

REPORT ON TITLE

TO: Proplend Security Limited

FROM: Paris Smith LLP

FULL NAME OF BORROWER: AEV Limited

COMPANY NUMBER (if appropriate): 01656178

DESCRIPTION OF PROPERTY: 6 Marion Street Birkenhead Wirral CH41 6LT

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:	MS409207
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 Plans (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 be in sole possession of the Property.
- i. Proplend Security Limited will obtain a First Legal Charge over the Property but there will continue to be a Debenture as to which, see the Schedule of Adverse Interests and a new Debenture in favour of Barclays Bank Plc.

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 5 March 2018 from SK Real Estate 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: £N/A
 - a. Property: £N/A
 - 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 Not applicable
- 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: to be advised

SCHEDULE

RESTRICTIVE COVENANTS

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

- 1 The part of the Property shown tinted pink on the plan is subject to exclusions under a Transfer dated 16 September 1994 in favour of Wirral Borough Council in respect of mines and minerals on the Property. We have asked the Borrower's solicitors to confirm that there has been no attempt to obtain minerals from the Property and they say that that is the case.
- 2 The Property is subject to restrictive covenants in a Conveyance dated 10 February 1837 not to build any dwelling houses or other buildings nearer than 4 yards to the front of the road.
- 3 The Property is subject to covenants in a Conveyance dated 3 August 1846 not to use the Property other than for dwelling houses with or without shops and outhouses. We have requested an indemnity insurance policy which will be on risk on the date of completion.
- 4 The Property tinted brown on the plan is subject to covenants in a Conveyance dated 5 June 1866 not to build anything on the Property other than with approval of plans of the then owner's surveyor not to allow for any outside toilets or to use the Property for the sale of liquor or to use it for any manufacture, trade or business which may be noisy or smelly. Again, the policy will cover any potential issues here.
- 5 The Property tinted blue is subject to covenants in a Conveyance dated 4 October 1866 similar to those referred to in the 5 June 1866 Conveyance.
- 6 The Property edged yellow is subject to covenants in a Conveyance dated 6 September 1878 which referred to an earlier Conveyance of 5 August 1869 no copy of which was produced but which required a payment by way of mortgage. It is understood that this no longer subsists. Again, this will be covered by the indemnity policy.
- 7 The Property coloured yellow is subject to covenants in a Conveyance dated 25 September 1875 prohibiting any outside toilets or the burning or making of any bricks on the Property.
- 8 The area edged in yellow and in blue is subject to covenants in a Conveyance dated 6 December 1884 to pay a tithe which has been redeemed and also to keep the buildings in good repair and condition and to insure them and not to carry out any trade or manufacture which would be a public nuisance or private annoyance or inconvenience.
- 9 The Property is subject to rights contained in a Deed of Grant dated 25 August 1994 in favour of Manweb Plc. This permitted Manweb to construct electric lines and cables as shown on the red line on Plan 2 giving rights to erect, install, construct, use, maintain, remove and replace the lines with rights of entry, making good any damage caused. The owners of the Property covenanted not to interfere with the exercise of the rights or the electric lines.

- 10 The Property tinted pink is subject to covenants in a Conveyance dated 16 September 1994 which excluded the rights to mines and minerals as referred to above and granted rights to use the services of the adjoining properties and to enter on to the Property to carry out repairs and maintenance to adjoining buildings and to do anything on the adjoining property even if it interferes with rights of light and air to the Property. There is a provision that the Property would be used for no other purpose other than light industrial use and not to carry out any nuisance or annoyance or damage. Any loading or unloading was to take place within the boundaries of the Property. No new buildings were to be constructed unless they were approved by the local authority. We have asked the Borrower's solicitors to confirm that since the date of the Transfer, no additional buildings have been constructed and they say that that is the case.
- 11 An obligation to contribute towards the costs of any jointly used services.
- 12 The land tinted mauve is subject to restrictive covenants that might have been imposed before 25 August 1998 as no copy of that Conveyance was produced on first registration. Again, this will be covered by the restrictive covenant indemnity policy.
- 13 Given the age of most of the covenants and the policy, these are not considered to be onerous. The covenants in the Conveyance of 16 September 1994 are still in place and are standard for a type of property of this nature.

ADVERSE INTERESTS

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

- 1 No copy of any planning permission for the construction of the Property has been produced. There is a planning permission allowing part of the site to be used as a car park for use in connection with the adjoining premises (which are the buildings on the site). There was also reference in that planning permission to be able to use part of the site for an external tank farm. We have asked the Borrower's solicitors to confirm if any licences or permissions are required for this use and they say that the tanks contain solvents and that no licences are required.
- 2 There are discussions ongoing between the Borrower and the local authority with a view to the local authority eventually acquiring the Property and then developing this and adjoining premises. The Borrower's solicitors say that these are fairly informal and are at a very early stage. So far as they are aware, there is no suggestion at this stage that the Council would look to compulsory purchase the site although there can be no guarantee that in the future they may do so.
- 3 A copy of the Fire Risk Register has been produced. We have asked the Borrower's solicitors to confirm that the recommendations have been carried out and they say that they have not been required, but there have been no changes. They have also produced an Asbestos Risk Register and we have asked for confirmation that the Property was re-inspected in March 2017 and the Borrower's solicitors say that it was and there have been no changes.
- 4 An EPC has been produced for the Property with a Category D rating.
- 5 As you will be aware, there is a charge on this Property which will be redeemed on completion. There is also a Debenture in place which will cover the assets and undertaking of the Borrower and would have priority over your Legal Charge and Debenture in respect of the Property. We have drafted a Deed of Priority which would give you priority in respect of the Property and any business assets there over the existing Debenture. However, in respect of any other assets where there might be a shortfall in the realisation of the Property, the existing Debenture would have priority over your Debenture security.

In addition, there will be a new Debenture in favour of Barclays Bank Plc and again we have drafted a Deed of Priority which will give you priority under your Legal Charge over the Property and the assets at the Property, but give Barclays priority over the remaining assets of the Company.

- 6 You have agreed to accept no search indemnity insurance for the Property which will be on risk at completion. However, we have required the Borrower's solicitors to obtain a chancel and environmental search. The chancel search is clear.
- 7 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.

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.

There are energy or infrastructure projects within 4 kilometres of the Property in respect of licensing or drilling wells which could indicated on-shore oil or gas exploration.

Signed by:

Signature:



Name: Nick Vaughan

Position: Senior LLP Partner

authorised to sign for and on behalf of Paris Smith LLP

Date: 10 May 2018

H. M. LAND REGISTRY

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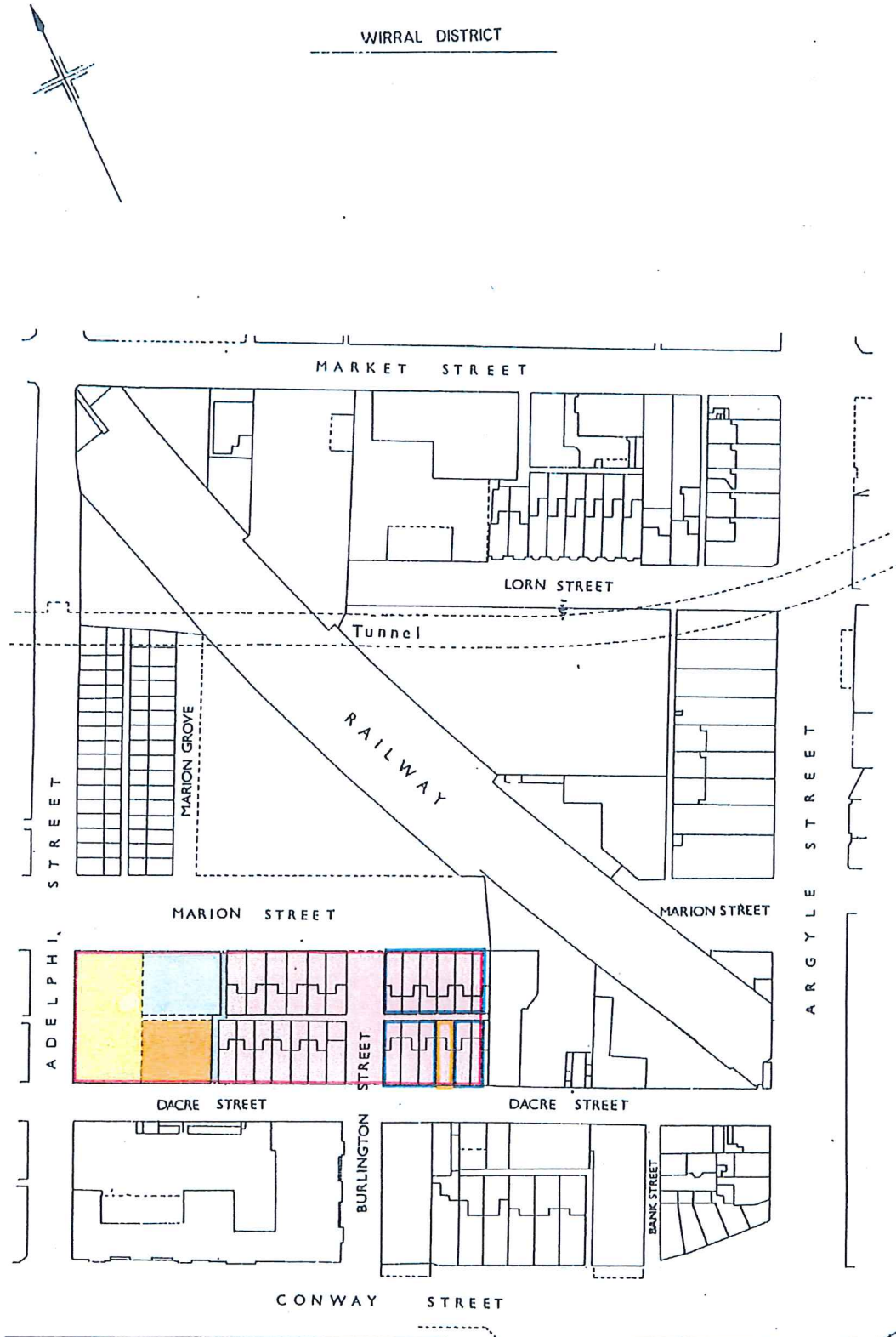
SECTION

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MERSEYSIDE

Scale 1/1250

WIRRAL DISTRICT



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