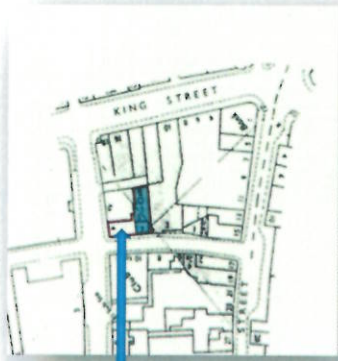


REPORT ON TITLE



NB: The images above are extracted is for illustrative purposes only.

REFINANCE – SEPARATE REPRESENTATION

To	Proplend Security Limited ("the Security Trustee ")
From	enact Conveyancing Limited
Borrower	G E Bowra Group Limited
Company Number	00663205
Property	The Winchester Club, 7 Turner Street, Ramsgate (CT11 8NG) <i>NB: The above includes 4 Broad Street as 4 Broad Street previously formed part of the former licensed premises No 7 Turner Street known then as The Winchester Club.</i> <i>NB: As to the part tinted blue on the filed plan the ground floor is not included within the title being charged to you.</i>
Is the Borrower the same as the Owner?	Yes
FULL NAME OF OWNER IF DIFFERENT (Where Property is being transferred state intended owner): Not applicable	N/A
Advance Amount	£1,176,400 Amount to be released to enact on completion: £1,097,458.56

1. TITLE

a. We certify that the Property is:

Tenure:	Freehold
Title number:	K615101
Class of 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 plan to the title for the Property ("the **Title Plan**") showing the Property **edged red**.

NB: The Title Plan differs to the Valuation as you are taking a charge over a property that comprises of a retail unit on the ground floor and two residential units above, albeit as the residential apartments are let on long leases they have not been included within the valuation hence the difference between the plans.

- d. The Property is registered in the name of the Borrower.
- e. We confirm that the only material **Restrictive Covenants** which affect the Property are set out in the attached Schedule.
- f. We confirm that the only material **Adverse Interests/Rights** 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. The Security Trustee will obtain a **First Legal Charge** over the Property.
- j. The Property has the benefit of the material **Rights Benefitting** referred to in the Schedule as revealed by the title to the Property.

2. **SEARCHES:**

We confirm we hold:-

- a. Clear Land Registry Priority Search giving the Security Trustee 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 Legal Mortgage revealing no Entries which might adversely affect the Security Trustee's security.
- c. Clear Bankruptcy Search(es) giving priority beyond the date of completion against the guarantor and the directors of the Borrower.

All other appropriate searches have been carried out and, save as referred to below, reveal no entries adverse to the Security Trustee's security.

3. **VALUATION:**

We have read the Valuation Survey Report dated 23.08.19 prepared by Pinders Professional & Consultancy Services Limited ("**Valuation**") a copy of which has been supplied by us to the Borrower's conveyancer as authorised by you and confirm that:-

- a. there are no discrepancies between the Valuation, the title documentation and the results of our searches save as highlighted in this Report
- b. we are satisfied that the Security Trustee will obtain a legal mortgage over the whole of the land shown edged red on the Title Plan (excluding the area shown shaded blue -ground floor) and
- c. we are satisfied that the use confirmed in the Valuation as **Retail Shop (Ground Floor) & Two Residential Flats above** accords with the planning permissions revealed by such searches or alternatively the use is established by way of long user.

- (a) **Retail unit on the Ground Floor**

(b) **x2 Residential Flats on the 1st and 2nd floors**

Planning Permission

Dated: 11/08/2014 Change of Use **from night club to 2 no flats, retail unit on ground and first floor** together with three storey rear extension, replacement windows and doors without compliance with condition 7 of planning permission F/TH/12/0734 to relocate refuse storage area.

Building Regulations

Final Certificate dated: 07/04/16 - Work: **Conversion of nightclub to retail unit and 2 no flats at 7 Turner Street**, now known as Flat 2, 7 Turner Street.

- d. a copy of this Report has been sent to the valuer for confirmation that the contents do not have an adverse impact on the Valuation.

4. PURCHASE CONTRACT:

- a. Purchase Price: £N/A
ii. Property: £N/A
iii. Fixtures and Fittings: £N/A

5. SECURITY DOCUMENTATION:

The following security documentation has been properly executed and witnessed (where required) and certified copies are held by ourselves. *The originals are held by the Borrower's conveyancer save for the Guarantees, Independent Legal Advice Certificates on the Guarantees and Board Resolution which enact hold.*

- a. Legal Mortgage To be dated on completion
b. Debenture N/A
c. Guarantee To be dated on completion – Limited to £221,200
• George Edward Alan Bowra
• Christopher Edward Bowra
d. Board Resolution Held dated.

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 we shall use the same only to forward funds to the Borrower's conveyancer to effect the refinance of the Property by the Borrower.

As agreed with the Borrower's conveyancer, we shall deduct our fees and disbursements from the Advance Amount before forwarding the balance to the Borrower's conveyancer to complete the refinance.

We hold an irrevocable undertaking from the Borrower's conveyancer confirming that following completion they will send a completed AP1 in respect of the refinance of the Property and registration of the Security Trustee's Legal Mortgage, any necessary supporting documentation, and any title documents that are received from the Borrower's conveyancer will be sent to you as required following completion of registration.

We understand that you require 7 working days notice for release of the Advance Amount to us.

Our banking details are:

Account Name	enact Conveyancing Limited
Account Number	57131910
Bank	National Westminster Bank plc
Branch	Leeds City Centre
Sorting Code No	60 60 05
Completion date	TBC

SCHEDULE

RESTRICTIVE COVENANTS/ ADVERSE INTERESTS/RIGHTS

The Borrower has confirmed that so far as they are aware the covenants to which the Property is subject have not been breached and the rights to which the Property is subject do not have an adverse impact on the existing use.

1. Title Matters

(a) **Charges**
None

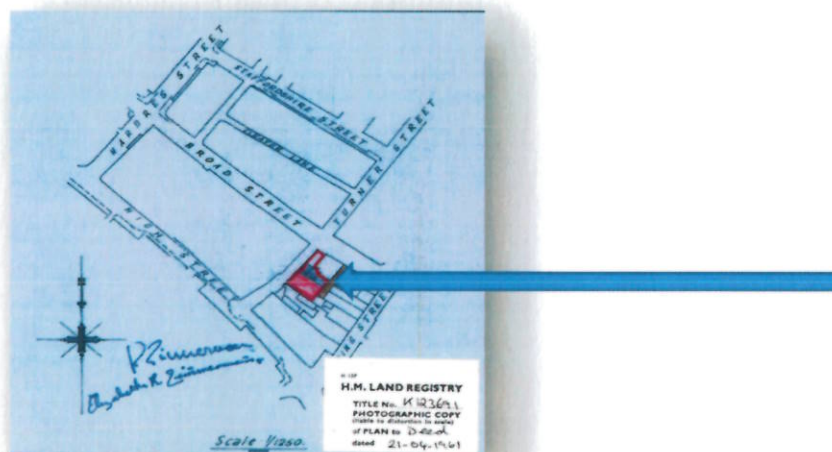
(b) **Price Paid**

- The price stated to have been paid on 28/06/11 for the Property was £96,000.
- Valuation: £85,000
- The Borrower has confirmed that the Property has not been opted to tax.

(c) **1961 Transfer**


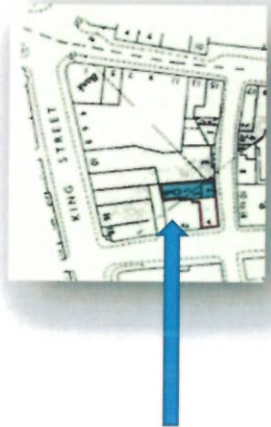
The land has the benefit of the following rights granted by but is subject to the following rights reserved by a Transfer of adjoining land to the south dated 21 April 1961 between (1) R Zimmerman and E R Zimmerman ("**Vendors**") and (2) International Tea Company's Stores Ltd ("**Purchasers**");

*The benefit of and subject to all existing easements rights and privileges in the nature of easements save that the Purchaser its successors are deemed to enjoy access and use of light or air on the North Eastern side of the premises transferred over the adjoining property on that side belonging to the Vendors **and coloured blue** on the plan ("**Blue Land**") with the consent of the Vendors and shall not by the enjoyment thereof acquire any absolute or indefeasible or other right thereto from and over the said adjoining or acquire any right to restrain impede or control the erection of any building upon the adjoining property or to damage in consequences or arising from such erection.*



(d) **1986 Transfer**

A 1986 Transfer of 5 and 7 Turner Street contains the material matters summarised below:

Transferors	William Manning and Rosemary Manning
Transferees	Sandra Beryl Neale and Pamela Gladys Carter
Ground Floor	<p>Shop and rooms comprising the ground floor of the building shown edged red on the plan extracted below:</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Transfer Plan</p>  </div> <div style="text-align: center;"> <p>Title Plan</p>  </div> </div>
Retained Land	Remainder of the land comprised in the title number including the buildings above the ground floor.
Transferee Rights	<p>(a) Of way over the land shaded brown. <u>NB: The blue arrow above indicates the location of the right of way shaded brown on the Transfer plan.</u></p> <p>(b) Of Support and protection for the Ground Floor from the Retained Land.</p> <p>(c) Passage of services to and from the Ground Floor through conduits over the Retained Land.</p> <p>(d) To enter the Retained Land for repairing conduits for rebuilding repairing or repainting the Ground Floor or for the purposes of cleaning the windows as such repairs repainting or cleaning cannot reasonably be carried out without such entry and in all cases on reasonable notice to the Transferors or the owner or occupier for the time being of the Retained Land making good damage caused.</p> <p>(e) To enter and examine the condition the Retained Land and to execute repairs.</p>
Transferees Covenants to bind the Ground Floor	<p>(a) Not to make any alterations or modifications or additions to the Ground Floor so as to diminish the support and protection of the Retained Land.</p> <p>(b) To retain the Ground Floor in such state of repair and condition to ensure the maintenance support and protection of the Retained Land.</p> <p>(c) To insure the Ground Floor against loss and damage by fire and the usual comprehensive risks and to permit the Transferors to have their interest noted on the policy effected by the Transferees when they shall so desire.</p> <p>(d) To contribute ½ of the expense of maintaining:</p> <ul style="list-style-type: none"> - The gutters pipes and other things for conveying rainwater from the building. - The conduits under the building or its curtilage - the parts of the building enjoyed and used by the Transferors in common with the Transferees. <p>Until such time as the relevant parts of the Ground Floor and the Retained Land shall be separately assessed payable in respect of the building and its curtilage.</p> <p><u>NB: The Borrower has confirmed that they received £5k plus VAT from Sandra Neale on 22/05/15 for her share of the roof repairs. They have not demanded or paid any further funds since. There has been no further repairs.</u></p>

	<p>(e) Within 1 month after every Conveyance Assent Transfer or Lease (other than by way of mortgage) of the Ground Floor to give notice in writing with particulars to the Transferors and produce to the Transferors a certified copy of such Conveyance Assent Transfer or Lease and in case of a devolution of the interest of the Transferees not perfected by an Assent within 12mths after the happening thereof to produce to the Transferors the Probate of the Will or Letters of Administration under which such devolution arises.</p>
Transferor Covenants	<p>At all times to contribute ½ part of :</p> <p>(a) the expense of maintaining:</p> <ul style="list-style-type: none"> - The gutters pipes and other things for conveying rainwater from the building. - The conduits under the building or its curtilage - the parts of the building enjoyed and used by the Transferees in common with the Transferors. <p>Until such time as the relevant parts of the Ground Floor and the Retained Land shall be separately assessed payable in respect of the building and its curtilage.</p> <p><u>NB: The Borrower has confirmed that they received £5k plus VAT from Sandra Neale on 22/05/15 for her share of the roof repairs. They have not demanded or paid any further funds since. There has been no further repairs.</u></p> <p>(b) To insure the Retained Land and all buildings erected in the joint names of the Transferors and the Transferees.</p> <p>(c) To maintain the structure of the Retained Land in such a state of repair and condition as shall at all times hereafter ensure the maintenance of support and protection to the Ground Floor.</p> <p>(d) Within 1 month after every Conveyance Assent Transfer or Lease (other than by way of mortgage) of the Retained Land to give notice in writing with particulars to the Transferors and produce to the Transferors a certified copy of such Conveyance Assent Transfer or Lease and in case of a devolution of the interest of the Transferees not perfected by an Assent within 12mths after the happening thereof to produce to the Transferors the Probate of the Will or Letters of Administration under which such devolution arises.</p>
Declaration	<p>Beams supporting the floors of the Retained Land and the ceilings of the Ground Floor are party structures severed horizontally and shall be maintained/repared as such.</p> <p>The footings and foundations main walls and timbers of the Ground Floor up to the top of the brickwork supporting the joists are the Property of the Transferees and shall be maintained and repaired by the Transferees and their successors in title.</p>
Transferors Rights benefit the Retained Land	<ul style="list-style-type: none"> • Support and protection • Passage of services from and to the Retained Land through conduits under the Ground Floor as necessary for the Retained Land. • To enter the Ground Floor to repair conduits and maintaining the Retained Land or cleaning windows subject to reasonable notice to the Transferees of the Ground Floor and making good any damage caused.

(e) Restriction

Except under an Order of the Registrar **no Transfer or Lease is to be registered** without the consent of the registered proprietor for the time being of Title K606859.

NB: We have been supplied with a copy of the Title Register for Title Number K606859 which relates to the Freehold Property known as 5 and 7 Turner Street.

Only the ground floor shop and rooms are included in the title. The Proprietors are: Sandra Beryl Neale and Robin Alwyn Neale.

The above in our opinion will catch a mortgagee in possession and consent would be required from the Neales to the Transfer.

We have written to the Land Registry to clarify the point as below:

"We note that the register is subject to a restriction under entry B:2, whereby consent is required from the registered proprietor under title K606859. We understand that given our clients proposed charge will rank behind the 1993 restriction our client, the mortgagee, would be caught and need to seek consent from the proprietors of K606859. Should the borrower under K615101 default on the loan to our client, and our client forecloses on the loan, and consent is not provided by the proprietors under K606859 would the registrar provide such order of consent to allow our client (acting as mortgagee in possession) to transfer the property under a TR2?"

The Borrower's conveyancer has written directly to the Neales by way of a letter dated 27/09/19 requesting consent to the removal of the restriction. The Borrower's solicitor has also provide a "best endeavours" undertaking to remove the restriction from the title. Obviously the worst case scenario is that the restriction is not removed and for whatever reason the Neales do not provide consent to a transfer by a mortgagee in possession. There are no timings or mechanics/procedures set out for the provision of their consent.

You have confirmed that you are happy to proceed and to rely on the best endeavours undertaking.

2. Occupational Interests

See the Lease Schedule annexed, whereby the Property is subject to two residential leases.

You should note that if you sell the freehold as mortgagee in possession then the sale would be subject to the Right of First Refusal (**RFR**) as provided by Part 1 of the Landlord and Tenant Act 1987 (the **1987 Act**) as amended by the Housing Act 1996.

Where a landlord is proposing to sell his interest in a building containing flats in relation to which the RFR exists, he must, by law, first offer it to the tenants before offering it on the open market. He must serve formal notices on the tenants telling them what he is intending and must provide time for them to consider the offer; he cannot sell to another party during that time, nor offer the interest to anyone else at a price less than that proposed to the tenants or on different terms. Breach of these legal obligations by the landlord is a criminal offence. If the landlord sells without providing the Right of First Refusal, the tenants can serve a notice on the new owner demanding details of the transaction, including the price paid; they can then take action to force the new owner to sell to them at the price he paid.

There must be at least two flats in the building. There are three requirements for the premises to be subject to the RFR:

- they must contain at least two flats; and
- no more than 50% of the premises to be in non-residential use; and
- more than 50% of the flats in the premises must be held by 'qualifying tenants'.

The building will be excluded from the RFR if more than 50% (excluding the common areas) is not in residential use, say offices or shops. The measurement excludes any common parts of the residential building, such as staircases, landings etc. The Act refers to parts of the premises occupied or intended to be occupied for non-residential purposes. A building could be excluded if it contained empty spaces which made up more than half the building which the landlord intended to use for non-residential purposes, such as storage.

We have notified the valuer of the RFR and his response (email 11/09/19) is confirmed below:

"...you set out three requirements that must be met for the premises to be subject to the 'RFR', namely:

- (a) they must contain at least two flats;
- (b) no more than 50% of the premises to be in non-residential use; and
- (c) more than 50% of the flats in the premises must be held by 'qualifying tenants'.

As indicated above, the freehold property includes two residential flats; each held by Messrs G E A Bowra and F C Antoine on 999 year peppercorn leases from June 2015, hence seemingly meeting requirements (a) and (c).

In connection with requirement (b), lock-up shop no 4 Broad Street extends to 76.9 m² GIA and by reference to the above referred valuation reports undertaken for Shawbrook Bank, Flats 1 and 2 have a stated 'Floor Area' of 75 m² and 72 m² GIA respectively, a collective 223.9 m² GIA, excluding common areas. The non residential use of the freehold property is therefore a calculated 65.7%, hence fulfilling the third requirement for 'RFR' procedures to be set in place in the event of the borrower seeking to sell the freehold investment of the whole.

This requires the freeholder to first offer the property to qualifying tenants, before placing it on the open market, but as there is no ground rent to capitalise in this instance, we consider it extremely unlikely that third party owners of the flats would wish to contribute towards buying the freehold interest in a lock-up shop, occupied by someone else, at the recently reported freehold investment value of £85,000.

Nevertheless, the Landlord's Offer Notice: Private Contract period to 'RFR' qualifying tenants to make their decision at the stated price, under Section 5A of the Landlord and Tenant Act 1987, is two months. If they then wish to take up this option at the stated price, the sale and purchase shall be subject to an agreement based upon the Standard Conditions of Sale (Fifth Edition). A 10% deposit becomes payable no later than the end of the period in which the Qualifying Tenants may offer an exchange of contracts in accordance with Section 8A(4) of the Act, followed by completion two months after this to the nominated qualifying tenant/tenants.

In the latter regard it will be noted from Page 22 – Loan Security – Paragraph 3 of our valuation report that we state "... in the current market we would not consider it usual for a marketing period of some 6 – 8 months to be required." Therefore, if 'RFR' procedures were implemented, this would certainly reduce the marketing period to a more restrictive, 4-6 months, if the qualifying tenants did not take up their option to purchase. However, as such investments are traditionally sold by auction, as well as by private treaty, we consider this would be sufficient time to conduct an open market sale, hence we do not consider it would have a significant adverse effect on the realisable price. As such we do not wish to amend our previously reported valuation figures.

3. Searches

Date	Search	Material Matters Revealed
11/09/19	Local (Flats 1 & 2 and Winchester Club)	<p><u>Adopted Roads</u></p> <p>Turner Street</p> <p><u>Planning Permissions</u></p> <p>03/09/70 Provision of a fire escape 19/02/71 Provision of a fire escape – alterations</p> <p>Reg Date: 04/01/12 Date: 03/01/12 Ref: TH/11/0855 Works: Change of use from night club to 2 no flats, retail unit on ground and first floor together with three storey extension, replacement windows and doors Approved subject to conditions.</p>

Reg Date:15/11/13

Date: 28/10/13

Ref: TH/11/0855

Works: Change of use from night club to 2 no flats, retail unit on ground and first floor together with three storey extension, replacement windows and doors
Allowed on appeal subject to conditions.

Reg Date:14/08/14

Date: 11/08/14

Ref: F/TH/14/0055

Works: Change of use from night club to 2 no flats, retail unit on ground and first floor together with three storey rear extension, replacement windows and doors without compliance with condition 7 of planning permission F/TH/12/0734 to relocate refuse storage area
Approved subject to conditions.

Date: 28.11.12

Ref: F/TH/12/0734

Works: Change of use from night club to 2 no flats, retail unit on ground and first floor together with three storey rear extension, replacement windows and doors without compliance with condition 4 of planning permission F/TH/11/0855 to relocate refuse storage area
Approved subject to conditions.

NB: Copy held

Date: 03.01.12

Ref: F/TH/11/0855

Change of Use from nightclub to x2 no flats retail unit on ground floor and first floor together with three storey extension, replacement windows and doors

The Borrower's conveyancer has supplied a copy of:

An Appeal Decision:

Ref: APP/Z2260/A/13/2191484 – 23/10/13 – change of use from night club to **2 no flats**, retail unit on ground and first floor with three storey rear extension replacement windows and doors without complying with a condition attached to planning permission ref: F/TH/11/0855 dated 03/01/12. Appeal permitted without compliance with condition Nos 2,3 and 4 imposed on Ref: F/TH/11/0855 dated 03/01/2012 but subject to conditions Nos 1,5,6,7,8.

Building Regulations

The Borrower's conveyancer has supplied a copy of a Final Certificate dated: 07/04/16 - Work: Conversion of nightclub to retail unit and **2 no flats at 7 Turner Street**, now known as Flat 2, 7 Turner Street.

The Local Search reveals:

		<p>IN/04191/13 CONVERSION OF NIGHT CLUB INTO 2 PAS 11.06.2013 FLATS AND A SHOP FP/60384/08 CONSTRUCTION OF NEW FLATS APR 07.05.2008 DM/57012/07 DEMOLITION OF BUILDING REC BR/22066/98 CONSTRUCTION OF NEW SHOPFRONT BST 13.01.1999 IN/04191/13 CONVERSION OF NIGHT CLUB INTO 2 PAS 11.06.2013 FLATS AND A SHOP IN/04191/13 CONVERSION OF NIGHT CLUB INTO 2 PAS 11.06.2013 FLATS AND A SHOP FP/60384/08 CONSTRUCTION OF NEW FLATS APR 07.05.2008 DM/57012/07 DEMOLITION OF BUILDING REC BR/22066/98 CONSTRUCTION OF NEW SHOPFRONT BST 13.01.1999 IN/04191/13 CONVERSION OF NIGHT CLUB INTO 2 PAS 11.06.2013 FLATS AND A SHOP</p> <p><u>Planning Policy</u></p> <p>Areas in need of special attention Ramsgate town centre Car parking in town centre The Land/Property falls within Thanet Local Plan 2006 which contains the following designations or proposals as shown above.</p> <p>(1) <i>Thanet Local Plan: (adopted 2006) Saved Policies.</i> (2) <i>Kent Minerals Local Plan: Construction Aggregates (adopted December 1993) Saved Policies.</i> (3) <i>Kent Minerals Local Plan: Chalk and Clay (adopted December 1997) Saved Policies.</i> (4) <i>Kent Minerals Local Plan: Oil and Gas (adopted December 1997) Saved Policies.</i> (5) <i>Kent Waste Local Plan: (adopted March 1998) Saved Policies.</i> (6) <i>Kent Minerals Subject Plan: Brickearth Written Statement (adopted May 1986) Saved Policies.</i> (7) <i>Cliftonville Development Plan Document: (adopted February 2010).</i></p> <p><u>NB: The Borrower has confirmed that they are not aware of any breach of planning building regulations.</u></p>
16/08/19	Water	<p>Mains water connected: Yes Surface water connected: Yes Foul water connected: Yes</p>
08/08/19	Environmental	<p>Radon Identified</p>
12/08/19	SIMR	<p>K615101 Freehold – The Property TT51127 Leasehold – Flat 1 TT51131 Leasehold – Flat 2</p>
08/08/19	Chancel	<p>The above address is located within the historical boundary of a tithe district within a parish which continues to have a potential chancel repair liability.</p> <p><u>Chancel indemnity Policy to be placed on risk on completion by the Borrower's conveyancer with the following material terms: Commercial, successor – Limit of indemnity £250,000 3 acres with ChancelSure.</u></p>
12/08/19	Ground Report	<p><u>Natural Ground Perils</u> Yes, Features relating to natural ground instability have been identified Terraforma consider it prudent that an appropriate commercial RICS Structural and/or Building Survey is acquired for any properties/ structures present on the Site in question to assess, amongst other important considerations, their structural condition. This report will highlight any subsidence-related defects, which may relate to ground instability, while also noting any serious or dangerous issues that may require attention. This survey will also include advice on any defects, repairs or maintenance decisions.</p> <p><u>NB: The Borrower has confirmed that a survey is not held, however, they are not aware of any structural or subsidence related issues affecting the Property.</u></p>

		Radon Yes
29/07/19	Company	<p>Name: GE Bowra Group Limited</p> <p>Active: Yes</p> <p>Directors: George Edward Alan Bowra Joanne Manning</p> <p>Secretary: N/A</p> <p>Shareholders: The Company is owned; - 50% by C E & G E A Bowra as Trustees of C E Bowra Settlement - 19% by C E Bowra - 9.36% by C E & G E A Bowra as Trustees of M D Bowra Settlement - 7.214% by George Edward Alan Bowra - 7.213% by Christopher Edward Gordon Bowra - 7.213% by William George Tyler Bowra.</p> <p>PSC: George Edward Alan Bowra Christopher Edward Bowra</p> <p>Purpose: - Buying and selling of own real estate</p> <p>Charges: The Borrower's conveyancer has confirmed that the following Charges will be removed on or before completion from Companies House:</p> <p>09/10/15 Aldermore Bank PLC 1-12 Westcliff Arcade 09/10/15 Aldermore Bank PLC 29 Albion Street 09/10/15 Aldermore Bank PLC 4,6 and 8 Fort Hill Margate and 3 and 5 King Street</p> <p><i>NB: There are no charges registered at Companies House against the Property known as The Winchester Club, 7 Turner Street.</i></p> <p><u>The following will supply a letter of consent and non crystallisation in the agreed form on the morning of completion:</u></p> <p>(a) Skipton Building Society in respect of a Legal Mortgage dated 16.03.16 which contains a floating charge.</p> <p>(b) Aldermore Bank PLC in respect of a Debenture - dated 09.10.15</p>
Expires: 22/10/19	Bankruptcy	<ul style="list-style-type: none"> • George Edward Alan Bowra • Joanne Joanne Irene Manning • Christopher Edward Bowra
Expires: 12/11/19	Priority	Title Number: K615101 - In favour of Proplend Security Limited - Clear
06/08/19	Lender Exchange Check	Marsden Duncan - Clear
29/07/19	SRA Check	Marsden Duncan - Clear
05/08/19	Official Copies	In date K615101

OTHER

4. Buildings Insurance

Risk Address 11 – Insured on a multi address policy

Insured	GE Bowra Group Limited
Insurer	One Commercial
Property	4 Broad Street and 7 Turner Street, Ramsgate, Kent, CT11 9AS
Sum Insured	£384,338
Declared Value	£334,207
Reinstatement Figure – Valuation	£140,000
Policy No	CPPO00126725
Expiry	30/06/2020
Use	Gift Shop, Residential Shops with Flats Above
Terrorism	Yes
36 Months Rent	£76,867.59 NB: The valuation notes the rent payable by the retail tenant at £7,800 pa x3= £23,400
PSL Interest noted	Yes
Index-Linked	No – Day One declared value
Copy Policy sent to PSL	Yes
Interested Parties	Leaseholder - Montecristo Bay Ltd

NB: The Title refers to the Property as 7 Turner Street, however part of the Property is known as 4 Broad Street (Leased to Magick)

5. Fire Risk Assessment /Asbestos Report/Access Audit/Energy Performance Certificate

Date	Report	Contents
14/04/21	EPC – expires 14/042021	D76
13/01/16	Fire Risk Assessment	<p>We have referred the Fire Risk Assessment to the valuer and he has confirmed in an email dated 11.06.19:</p> <p><i>“With regard to the Fire Risk Assessment dated 13 January 2016, George Bowra advises that the common areas to which this refers, relate to the entrance door from the pavement in Turner Street, which opens into a shared ground floor entrance hall with stairs to Flats 1 and 2 on the first and second floors of the building respectively.</i></p> <p><i>We also understand from him that the lessee of the subject lock-up shop premises Serena Lowman, does not have access to these common areas of Ambassadeur House, which are used only by the owners of the associated flats.”</i></p>

		<i>NB: The Borrower has confirmed that the recommendations have been complied with.</i>
/	Asbestos Report	The Borrower has confirmed that they will not undertake to provide an asbestos survey as they redeveloped the whole building approximately 5 years again and know that there is no asbestos. <i>NB: You have confirmed that you are happy to proceed without the need for an Asbestos Report.</i>
/	Access Audit	<u>We hold an undertaking from the Borrower to complete the Report within 1 month of completion and complete works within 3 months of completion. The original is awaited.</u>
/	Premises & Personal Licence	N/A Retail shop not a Licensed Premises.

6. Identification Documents

Name	List A ID	Date/Expiry	List B	Date/Expiry
George Edward Alan Bowra	Passport	2025	/	/
George Edward A Bowra	Driving Licence	2021	/	/
GEA Bowra	/	/	Council Tax Bill	2019/20
George Edward Bowra	/	/	Halifax Statement	24/09/18
C E Bowra	/	/	Council Tax Bill	2019/20
Christopher Edward Bowra	Passport	2024	/	/
Joanne Irene Manning	Driving Licence	2028	/	/
Joanne Irene Manning	Passport	2026	/	/
Joanne Manning	/	/	Npower	24/05/18
J Manning	/	/	NatWest Bank Statement	10/05/19

7. Valuation – Material Matters

Date	23.08.19
Market Value - VP	£80,000
Market Value – STL	£85,000
Market Rental Value	£7,800
Reinstatement	£140,000
Property	4 Broad Street
Use	<p>Corner shop/retail premises arranged over ground and first floors, created by borrower in 2014 from part of a circa 1955 end of terrace three-storey public house and premises (was part of former licensed premises' the Ambassador bar and night-club)</p> <p>A1 – retail use and been occupied by the present lessee since it was formed in 2014.</p> <p>NB: It is located at the cross roads of Broad Street and Turner Street. Adjoining are two shop units in the borrower's family ownership, no 4b Broad Street also occupied by the lessee of Magick and no 4a Broad Street' Coles café.</p>
Tenure	Freehold

Planning	This enabled the borrowers, following change of use planning consent, to implement their proposals to convert the former licensed premises into a ground floor lock-up corner shop unit and two self-contained residential flats. On completion of those works, in September 2014, she took the existing six-year lease on no 4 Broad Street, the ground floor retail area of which is connected to that of no 4b Broad Street and this provided her with the opportunity to expand the 'Magick' business.
Conservation Area	Yes
Tenant	Freehold retail investment. Let on a six-year FRI lease from September 2014 to sole trader Serena Lowman, from which she operates 'Magick', a specialist gift shop. The commencing rent of £7,800 pa was not increased at the three-year review in 2017. Due to come to an end in August 2020. Magick is a specialist retailer offering fancy goods, gifts and crafts, claimed by the lessee operator Serena Lowman as being a magical witchcraft shop.
Restrictive Covenants	Rights of way / Restrictive Covenants
Fire Risk Assessment	We assume that a fire risk assessment has previously been prepared and there are currently no matters outstanding, noting at the time of our recent visit that the premises have an emergency lighting system and fire-fighting equipment was in place.
Roadways/Access/ Fire Escape	The subject property that abuts the pavements of both Broad Street and Turner Street, has no external areas. Apart from using the front entrance door into the retail area of no 4 Broad Street, an alternative means of escape in the case of fire is provided through the open link into the adjoining retail area of no 4b Broad Street, where the original entrance door to that unit is now a designated fire exit back into Broad Street. However, the external door from Turner Street to the retail area of the subject premises, is not used by the present tenant, whereas the open staircase to the first floor provides the only means of access to and from this level.
Services	No central heating or gas.
Access	On entering the shop there is a ramp with hand rail up to the ground floor retail area, where there are no changes in level to reach the service counter or peruse the displays of merchandise. However, the first-floor retail area, presently arranged as a meeting room and for storage, is approached by stairs with 16 treads. Furthermore, the premises do not provide any dedicated disabled toilet facilities.
EPC	7 Turner Street on 15 April 2011 - Rating of D 76
Asbestos	An asbestos survey was prepared prior to the alterations to the former Ambassador Bar & Night Club, no 7 Turner Street, the latter including creation of the subject lock-up shop, now known as no 4 Broad Street. We have not been provided with a copy of this report; but understand from him that it did not identify any areas containing asbestos materials. Our valuations have been prepared on the assumption that there are no asbestos related issues, which would attract a significant cost.
Residential Units Flying Freehold	The ground floor occupies a footprint of 37 m ² (37m ²), whereas the first floor extends to a calculated 50.7 m ² (546 ft ²) GEA, by 'flying' over the communal approach to Flats 1 & 2, no 7 Turner Street. Whilst these residential units are also in the ownership of the G E Bowra Group, they do not form part of the security being offered to the bank in this loan application. Email from valuer dated 11.09.19: We are advised by George Bowra that the whole of Flat 1 and part of Flat 2, together with their roof terraces, occupy a 'flying freehold' over adjoining shop unit no 5 Turner Street

occupied by SPL Dane Gear and the associated dance studio to the rear, which backs onto a 'Shared Alley'. The latter is shared with no 4a Broad Street, currently occupied by Coles of Ramsgate, another tenant of the G E Bowra Group Limited.

NB: We have been supplied with a draft indemnity policy to be placed on risk on completion by the Borrower's solicitor with the following material terms:

Insurer	Legal & Contingency Limited
Insured	Any person with a freehold, leasehold or commonhold interest in the Property, their successors in title and any charge of such interest within the Period of Insurance and any mortgagee providing a Mortgage in relation to such interest during the Period of Insurance.
Indemnity Sum	Flat 1 £200k Flat 2 £150k
Risk	Flying and/or Creeping Freehold
Property	Flat 1 and Flat 2 7 Turner Street, Ramsgate Kent CT11 8NG
Period	30 yrs from inception date and for a mortgagee the full term of any mortgage within 30 yrs of the inception date

Built 1955 end of terrace two-storey corner shop, created by the borrower in 2014 from part of former licensed premises latterly used as a bar and night club.

OCCUPATIONAL LEASE SCHEDULE

Two Residential Flat Leases

NB: Montecristo Bay Limited – Directors: George Edward Bowra and Francois Charles Antoine.

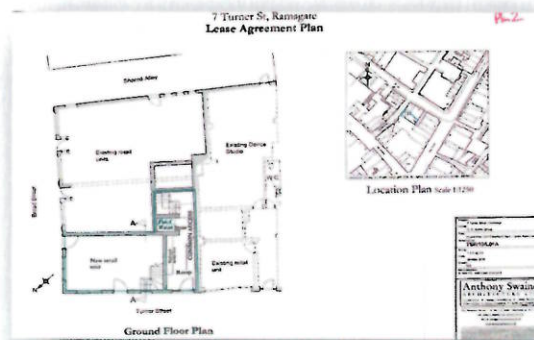
NB: The valuer has seen copies of the two Leases.

The Borrower has confirmed that there are no disputes or breaches of the covenants contained within the two leases and all rent, service charge and insurance is paid up to date.

Flat 1

The Lease for Flat 1 contains the same terms as Flat 2 with the same date and parties, the only difference is the property description and plans being Flat on the **1st Floor** shown **edged red** on Plan 1 registered with Title Number TT51127.

Lease plans



Title Plan

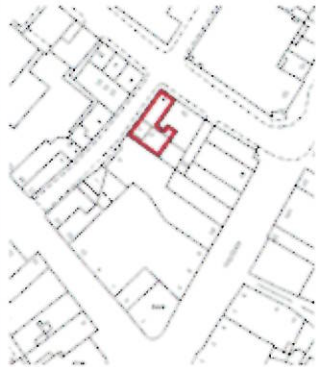


Flat 2

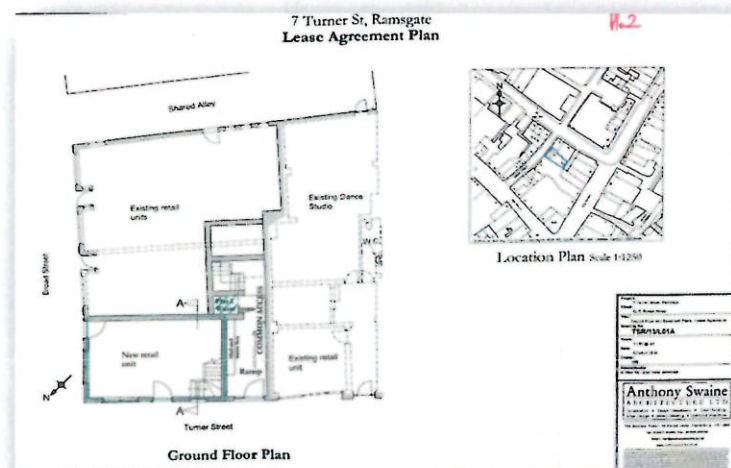
Premises

Flat 2 on the second floor of the Building known as Flat 2 Ambassador House, 7 Turner Street, Ramsgate CT11 8NG as shown edged red on Plan 1. Registered with Title Number TT51131.

Title plan

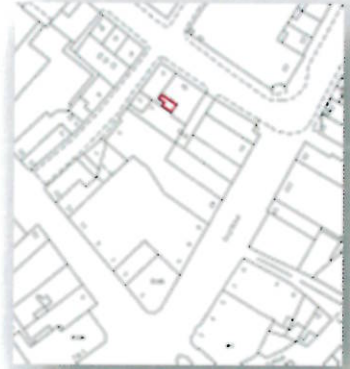


Lease Plan



The Premises includes:

- (a) the internal plaster, plasterboard and surface finishes of all walls;
- (b) the whole of any internal, non-load bearing walls that are entirely within the Property;
- (c) the inner half (severed medially) of the non-load bearing walls dividing the Property from any other parts of the Building;
- (d) the floorboards or floor screed] or other floor surfaces above the joists or other structural floor supports supporting them;
- (e) the ceiling plaster, plasterboard or other ceiling surface below the joists or other structural ceiling supports supporting them;
- (f) the doors and windows and their frames, fittings and glass;
- (g) all Service Media exclusively serving the Property;
- (h) the floor surface only of the roof to which the Property has access
- (i) all Landlord's fixtures and fittings in the Property; and
- (j) all additions and improvements to the Property

Date	17/03/16
Parties	GE Bowra Group Ltd (" Landlord ") Montecristo Bay Limited (" Tenant ") <i>NB: The Tenant is active at Companies House. The Directors are GE Bowra and AF Charles.</i>
Current tenant	Montecristo Bay Limited
Term	999 yrs from and including 30/06/2015 to and including 30/12/3014
Building	Ambassadeur House, 7 Turner Street, Ramsgate CT11 8NG registered with Title Numbers K615101 and TT40171 as shown edged blue on Plan 2 NB: Title Number TT40171 is owned by GE Bowra Group Limited and the land is shown edged red on the plan extracted below: 
Landlord's Neighboring Property	Each and every part of the adjoining and neighboring property in which the Landlord has an interest known as 4 Broad Street Ramsgate CT11 8NQ registered with Title Number K615101 and TT40171 shown edged green on Plan 2.
Retained Parts	<ul style="list-style-type: none"> • Main Structure of the Building including the roof and roof structures (but not the surfaces of those roof areas), the foundations, external walls and internal load bearing walls the structural beams the joists and guttering and downpipes. • All parts of the Building lying below the floor surfaces or above the ceilings. • All external and decorative surfaces of the Building, external doors, external door frames and external window frames. • The Common Parts • The Service Media at the Building that does not exclusively serve the Property or the Flats.
Refuse Area	Shown hatched green on Plan 1
Flat	Any premises forming part of the Building that is capable of being let and occupied as a single private dwelling (except the Property and the Retained Parts.)
Flat Tenant	The Tenant for the time being of the Flat which is let on a lease granted for an original term of over 21 years.
Common Parts	Front door, entrance hall, passage, staircase between ground and 1 st floor and 1 st floor landing of the Building and the waste store and light well and other areas which is not part of the property or the flat and which is intended to be used by the Tenant and occupiers of the Building.
Rent	A peppercorn. Rent Payment Dates: 1 st January Payable in advance by one instalment on or before the Rent Payment Date.
Forfeiture (a) Rent unpaid 21 days after due. (b) Breach of condition.	(a) Yes- Rent, Insurance Rent, Service Charge or other rent unpaid (b) Yes
Use	Single Private Dwelling
Repair and decoration	Tenant to keep the Property in good repair and condition throughout the Term.
Insurance	Insurance Rent: The Tenant's Proportion of the cost of any premiums that the Landlord expends insuring the Building for the reinstatement cost.

	Payable to the Landlord.
Alterations (a) External/structural:	(a) No
(b) Internal, non-structural alteration:	(b) Not without the consent of the Landlord such consent not to be unreasonably withheld.
Alienation	<p>Assignment Whole: Not during the last 7 yrs of the Term without the consent of the Landlord not to be unreasonably withheld or delayed.</p> <p>Not to assign the Lease to a limited company without the prior written consent of the Landlord, not to be unreasonably withheld or delayed.</p> <p>Not to assign the whole unless rent is paid up to date.</p> <p>Part: No</p> <p>Underletting Only on an AST for a period of no more than 6 mths where security of tenure is not obtained.</p> <p>Part: No</p> <p>Charging Whole: Lease is silent but assumed permitted.</p> <p>Part: No</p>
Service Charge	Tenant's Proportion (50%) determined by the Landlord of the Service Costs or such other percentage as the Landlord may determine from time to time. Payable to the Landlord or the Management Company in two equal instalments on 1 January and 1 July on each year.
Services	<p>(a) cleaning, maintaining, decorating, repairing and replacing the Retained Parts</p> <p>(b) lighting the Common Parts and cleaning, maintaining, repairing and replacing lighting, machinery and equipment on the Common Parts;</p> <p>(c) cleaning, maintaining, repairing, operating and replacing security machinery and equipment (including closed circuit television) on the Common Parts;</p> <p>(d) cleaning, maintaining, repairing, operating and replacing fire prevention, detection and fighting machinery and equipment and fire alarms on the Common Parts;</p> <p>(e) cleaning the outside of the windows of the Building;</p> <p>(f) cleaning, maintaining, repairing and replacing signage for the Common Parts;</p> <p>(g) cleaning, maintaining, repairing and replacing the floor coverings on the internal areas of the Common Parts;</p> <p>(h) any other service or amenity that the Landlord may in its reasonable discretion (acting in accordance with the principles of good estate management) provide for the benefit of the tenants and occupiers of the Building.</p>
Tenant Rights	<ul style="list-style-type: none"> • Support Shelter and Protection • Of way for the Tenant on foot over the Common Parts to access the Property. • To use the dustbins in the Refuse Area • To connect to Service Media • To enter other parts of the Building to carry out works.
Landlord Rights	<ul style="list-style-type: none"> • Support Shelter and Protection • To connect to Service Media • Of light and air. • To enter the Property to carry out works.

	<ul style="list-style-type: none"> • To develop the Building and Neighboring Property. • To re-route and replace and replace any conduits.
Landlord's Covenants	<ul style="list-style-type: none"> • Quiet enjoyment • To insure the Building for the Reinstatement Cost. • Provide the Services • Every lease of a Flat in substantially the same format. • Enforcement of covenants against Flat Tenants.
Other material terms	NB: The Lease refers to rights being granted to a "Management Company" but this is not defined anywhere in the Lease and the Borrower's conveyancer has confirmed that there is no Management Company.
Lease registerable? (i.e. granted for more than 7 yrs)	Yes
Lease executed correctly?	Appears to have been.

	Landlord's Obligation: To keep the Property insured for the full rebuild value and 3 years loss of rent.
Utilities/Common Items	Tenant to pay for Utilities and to pay a fair proportion for maintenance of all Service Media, structures used in common with other Property.
Alterations	Structural/External: Prohibited Other: Only if the Landlord provides written consent in advance and this cannot be unreasonably withheld.
Alienation	Share Occupation: No Transfer part: No Sublet whole/part: No Transfer: Not without the Landlord's consent in advance however the Landlord cannot withhold consent unreasonably. Any sublease to be on terms consistent with the lease but not to permit the sub-tenant to underlet. If: (a) the financial standing of the proposed transferee and any guarantor is lower than that of the current Tenant, or the proposed transferee is resident or registered overseas and (b) the Landlord reasonably requires: A Tenant who transfers the whole of the Property is to give the Landlord a written guarantee in the terms set out in the lease.
Landlord Rights	The Tenant to give the Landlord access to the Property for: (a) inspecting the condition of the Property or how it is being used. (b) doing works which the Landlord is permitted to do. (c) inspecting or maintaining services Only 7 days written notice except in an emergency and the Landlord is to promptly make good all damage caused.
Other material terms	All rent will be paid by bankers Standing Order to arrive on the relevant quarter day.
Lease registerable? (i.e. granted for more than 7 yrs)	No
Lease executed correctly?	Appears to have been signed by the Landlord but the signature has not been witnessed. Appears to have been signed by the Tenant in the presence of a witness.

AST SCHEDULE

- The Landlord is noted as GE Bowra Group Limited albeit the two leases are owned by Montecristo Bay Limited since June 2016 so it appears that the two leases were granted subject to the two ASTs. Rents are in any event payable to Montecristo Bay Limited as the owner of the two long leasehold premises.

- Rent Increases:

We have been provided with a copy of a letter dated 11 June 2018 from Montecristo Bay Limited to Sandra Daruwala confirming that the rent has been increased by £25 per month thereby increasing the rent to £750 pcm. This is noted as agreed on 15/07/18 the letter from September.

We have been provided with a copy of a letter dated 05th April 2019 from Montecristo Bay Limited to Terry Hubble confirming that the rent has been increased by £25 per month thereby increasing the rent to £650 pcm. This is noted to take effect from 4th May 2019.

- Deposit Protection Certificate
Flat 1 £1087.50 - **It states a start date of 30/06/15 when the start date is 16/02/16. We have advised the Borrower's conveyancer to request that the Borrower rectifies this.**
Flat 2 £625

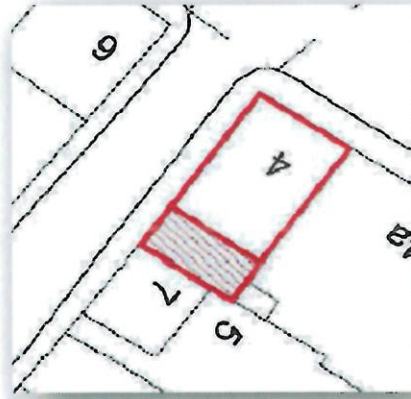
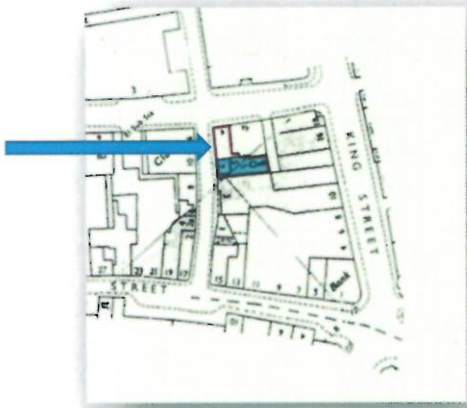
Date	Tenant	Property	Rent	Term	Deposit	Signed	Guarantor
16/02/16	Sandra Daruwala and any children	Flat 1, Ambassadeur House 7 Turner Street	£725 pcm <u>Increased to £750 pcm</u>	6 months from 16/02/16 to 16/08/16 <i>NB: Holding over on the increased rent.</i>	£1087.50	Appears to be by both parties	No
04/09/15	Terry Hubble	Flat 2 Ambassadeur House 7 Turner Street	£625 pcm <u>Increased to £650 pcm</u>	6 months from 04/09/15 <i>NB: Holding over on the increased rent.</i>	£625	Appears to be by both parties	Neil Hubble

TITLE PLAN

VALUATION PLAN

NB: You are taking a charge over the whole of the area edged red on the Title Plan which includes the freehold reversion of two long residential leases. You are not taking a charge over the ground floor of the area shaded blue, hence the valuer's comments on a flying freehold element.

The valuer's plan only incorporates the retail unit given the value of the residential units does not form part of his valuation.



Signed by:	<i>Sarah Louise Creasey</i>
Signature Name:	Sarah Louise Creasey
Position:	Solicitor
Authorised to sign for and on behalf of:	enact Conveyancing Limited
Date:	02/10/19