

REPORT ON TITLE

TO: Proplend Security Limited

FROM: Paris Smith LLP

FULL NAME OF BORROWER: First House Associates Limited

COMPANY NUMBER (if appropriate): 08894227

DESCRIPTION OF PROPERTY: 1 Sutton Street Birmingham B1 1PE

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:	WM439521
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 is 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 not be in sole possession of the Property and we refer to 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 7 November 2018 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. **BUILDINGS INSURANCE:**

The following Insurance Policy is in force:

Insurer: Allianz

Name of Insured: First House Associates Limited

Sum Insured: £931,500

Sum Insured recommended by Valuer: None, but value of the Property is £925,000

Renewal Date: 11 June 2019

Policy No: 32/BB/13424631/06

Current Premium: Unknown

5. **PURCHASE CONTRACT:**

- i. Purchase Price: £N/A
 - a. Property: £N/A
 - b. Fixtures and Fittings: N/A

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)

There are no restrictive covenants as such. However, this is a long leasehold property the freehold of which is owned by Birmingham City Council. The Property was vested in them on 16 March 1949 and no earlier title was produced. As a result, the Property could be subject to restrictive covenants and easements prior to that date. We have raised this with the Borrower's solicitors and require an indemnity policy for the value of the Property to be on risk at completion.

ADVERSE INTERESTS

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

- 1 It will be noted that there is an area at the junction of Irving Street and Sutton Street fronting the Property which does not form part of it. We have requested confirmation that this forms part of the public highway and the Borrower's solicitors say that they are advised that this is a pavement and part of the highway maintained at public expense. We have not investigated this further..
- 2 The title to the Property is by way of a long lease for a term of 125 years from 18 June 1987. We are advised that an application to renew the term of the lease for a further 125 years is in progress but has not been completed. The Borrower's solicitors say that the Borrower is in communication with the Council although nothing has been agreed at this stage. The Council has recently undertaken a survey of the Property and the Borrower is awaiting further information from them.

Please refer to the separate Lease report in relation to the Property.

- 3 The Property has an EPC rating of Category E and therefore currently satisfies the requirements of the Energy Performance Regulations.
- 4 The Property is subject to a series of commercial Licences to Occupy. Although these are described as Licences, they do provide exclusive possession and, in some cases, refer to the payment of rent. As a result, each of these occupiers will be deemed to be protected tenants under the Landlord and Tenant Act 1954 Part II. It is anticipated that if there was an application to change use for development purposes, then payment would need to be made to each of the occupiers. They will have the right to renew their tenancies at the end of their term. The Borrower could oppose those applications if they intend to develop the Property and cannot do so without the premises being vacant or where the Borrower intends to occupy the premises for its own use. In each case, compensation would be payable to all of the occupiers. There might also be a delay in obtaining possession if the occupiers wished to be difficult.
- 5 There are no planning permissions either for the construction of the Property or any subsequent works. We have requested that an indemnity policy for lack of planning is obtained for the value of the Property.
- 6 The valuer refers to the Property having the benefit of UPVC windows. We have raised this with the Borrower's solicitors who say that there are no FENSA certificates. Again, this should be included within the no planning permission indemnity policy.
- 7 The Property does not have the benefit of Asbestos or Fire Risk Registers. These need to be put in place and the Borrower has agreed to do this within 3 months of completion of the drawdown of the loan and to cover this by way of undertaking.

- 8 The Property is said to be subject to past mining activities and we have requested a coal mining search. The results of the search show that there is no coal mining present or likely to be undertaken.
- 9 We understand that there have been no alterations to the Property in the last 10 years.
- 10 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 was what was described as a "significant pollution event" which occurred at the Medical Centre which fronts on to Cregoe Street and which lies to the west of the Property.

Signed by:

Signature:



Name: Nick Vaughan

Position: Senior LLP Partner

authorised to sign for and on behalf of Paris Smith LLP

Date: 4 February 2019

H.M. LAND REGISTRY		TITLE NUMBER	
		WM 439521	
ORDNANCE SURVEY PLAN REFERENCE	COUNTY	SHEET	NATIONAL GRID
	WEST MIDLANDS		SP 0686
Scale: 1/1250	BIRMINGHAM DISTRICT		SECTION R
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