

REPORT ON TITLE

TO: Proplend Security Limited

FROM: Paris Smith LLP

FULL NAME OF BORROWER: Pearwalk Properties Limited

COMPANY NUMBER (if appropriate): 02926298

DESCRIPTION OF PROPERTY: 22-24 Furness Vale Business Park Calico Lane Furness Vale High Peak SK23 7SW

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:	DY259844
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 is 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 and a Debenture.

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 your 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 your security.

3. **VALUATION:**

We have read the Valuation Survey Report dated 29 May 2018 from Sanderson Weatherall 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: £Not applicable
 - a. Property: £Not applicable
 - b. Fixtures and Fittings: £Not applicable

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. Guarantees 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: to be advised

SCHEDULE

RESTRICTIVE COVENANTS

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

The Property is subject to rights reserved by a Conveyance dated 12 May 1921 to enter on to the Property to carry out any mining or minerals operations and to keep open the existing watercourses for the purpose of draining land belonging to the adjoining owners and for laying dry the coal mines on the Vendor's adjoining estates. All mines and minerals are excluded from registration.

As indicated in the Schedule of Adverse Interests, the Property is within a mining area where there has been mining in the past and there is potential for future mining although it is anticipated that this is very limited. The Borrower's solicitors say that no mining operations have been undertaken since their clients owned the Property.

The Conveyance dated 12 May 1921 contains a further provision that all rights of way, water and other easements or quasi-easements and in particular the supply to Longhurst Farm be maintained. The Borrower's solicitors say that these rights, if exercised (and they have no knowledge as to whether or not they have been exercised) have not interfered with the current use of the Property.

The Property is subject to rights in a Conveyance dated 9 January 1963 for access to the private road leading from Station Road to Furness Vale Print Works which abuts the easterly side of the Property, paying a fair proportion of the cost of the maintenance of the private road. We have asked whether or not there have been any problems with regard to maintenance of the private road and the Borrower's solicitors say that there has been no maintenance and that the right of way will not affect the proposed development.

The Property is subject to rights reserved in a Conveyance dated 17 June 1971:-

- 1 Right of way over and along the roadway shown coloured brown for the benefit of the Property on the north easterly side being Lodge Farm together with a right to pass on foot only over the land coloured green to access the reservoir and millponds provided that the owner of the Property may within 21 years after the date of the Conveyance provide a definite route for a pathway not less than 6 feet wide over the land coloured green as determined by the owner of the Property and that will then be the right of way. A further right to use water from any pipes and conduits passing through the Property from the reservoir or millponds.
- 2 The Property is subject to rights reserved by a further Conveyance dated 17 June 1971 with regard to rights of way which are similar to those referred to above and are shown on Plan 3. There is also a right to use the septic tank on the Property together with rights of access to carry out repairs and maintenance, etc. The Borrower's solicitors say that the septic tank no longer exists. We have raised this with the Borrower's solicitors because the drainage search indicates that the Property is not connected to mains water, drainage or surface water. The Borrower's solicitors have now produced a revised drainage search which shows that the Property is connected to mains drainage.
- 3 The Property is subject to an Agreement dated 7 July 1971 in favour of North Western Electricity Board. The Agreement is for a transformer medium voltage distribution pillar, wires and cables, etc with standard obligations not to interfere with the equipment or to build within the vicinity. No copy of any plan was attached to the Agreement. The sub-station is in situ and is located next to Unit 7.
- 4 The Property is subject to an Agreement dated 12 June 1990 in favour of North West Water Limited comprising a 100mm sewerage pumping main in, through, under, over or upon a strip of land 6 metres in width shown on the plan attached coloured blue together with the usual exceptions, in particular that no buildings are to be constructed on the strips. The Borrower's solicitors confirm that no buildings have been constructed.
- 5 The Property is subject to an Agreement dated 13 October 1995 in favour of Norweb Plc to maintain electrical lines and plant together with a right to fell or lop trees in the area and the lay, construct,

maintain, repair or renew anything under the land shown coloured yellow on the Plan together with normal rights not to interfere or build and again the Borrower's solicitors say there is no building that affects these areas.

ADVERSE INTERESTS

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

- 1 As indicated above, the Property is within a coal mining area. The search (copy attached) indicates that there has been mining and that there is potential for mining in the future. We have requested confirmation that the Property has not been affected by any subsidence and further that as part of the insurance arrangements for the Property, the potential for mining has been disclosed to the insurers and they have not raised any issues. The Borrower's solicitors say that to their clients' knowledge, the Property has not been affected by any subsidence. The coal mining report was sent to the insurers for consideration when the Property was insured.
- 2 Part of the Property comprised within the title to be charged consists of residential accommodation known as The Lodge and the upper ground floor of Unit 26. We attach a plan showing the area at Unit 26 which is to be excluded from the Legal Charge. Lodge House is already excluded from the title. It should be noted that in the event that you were required to enforce your security, the residential part comprising the upper floors of Unit 26 would be excluded and therefore that may have an effect on the saleability of the whole of the site. You have confirmed that the equity in the Property is sufficient to cover any such risk.
- 3 There is a notice on the title of a Lease dated 20 September 2010 originally in favour of High Peak Community Housing Limited but then assigned to High Peak District Council. That Lease has been terminated. The Property is now occupied by Avanti Conveyancers. We have requested that the leasehold title and the entries on the Borrower's freehold title are removed and the Borrower's solicitors have made an application to deal with this.
- 4 The valuer has asked for confirmation that Calico Lane is adopted. The Borrower's solicitors have produced a local search which shows that Calico Lane is not adopted.
- 5 Copies of the Fire Risk Assessment and Asbestos Risk Registers for the Property have been produced. The Borrower's solicitors confirm that the recommendations in those have been implemented, but we have not seen any further evidence of this.
- 6 You have seen a fairly comprehensive flood risk report which was prepared in conjunction with the proposed application for a change of use to residential accommodation. None of the recommendations in the Flood Risk Report have been actioned and so far as we can ascertain no flood defences or similar works apply to the Property. It is recommended that this matter is referred to the valuer for comment.
- 7 A copy of the proposed master plan pre-application for the conversion of the properties into residential accommodation has been provided. At the date of your Charge and in connection with any exit, it is unlikely that the change of use will have been granted and therefore you should reply upon the information on the Property in its current position with its current use of a mixture of predominantly commercial buildings with a couple of residential units.
- 8 Reference is made to the master tenancy report. As can be seen from that, the tenancies granted are non-institutional and fairly loose. They certainly favour the Tenant and are poorly drafted.
- 9 The valuer confirms that the Property in part was constructed in the late 1790s with some Victoria Additions. We have asked for confirmation as to whether or not the Property is listed. The Borrower's solicitors say there is no listing and this is confirmed by the local search.
- 10 We have prepared a Lettings Report on the proposed lease to Pearwalk Engineering Limited which again is inadequate. We have requested a redraft from the Borrower's solicitors which is being dealt with and similarly in connection with the proposed lease to Pyrogen Limited.

- 11 There are a number of old planning consents. There is a Tree Preservation Order in 1971 and we have asked the Borrower's solicitors to confirm that this does not affect the proposed development of the Property and they say that it does not.

We have raised this with the Borrower's solicitors who say that their client has not received any notice of any breach.

There is a planning permission in 1982 which permitted tipping of building and waste materials on the reclaimed land to the rear of Lodge Farm.

Under the planning designations, the Property is expressed to be part landfill; it is within a Ministry of Defence Bird Strike Consultation Zone which will require consultation with the MoD in connection with any flying activity or any matters relating to the reservoir sewage works, etc.

There is an historic environmental record in respect of the former Furness Vale Print Works and Gas Works which goes back to the 1870's/80's and a note that all planning applications are subject to consultation with British Coal.

There is a public footpath which runs along the outside of the boundary of the Property.

- 12 As indicated above, the original drainage search indicated that the Property did not drain to mains, water, sewerage or surface water but this has now been amended to show that it does. There are, however, drains within the Property. We have asked for confirmation that there are no buildings on these and there will be no buildings on any change of use. The Borrower's solicitors say that historically there are a couple of buildings which overlap the sewers but have been in situ for many years.
- 13 The drainage search does indicate a reserved Easement affecting the Property in respect of drainage. That may refer to the Deed referred to in the Schedule of restriction covenants. We have raised this with the Borrower's solicitors who have provided no further information.
- 14 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 "Referred for Further Action" meaning that in the professional opinion of Argyll Environmental the level of risk associated with the information disclosed in the report:

- (a) is likely to have an adverse effect on the value of the Property, and
- (b) the Search has been referred for further action. The reason for the referral for further assessment is connection with the past uses of the Property as a print works, unspecified tanks, a gasometer, an industrial estate and landfill areas to the south east of the Property. There is also a concern over flooding and potential flooding within 25 metres of the Property. It is not such that the Property would be designated "Contaminated Land" within the meaning of Part IIA of the Environmental Protection Act 1990. We have recommended that this be referred to the valuer for comment. He has indicated firstly that he was aware of the potential for flooding but that the site is elevated from the river with what appears to be a large floodplain to the north with no prior history of any recent flooding and has commented that this is considered to be an acceptable risk.

With regard to the environmental issues, the valuation assumes that there is no ground contamination at the site and that the only way to obtain certainty on this would be to commission a Phase 2 intrusive environmental report which would be at significant cost and would take a considerable amount of time. The valuer does not intend to alter his valuation having referred the desktop environmental report.

Signed by:

Signature:

A handwritten signature in black ink that reads "Nick Vaughan". The signature is written in a cursive style with a small flourish at the end.

Name: Nick Vaughan

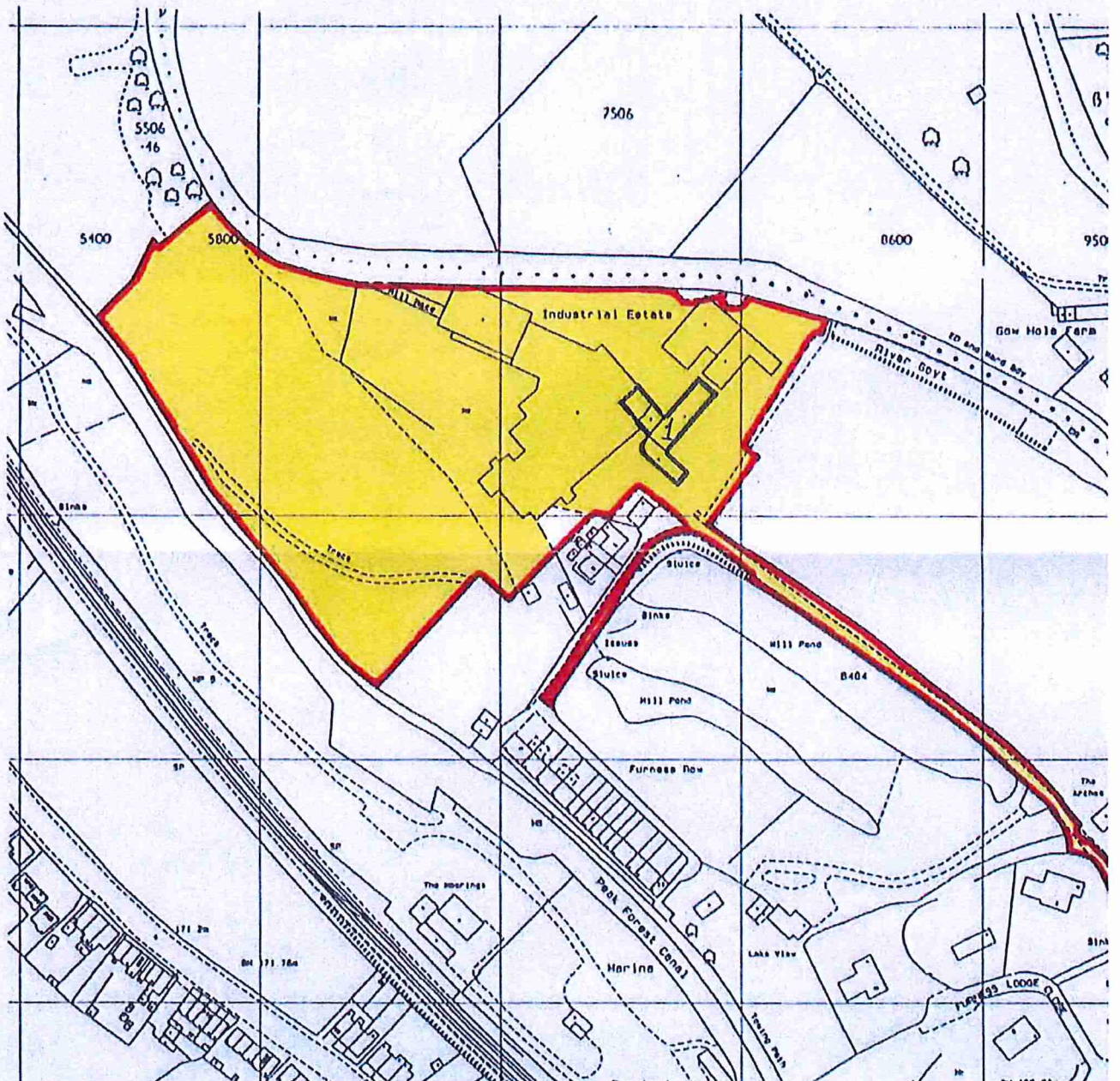
Position: Senior LLP Partner

authorised to sign for and on behalf of Paris Smith LLP

Date: 6 September 2018

H.M. LAND REGISTRY		TITLE NUMBER	
		DY25984	
ORDNANCE SURVEY PLAN REFERENCE	SK 0083 0084	SECTION	Sc 1/
COUNTY DERBYSHIRE	DISTRICT	HIGH PEAK	©Crown co

SK 0084
SK 0083



PLAN 1

H137

H M LAND REGISTRY

Title No: *D2508/44*
COPY (liable to distortion in scale)
of plan to CONVEYANCE
dated 17 June 1971

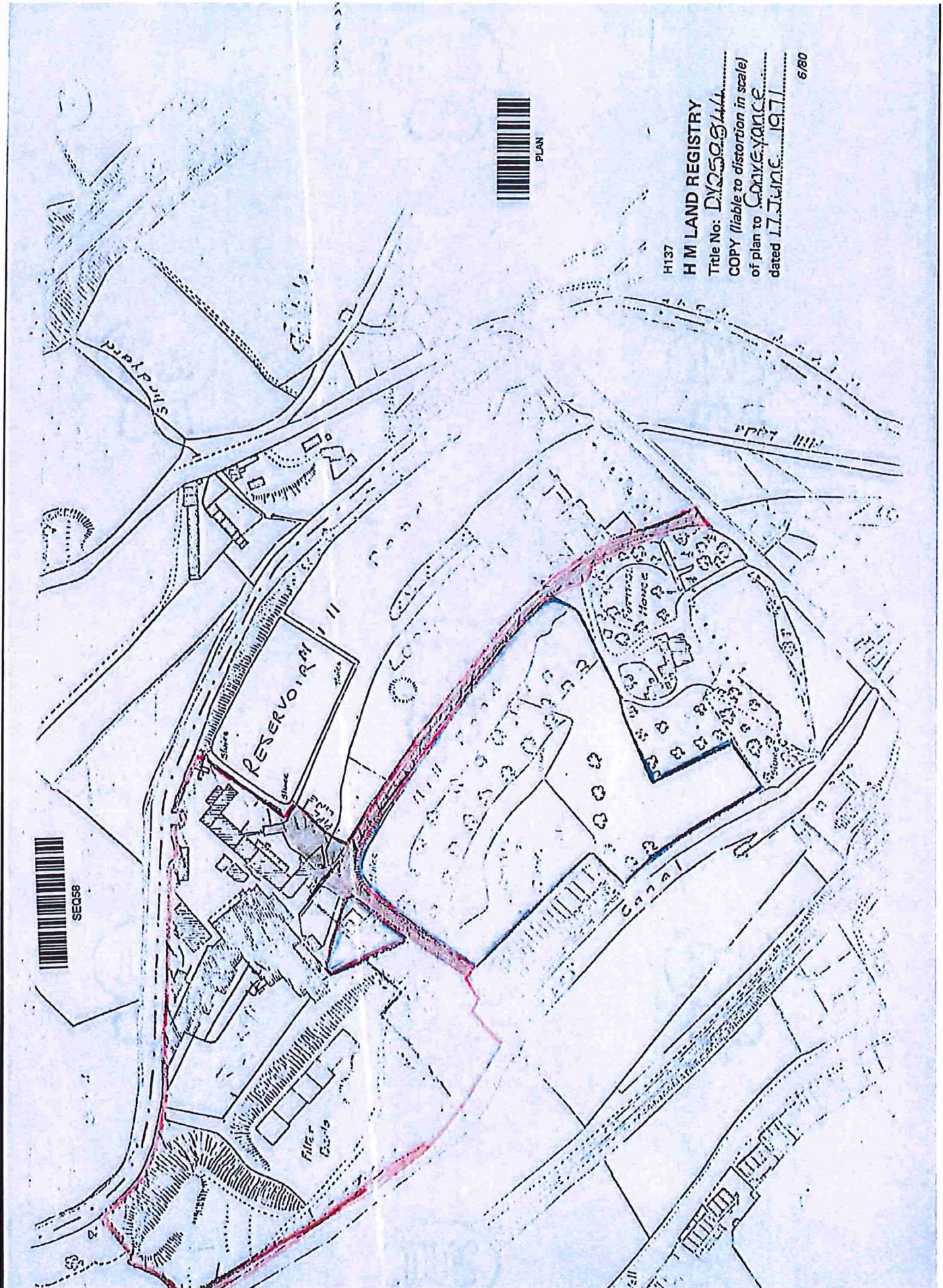
6/80



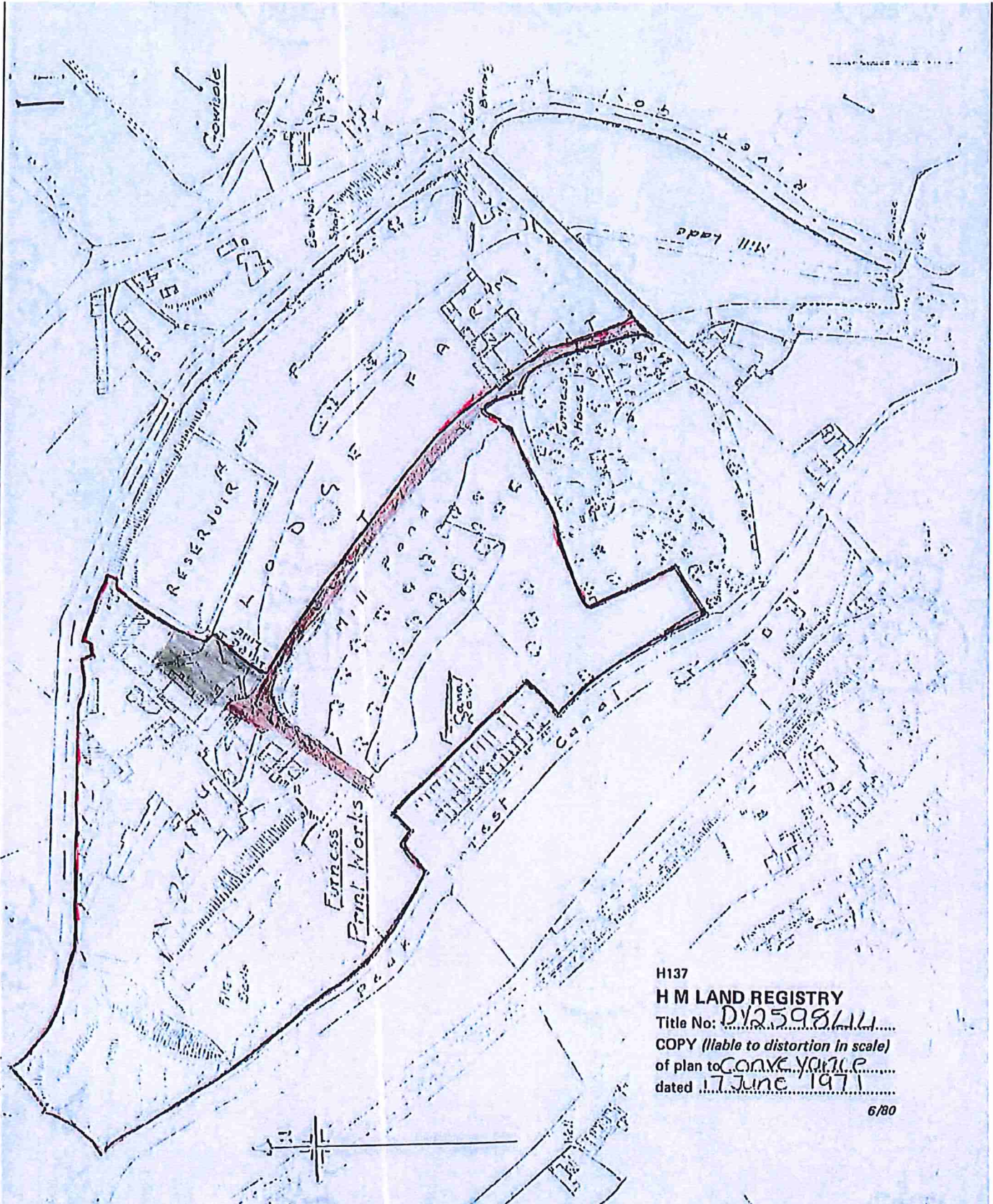
PLAN



50058



PLAN 2



H137
H M LAND REGISTRY
Title No: DV2598/114
COPY (liable to distortion in scale)
of plan to CONVEYANCE
dated 17 June 1971

6/80



... and to all tenancies from year to year or for any less period, with...



The Coal
Authority

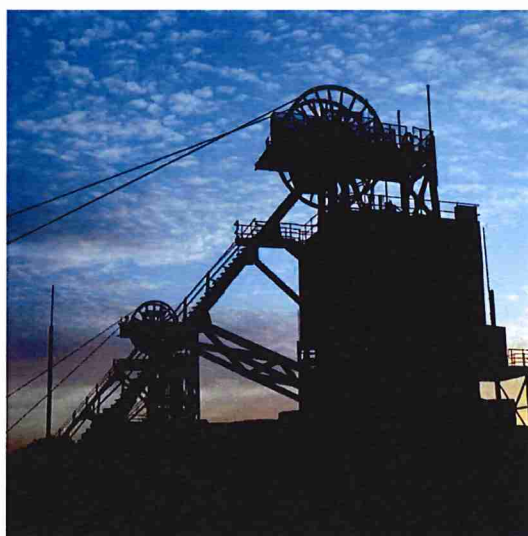
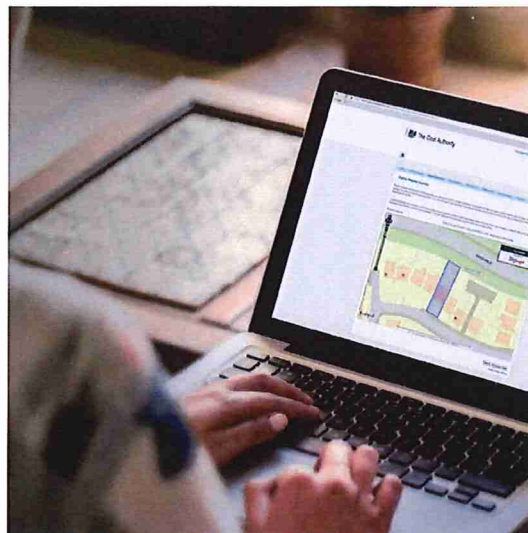
Resolving the **impacts** of mining

CON29M Non-Residential Mining Report

FURNESS VALE INDUSTRIAL ESTATE
STATION ROAD
FURNESS VALE HIGH PEAK
DERBYSHIRE
SK23 7SW

Date of enquiry: 25 June 2018
Date enquiry received: 25 June 2018
Issue date: 25 June 2018

Our reference: 51001860610001
Your reference: SW/REARWALK/11794/1



CON29M Non-Residential Mining Report

This report is based on, and limited to, the records held by the Coal Authority, at the time we answer the search.

Client name

PROPERTY SEARCH GROUP

Enquiry address

FURNESS VALE INDUSTRIAL ESTATE, STATION ROAD, FURNESS VALE HIGH PEAK, DERBYSHIRE, SK23 7SW


How to contact us

0345 762 6848 (UK)
+44 (0)1623 637 000 (International)

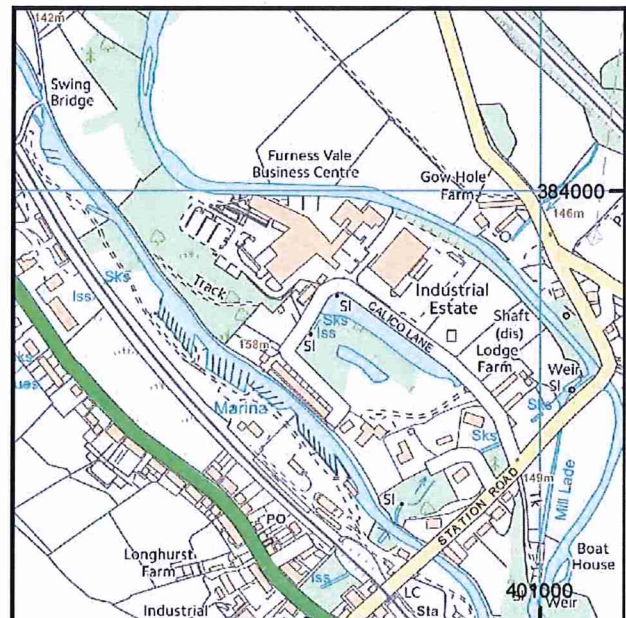
200 Lichfield Lane
Mansfield
Nottinghamshire
NG18 4RG

www.groundstability.com

 /company/the-coal-authority

 /thecoalauthority

 /coalauthority



Approximate position of property



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Summary

Has the search report highlighted evidence or potential of		
1	Past underground coal mining	Yes
2	Present underground coal mining	No
3	Future underground coal mining	Yes
4	Mine entries	Yes
5	Coal mining geology	No
6	Past opencast coal mining	No
7	Present opencast coal mining	No
8	Future opencast coal mining	No
9	Coal mining subsidence	No
10	Mine gas	No
11	Hazards related to coal mining	No
12	Withdrawal of support	Yes
13	Working facilities order	No
14	Payments to owners of former copyhold land	No

For detailed findings, please go to page 4.

Detailed findings

1. Past underground coal mining

The property is not within a surface area that could be affected by recorded past underground mining.

However the property is in an area where the Coal Authority believe there is coal at or close to the surface. This coal may have been worked at some time in the past. The potential presence of coal workings at or close to the surface should be considered prior to any site works or future development activity. Please refer to the Comments section of this report for further information.

2. Present underground coal mining

The property is not within a surface area that could be affected by present underground mining.

3. Future underground coal mining

The property is not in an area where the Coal Authority has plans to grant a licence to remove coal using underground methods.

The property is not in an area where a licence has been granted to remove or otherwise work coal using underground methods.

The property is not in an area likely to be affected from any planned future underground coal mining.

However, reserves of coal exist in the local area which could be worked at some time in the future.

No notices have been given, under section 46 of the Coal Mining Subsidence Act 1991, stating that the land is at risk of subsidence.

4. Mine entries

There are no known coal mine entries within, or within 20 metres of, the boundary of the property.

There may however be mine entries/additional mine entries in the local area which the Coal Authority has no knowledge of.

5. Coal mining geology

The Coal Authority is not aware of any damage due to geological faults or other lines of weakness that have been affected by coal mining.

6. Past opencast coal mining

The property is not within the boundary of an opencast site from which coal has been removed by opencast methods.

7. Present opencast coal mining

The property does not lie within 200 metres of the boundary of an opencast site from which coal is being removed by opencast methods.

8. Future opencast coal mining

There are no licence requests outstanding to remove coal by opencast methods within 800 metres of the boundary.

The property is not within 800 metres of the boundary of an opencast site for which a licence to remove coal by opencast methods has been granted.

9. Coal mining subsidence

The Coal Authority has not received a damage notice or claim for the subject property, or any property within 50 metres of the enquiry boundary, since 31st October 1994.

There is no current Stop Notice delaying the start of remedial works or repairs to the property.

The Coal Authority is not aware of any request having been made to carry out preventive works before coal is worked under section 33 of the Coal Mining Subsidence Act 1991.

10. Mine gas

The Coal Authority has no record of a mine gas emission requiring action.

11. Hazards related to coal mining

The property has not been subject to remedial works, by or on behalf of the Authority, under its Emergency Surface Hazard Call Out procedures.

12. Withdrawal of support

The property is in an area where a notice to withdraw support was given in 1944.

The property is not in an area where a notice has been given under section 41 of the Coal Industry Act 1994, cancelling the entitlement to withdraw support.

13. Working facilities order

The property is not in an area where an order has been made, under the provisions of the Mines (Working Facilities and Support) Acts 1923 and 1966 or any statutory modification or amendment

thereof.

14. Payments to owners of former copyhold land

The property is not in an area where a relevant notice has been published under the Coal Industry Act 1975/Coal Industry Act 1994.

Comments on the Coal Authority information

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In view of the mining circumstances a prudent developer would seek appropriate technical advice before any works are undertaken.

Therefore if development proposals are being considered, technical advice relating to both the investigation of coal and former coal mines and their treatment should be obtained before beginning work on site. All proposals should apply good engineering practice developed for mining areas. No development should be undertaken that intersects, disturbs or interferes with any coal or mines of coal without the permission of the Coal Authority. Developers should be aware that the investigation of coal seams/former mines of coal may have the potential to generate and/or displace underground gases and these risks both under and adjacent to the development should be fully considered in developing any proposals. The need for effective measures to prevent gases entering into public properties either during investigation or after development also needs to be assessed and properly addressed. This is necessary due to the public safety implications of any development in these circumstances.

Additional remarks

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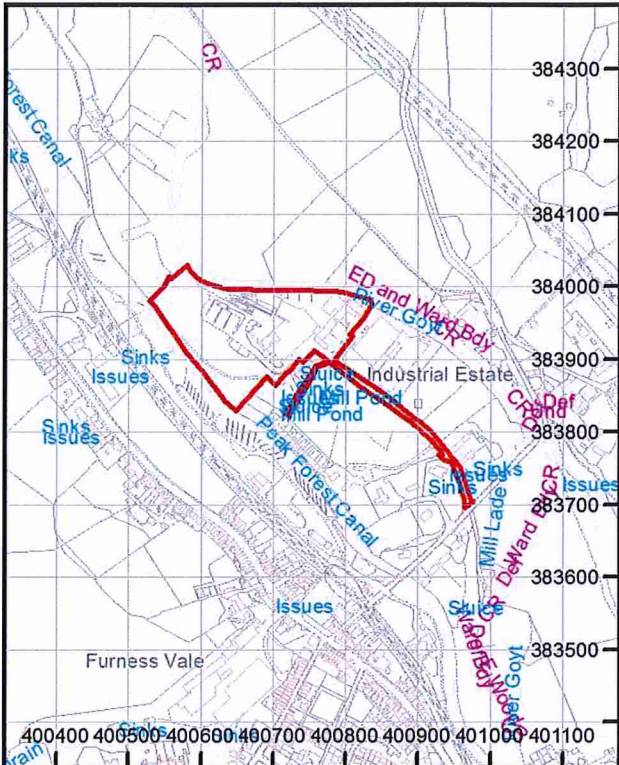
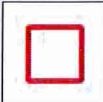
Alternative formats

If you would like this report in an alternative format, please contact our communications team.

Enquiry boundary

Key

Approximate position of enquiry boundary shown






How to contact us

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