

REPORT ON TITLE

TO: Proplend Security Limited

FROM: Paris Smith LLP

FULL NAME OF BORROWER: Tay Dean Limited

COMPANY NUMBER (if appropriate): 1158366

DESCRIPTION OF PROPERTY: Longmore House Cromer Road Balsall Heath Birmingham B12 9QP

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:	WK226799
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 6 December 2018 prepared by Cushman and Wakefield 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: Channel Syndicate 2015 at Lloyds

Name of Insured: Tay Dean Limited

Sum Insured: £1,200,000

Sum Insured recommended by Valuer: £3,306,000

Renewal Date: 7 December 2018 to 29 September 2019

Policy No: 3465556

Current Premium: TBA

5. **PURCHASE CONTRACT:**

- | | |
|---------------------------|----------------|
| i. Purchase Price: | £1,100,000 |
| a. Property: | £1,100,000 |
| 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/113022/42

SCHEDULE

RESTRICTIVE COVENANTS

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

- 1 The Property is subject to a provision in a Conveyance dated 21 July 1925 that no rights of support for any buildings on the Property are granted over any adjoining buildings.
- 2 The Property is subject to covenants in a Conveyance dated 21 July 1925 that the Property or any part of it is not to be used for the sale or consumption of liquor or as a club or place of worship or school.

ADVERSE INTERESTS

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

- 1 As you will be aware, the Property is currently used as offices. We have asked for details of the planning consent for this use and the Borrower solicitors say that the Property has been used since 1925 as offices and therefore pre-dates the planning application.
- 2 It is intended that the Property will be converted to residential use. Currently, there has been discussions with the Planning Department at the local authority which has determined that prior approval process be followed. Therefore, it should be noted that at the time of the drawdown of your advance, there are no guarantees that the proposed use will be authorised.

Matters which are of particular issue here are noise studies, details of paving and boundaries, parking area, gates to be set back from the road front, dedicated use for access and egress points, cycle storage and visibility splays.

- 3 The valuer has not revealed any matters which are of concern. He does refer to the proposed development for which planning permission has been granted but where the works have not commenced. We have not seen details of the development costs and timeline for this, but on the basis that you are not lending for the development, we assume that this is not an issue for you.
- 4 There appears to be a sub-station located on the site. We have asked for details of this and confirmation that it will not affect the proposed development. The Borrower's solicitors have produced a Google image of the sub-station site which in fact appears to be outside of the Property and they have confirmed that it will not, in any event, have any effect on the proposed development.
- 5 The current insurance is for £1,200,000 which is in excess of the market value of the Property. The valuation refers to a reinstatement estimate of £3,306,000 and we have queried whether or not this is for the Property as developed as residential accommodation or in its current "derelict" condition. It seems high for the current condition of the Property and you have agreed to proceed on the lower amount.
- 6 The local authority search refers to the high speed railway proposed for Birmingham. We have asked for confirmation that the Property is not affected by this and that no safeguarding arrangements are required and the Borrower's solicitors say that the Borrower has confirmed that the Property is not affected directly by the railway proposal and no safeguarding arrangements are required.

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 Groundsure 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 report indicates that the Property does not lie within 25 metres of an area at risk of flooding. No infills on the site have been identified.

8 The current buildings have an EPC with a rating of Category D. However, this will undoubtedly change when the new planning application is submitted.

Signed by:

Signature:



Name: Nick Vaughan

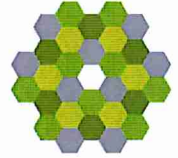
Position: Senior LLP Partner

authorised to sign for and on behalf of Paris Smith LLP

Date: 13 December 2018

HM Land Registry Official copy of title plan

Title number **WK226799**
Ordnance Survey map reference **SP0784SE**
Scale **1:1250**
Administrative area **West Midlands :**
Birmingham



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