

**REPORT ON TITLE**

TO: Proplend Security Limited

FROM: Paris Smith LLP

FULL NAME OF BORROWER: Prime Property Investors Limited

COMPANY NUMBER (if appropriate): 11469017

DESCRIPTION OF PROPERTY: 16 Shirley High Street Shirley Southampton SO15 3NH

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:	HP227345
Class of title (if registered):	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 showing the Property edged red.
- d. The Property will be registered in the name of the Borrower.
- e. We confirm that the only Restrictive Covenants which affect the Property are set out in the attached Schedule.
- f. 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.

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 27 September 2018 prepared by Gully Howard 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. BUILDINGS INSURANCE:

The following Insurance Policy is in force:

Insurer: [ ]

Name of Insured: [ ]

Sum Insured: [ ]

Sum Insured recommended by Valuer: [ ]

Renewal Date: [ ]

Policy No: [ ]

Current Premium: [ ]

5. PURCHASE CONTRACT:

- |                           |                |
|---------------------------|----------------|
| i. Purchase Price:        | £224,000       |
| a. Property:              | £224,000       |
| b. Fixtures and Fittings: | Not Applicable |

6. 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    |

7. 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 purchase 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 acquisition of the Property and registration of Proplend's Legal Charge and Debenture, 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: TBC

**Please Quote Reference: NJV/taw/113022/38**

## SCHEDULE

### RESTRICTIVE COVENANTS

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

- 1 There are no restrictive covenants. The Property, however, is said to be subject to a Lease for 20 years from 25 March 1999 and we have requested evidence that this has been discharged and the leasehold title has been closed. The Borrower's solicitors have produced an order for possession in respect of the previous lease which was granted on 2 August 2018. As a result, the application to close the leasehold title has been submitted but it is unlikely that this will have been dealt with by the time of completion.
- 2 The Property has the benefit of a right of way over the cartway leading to the rear of the Property. It is not clear from the documentation whether this is for vehicular as well as pedestrian access. It was granted in 1966. The Borrower's solicitors have no information as to whether or not these rights are exercisable for both vehicular and pedestrian access.
- 3 The 1966 Conveyance which granted the right of way also reserved rights for the passage and running of water and soil together with rights to enter making good any damage caused for the adjoining owners.

### ADVERSE INTERESTS

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

- 1 Reference to the Lease referred to on the title above is mentioned. We await confirmation from the Borrower's solicitors on this who say this is unlikely to be completed prior to drawdown.
- 2 The valuer refers to the garage at the rear of the Property. It is assumed that access to this is obtained via the cartway although it is not clear whether this is for pedestrian and vehicular access. The cartway is not adopted but the right of way appears to have been in existence since 1966.
- 3 There are old planning permissions in 1965 for alterations to the shopfront to form a restaurant and there are no conditions which are of concern. It is assumed that in due course, works will be carried out to the Property to bring it up to standard and we have asked whether or not these require planning and building regulation approval and the Borrower's solicitors say that no planning permission or building regulation will be required as this will be decorating and updating only.
- 4 Your instructions refer to a new lease being put in place for the whole of the building. We have raised this with the Borrower's solicitors and in particular, the fact that the draft that has now been produced is in fact dated prior to the date of ownership of the Property by the Borrower! The lease is invalid and needs to be redrafted. The copy we have seen has not been signed and there are some inconsistencies.
- 5 There is an Asbestos Risk Register completed in 2010 and certainly this should be updated in due course once the Property has been acquired. It should be noted that the Property is being purchased at auction and therefore the usual enquiries that would be made are not in place and the Borrower's knowledge of the premises therefore is very limited. The Borrower has no Fire Risk Assessment and have no information as to whether or not any recommendations under the Asbestos Register were complied with.

- 6 An EPC has been produced which gives a Category C but this appears to be limited to the restaurant premises. We have raised the issue with regard to the upper premises which will be used for residential purposes. These must acquire a minimum standard at Category E. The Borrower's solicitors say that the Certificate is for the whole property.
- 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 Landmark Information Group 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.

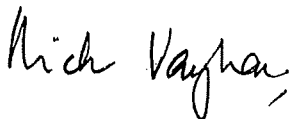
They have not identified an elevated flood risk at the Property.

They have not identified any energy or infrastructure projects at or near the Property.

There are, of course, a number of trade uses which might potentially be contaminative in the area due to its location on a busy commercial and retail area.

Signed by:

Signature:



Name: Nick Vaughan

Position: Senior LLP Partner

authorised to sign for and on behalf of Paris Smith LLP

Date: 10 October 2018

<b>H.M. LAND REGISTRY</b>		TITLE NUMBER	
		<b>HP227345</b>	
ORDNANCE SURVEY PLAN REFERENCE	<b>SU 3913</b>	SECTION <b>W</b>	Scale <b>1/1250</b>
<del>COUNTY</del> <b>HAMPSHIRE</b>		<del>DISTRICT</del> <b>SOUTHAMPTON</b>	
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ADMINISTRATIVE AREA : SOUTHAMPTON

