF BORROWER: SSB Homes Limited

COMPANY NUMBER (if appropriate): 05588412

DESCRIPTION OF PROPERTY: Delta View 2309/2311 Coventry Road Sheldon Birmingham B26 3PG

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: | WK68021 |
| 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. We understand that the Property will be subject to various tenancies as to which, see the separate Lettings Reports.
- 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 20 October 2017 prepared by GJS Dillon 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: £1,150,000
 - a. Property: £1,150,000
 - 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 Guarantee 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: TBA

SCHEDULE

RESTRICTIVE COVENANTS

(please confirm whether or not the restrictive Covenants are onerous)

- 1 There are 2 old Conveyances in 1925 and 1947 which contain provisions that no rights of light or air which would interfere with any development on the adjoining properties are to be enjoyed by the Property.
- 2 There are 2 Unilateral Notices registered against the Property both in favour of tenants who have now completed leases on the Property. We have requested that these are removed on completion and the Borrower's solicitors say that as the leases are not registerable the Unilateral Notices will remain in place to protect the tenant's respective interests in the Property.

ADVERSE INTERESTS

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

- 1 Please refer to the separate Lettings Reports for each of individual Leases affecting the Property.
- 2 It should be noted that part of the Property is vacant (part of the second floor, the whole of the third, fourth, fifth and sixth floors). The Borrower is liable to pay a percentage of the service charge in respect of the unlet areas and we have requested details of this. **The Borrower's solicitors have so far been unable to provide us with any further information.**
- 3 The Contract for the purchase of the Property contained a condition enabling the Borrower to rescind the Contract in the event that the level of high alumina cement in the buildings was unacceptable. We have asked for details of the report that was obtained dealing with HAC and that the condition has been satisfied and the Borrower's solicitors say that the condition in the Contract has been satisfied, and further the Structural Report contains the following conclusions "*The Property has undergone some refurbishment works, and does not appear to have any major structural defects to report*" and "*The Building is sound and free from defects associated with buildings built in the 1960's*".
- 4 The current owner of the Property has elected for VAT purposes and therefore VAT will be chargeable on the purchase price. The Borrower regards this as a transfer of a going concern and that therefore VAT will not be payable on the basis that this was an investment property. We have requested details of the Borrower's VAT election and acknowledgement from HMRC and the Borrower's solicitors have provided copies of both the Borrower's election and the acknowledgement from HMRC.
- 5 There seems to be some considerable arrears of rent, in particular from the tenants, Elonex & Fletcher Data Services. We have raised this with the Borrower's solicitors who say **they are awaiting further information from the Vendor's solicitors.**

Plans of the Property that have been produced to us indicate that there are 2 electricity sub-stations on the Property. There is no reference to these on the registered title. We would have expected either there to have been a transfer of the land comprised within the sub-station or leases of those areas. We have raised this with the Borrower's solicitors who have provided use with an Electricity Distribution Search, which confirms that Western Power Distribution have sub-stations on the Property as well as underground cables, neither of which are referred to on the title. A copy of the Electricity Distribution Search and Plan is enclosed with this report.

- 6 Parts of Birmingham are now affected by the proposed HS2 link. We have requested confirmation that the Property is not affected by this and that no safeguarding requirements are necessary and the Borrower's solicitors say that no notices have been received to indicate that the Property is affected by the proposed HS2 link.
- 7 There are a number of planning permissions, mostly historic. There was planning consent for the building for B1 office use. However, in 2015, it appears that consent was given for a change of use to D1a and D1c use (non-residential, medical and educational use). We have raised this with the Borrower's solicitors to ascertain the position relating to the current uses and how this is affected by

the planning permissions and they **have so far provided us with the planning permission but have yet to confirm that the work has been completed or provide us with the final building regulation approval.**

We have also raised the issue of building regulation approval for any works carried out at the Property and in respect of the current refurbishment works being carried out and the Borrower's solicitors say no planning permission or approval was required as part of this work.

- 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 compiled 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.

Subject to the comments above we would point out that the report has been certified as "Passed" meaning that in the professional opinion of Argyll Environmental the level of risk associated with the information disclosed in the report:

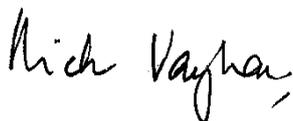
- (a) is unlikely to have an adverse effect on the value of the Property, and
- (b) is not such that the Property would be designated "Contaminated Land" within the meaning of Part IIA of the Environmental Protection Act 1990.

The search refers to the electricity sub-stations mentioned above. There are companies associated with high risk contaminative uses located within 25 metres of the Property and there is a fuel station within 25 metres of the Property and there is a potential for risk of contamination from tanks, spillages, etc.

The Property is within an area of flood plain. We have asked the Borrower's solicitors to confirm that the Property has not flooded and there have been no restrictions imposed on the insurance policy for the Property. The Borrower's solicitors **have advised that there has been no flooding and there are no restrictions imposed on the insurance policy, however, they have not yet provided the insurance documentation.**

Signed by: Paris Smith LLP

Signature:



Name: Nick Vaughan

Position: Senior LLP Partner

authorised to sign for and on behalf of Paris Smith LLP

Date: 5 December 2017