

REPORT ON TITLE

REFINANCE – SEPARATE REPRESENTATION



NB: The above plan is for illustration purposes only

TO	Proplend Security Limited ("the Security Trustee ")
FROM	enact Conveyancing Limited
BORROWER	Planning Gain Limited
COMPANY NUMBER	08618610
PROPERTY	1. Land and buildings on the North side of Seaside Lane, Easington, Peterlee. 2. Land lying to the North of Seaside Lane, Peterlee. 3. Land and buildings on the North-West side of Seaside Lane, Easington, Peterlee.
IS BORROWER THE SAME AS OWNER?	Yes
FULL NAME OF OWNER IF DIFFERENT	N/A
ADVANCE AMOUNT	Gross Loan Amount: £773,500k Net Loan Amount: £688,410 <i>NB: Loan term 6 mths bridging loan</i>

1. TITLE

a. We certify that the Property is:

Tenure:	Freehold
Title number:	1. DU62353 2. DU343256 3. DU11199
Class of title:	Absolute Title

- 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**. The Title Plan accords with the plan attached to the Valuation.

NB: The valuer is aware of the third title number: DU11199.

- 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** 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.

NB: We do not hold up to date searches, you have agreed that an indemnity policy can be placed on risk on completion as disclosed in this Report.

- c. Clear Bankruptcy Search(es) giving priority beyond the date of completion against the guarantor and the director 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 28.11.18 prepared by Vickers & Barrass Chartered Surveyors as amended on 18/10/19 ("**Valuation**") a copy of which has been supplied by us to the Borrower's conveyancer and confirm that:-

- a. there are no discrepancies between the Valuation, the title documentation and the results of our searches save as disclosed in this Report.

NB: There is a slight discrepancy between the boundaries on the Valuation plan and those comprising the three titles. The valuer is aware of the land comprised within Title Number DU11199 and this is referred to in the valuation document dated 18/10/19.

- 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 and

- c. we are satisfied that the use confirmed in the Valuation as Residential development site with planning permission for **102 dwellings** recommended for approval accords with the planning applications (NB: **not permissions** as the permissions have not actually been granted) revealed by such searches.
- 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: N/A Refinance

5. SECURITY DOCUMENTATION:

The following security documentation has been properly executed and witnessed (where required) and certified copies are held by ourselves. *NB: The originals are held by the Borrower's conveyancer save for the Guarantee which we hold.*

- a. Legal Mortgage The Legal Mortgage will be dated upon completion. *We hold a signed copy with the original to be sent to us after registration.*
- b. Debenture The Debenture will be dated upon completion. *We hold a signed copy with the original to be sent to us after registration.*
- c. Guarantee The Guarantee will be dated upon completion - £155,000 – Martin Oliver. *We hold the original which will be dated on completion.*
- d. Board Resolution *We hold the signed and dated original.*

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.

NB: You are redeeming existing lending internally with balance redemption monies to be sent to you directly by the Borrower's conveyancer.

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

NB: We will receive our fees directly from the Borrower's conveyancer.

We confirm we hold an irrevocable undertaking from a firm of conveyancers for our fees whether or not the matter proceeds to completion and that following completion they will send a completed Form AP1 in respect of the refinance of the Property and registration of the Security Trustee's Legal Mortgage and Debenture, 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	Tuesday 29th October 2019

SCHEDULE

BACKGROUND

Our previous Report on Title to you referred to an offer having been made by Karbon Homes Ltd for £1.65m, we understand that this has fallen away and the Borrower is looking for a new buyer and has interest from other parties.

The Property comprises of a residential development site consisting of over 6.5 acres of cleared land with outline planning for 59 dwellings on one title and a further 43 on the second title totalling 102 dwellings.

NB: Planning is “pending” and has not been approved. Please see our comments in section 3 “Searches” below, therefore if planning is not granted and you have to take possession you are taking security over a vacant cleared site without planning permission.

NB: The Borrower has confirmed: “outline planning permission was granted for both applications they are subject to a S106 agreement which we have not yet settled as the end buyer is a RSL [Registered Social Landlord] and they may yet get better terms.”

RESTRICTIVE COVENANTS/ ADVERSE INTERESTS/RIGHTS

NB: In respect of the rights to which the Property is subject, the Borrower has confirmed so far as they are aware that these do not have an adverse impact on the proposed use and that any covenants to which the Property is subject have not been breached and do not impact on the proposed use.

1. DU62353

- (a) Mines, minerals and ancillary powers of working are excepted.
- (b) The land in this title has the benefit of the **rights reserved** by but is subject to the **rights granted** by a 2004 Transfer of the land edged and noted with Title Number: DU277411 in green on the title plan (and marked with a blue arrow to assist) between (1) Easington & District Workingmen's Club & Institute Ltd and (2) J D Raine, TA Richardson and P McLuskey.

2004 Transfer Plan



Title Plan – DU62353



“Retained Land” remainder of the land in DU62353

(i) Rights Granted

For the benefit of the owner of the land in Title Number DU277411

(NB: DU277411 has now been closed and replaced by DU291720 and DU291721)

(A) For the Transferee and its successors of the Property to pass over the roadway or track shown **shaded green** on the Plan (extracted above) with or without vehicles of any description and animals subject to the Transferees paying to the Transferor and their successors on demand a fair and reasonable proportion of all payments costs and expenses incurred by or on behalf of the Transferor in maintaining the road shown coloured green.

NB: The land shaded green (over which rights of way are granted) falls within Title Number DU62353 which forms part of the Property being charged to the Security Trustee.

(B) To free passage of services through conduits provided that the rights contained are at all times subject to the persons exercising those rights:

- Making good damage caused to the property to the reasonable satisfaction of the owner of the property affected.
- Paying reasonable compensation to any person affected not capable of being made good as mentioned above and
- Paying ½ of the costs of repairing renewing maintaining and cleaning any of the conduits which serve the property transferred in common with the Retained Land and paying all costs incurred in repairing renewing maintaining and cleansing any part of the conduits which serve only the property transferred.

(ii) **Rights reserved**

For the benefit of the Retained Land i.e. the Property comprising Title Number DU62353.

(A) Passage of services to and from the Retained Land through the conduits subject to the persons exercising those rights:

- Making good any damage caused to the Retained Land to the reasonable satisfaction of the owner of the property affected;
- paying reasonable compensation to any person affected not capable of being made good as mentioned above; and
- paying 1/2 of the costs of repairing renewing maintaining and cleaning any of the conduits which serve the Retained Land in common with the property transferred and paying all costs incurred in repairing renewing maintaining and cleaning any part of the conduits which serve only the Retained Land in common with the Property.

(iii) **Declarations**

Walls and fences form part of and belong to the Property transferred and are to be repaired and maintained accordingly.

- (c) A 2013 Transfer of the land in this title DU62353 and DU11199 and other land between (1) Canal Homes Ltd ("**Transferor**") and (2) Only For Mishegas Ltd ("**Transferee**") contains Transferee's personal covenants:

The Transferee covenants with the Transferor on the Transferee's own behalf and on behalf of the Transferee's successors in title, to observe and perform the obligations contained in a Deed of Covenant dated the date of this Transfer between the Transferor and the Transferee and to keep the Transferor fully indemnified against all proceedings, costs, claims and expenses arising from any failure to do so.

NB: *The Borrower's conveyancer supplied a copy of an undated Deed of Covenant between Planning Gain Ltd and Easington and District Workmen's Club and Institute Ltd (**Easington**) where it is confirmed that Only For Mishegas Ltd changed its name to Planning Gain Ltd.*

By a Transfer dated 30.07.10 between Easington and Canal covenanted with Easington in respect of the Overage Period not to make a disposal without a Deed of Covenant being entered into. The Overage Period expired on 30.07.15.

(d) A 1939 Conveyance of the land in this title DU62353 and DU11199) and other land between (1) Easington Coal Company Ltd ("**Vendors**") and (2) The Territorial Army and Air Force Association of The County of Durham ("**Purchaser**") ("**1939 Conveyance**") contains the following covenant which bind the Property:

- (i) Purchasers covenant to erect and maintain post rail and wire fences or other forms of fences or walls to be approved by the Vendors along the Northern and Western boundaries of the land and to make good any damage caused by the Vendors land by the erection of these and to pay 12 shillings p.a in respect of the proportion of Tithe Redemption Annuity allocated and apportioned on the piece or parcel of land conveyed.
- (ii) The sale of intoxicating liquors on the land or any building erected shall only be permitted so long as the same shall remain in the possession of the present Purchasers but not otherwise.

NB: The Northern and Western boundaries of the land in title DU62353 are the Northern and Western boundaries of the land conveyed in DU62353.

NB: The Northern and Western boundaries of the land in DU11199 are not the boundaries referred to.

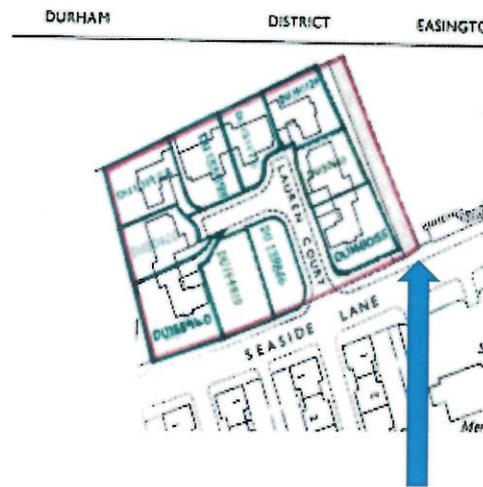
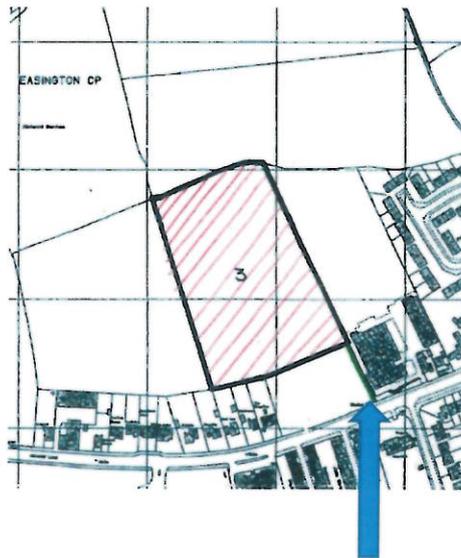
2. **DU343256**

- (a) The land in this title was formerly copyhold of the Manor of Easington and the rights saved to the Lord by the 12th Schedule of the Law of Property Act 1922 are excepted from the registration.
- (b) The land has the **benefit of the rights** granted by a 2014 Transfer of the land in this title for no consideration between (1) PA Dryden and (2) PA Dryden and L Dryden:
 - (i) A right of way over the land coloured green on the plan **to the left** extracted below as referred to in the Property Register of title number DU122526:

Title Number DU122526 refers to a right of way as follows:

"in common with the Purchaser and all others who have or may hereafter have the like right at all times hereafter and for all purposes connected with the existing or future use and occupation of the said adjoining or neighbouring lands with or without vehicles and animals laden or unladen to go and return along over and upon that part of the Conveyed Land shown coloured yellow on the Attached Plan the Coal Board making good any damage caused to such land in the exercise of the said right"

The reference to yellow is shown shaded pink on the plan to title number DU122526 as shown on the plan to the right extracted below.



NB: We raised the following query with the Borrower's conveyancer: We note that the 2014 Transfer was for "no consideration". Was a declaration of solvency given by the Transferor and an indemnity policy placed on risk in respect of potential insolvency issues? They confirmed in response:

"Our client was not party to this transfer and we did not act on the purchase of the land for Planning Gain. However, as it was not party to the transfer it seems unlikely that it would have received any indemnity policy given the purchase was at least three years after the transfer to which you refer."

enact are of the view that subsequent buyers of property which has been transferred at an undervalue obtain protection from the Insolvency Act 1986 as subsequently amended and that no further action is required.

- (c) The land is subject to the rights granted by a Deed dated 31 October 1994 between (1) British Coal Corporation ("**Corporation**") and (2) The Coal Authority ("**Authority**"). The Deed also contains restrictive covenants by the grantor.

Authority's Land: Land transferred to the Authority by virtue of a Restructuring Scheme dated 31.10.94

Corporation's Land: Means any estate or interest in land vested in the Corporation immediately following the transfer of the Authority's Land to the Authority.

NB: This Deed contains the same matters as that dated 30.12.94 referred to below save that where it refers to the Company in the Deed below it instead refers to the Corporation.

- (d) The land is subject to the rights granted by a Deed dated 30 December 1994 between (1) British Coal Corporation ("**Corporation**") and (2) Central and Northern Mining Ltd ("**Company**").

"Company's Land" means any estate or interest in and transferred to the Company by virtue of a restructuring scheme dated [missing words but believed to be 30.12] 1994.

"Corporation's Land" means any estate or interest in land adjoining the Company's Land which is vested in the Corporation immediately following the transfer of the Company's Land to the Company:

In exercising any rights of entry onto the other's land the relevant party to this Deed shall:

- (i) Give reasonable notice (save in emergency) before entry:
- (ii) Cause as little damage obstruction interference and inconvenience as practicable.
- (iii) Carry out works diligently in accordance with statutory requirements.
- (iv) Make good any physical damage caused as soon as reasonably practicable.

Schedule One – Company Rights to which the Property is subject

1. Subject to payment by the Company in accordance with para 3 of Sch 3 of a fair and reasonable proportion (according to use) of the costs incurred by the Corporation for maintaining the Corporation's Conduits the right to passage of Services to and from the Company's Land through the Corporation's Conduits (except during any periods of temporary interruption or closure for maintenance).
2. If the Corporation fails to maintain the Corporation's Conduits the right to enter to complete such works.
3. The Corporation may on not less than 6 mths notice to the Company terminate the rights hereby granted insofar as they relate to any parts of the Company's Land specified in such notice such termination on the following terms/conditions:
 - 3.1 On or before expiry of such notice the Corporation shall (having carried out any necessary works at its cost) grant an alternative right for the benefit of the part of the Company's Land which is not materially less convenient than the right in respect of which notice has been served ("**Terminated Right**") such grant to be in substantially the same form and subject to the same covenants and conditions as in this Deed.
 - 3.2 Upon the grant of such alternative right the Terminated Right shall cease and determine without prejudice to the right of either party in respect of any breach by the other of the covenants and conditions in this Deed relating to the Terminated Right.
 - 3.3 Corporation to pay the Company's reasonable legal and surveyors costs and disbursements and VAT for the deed granting such alternative rights.
 - 3.4. Right to enter the Corporation's Land to inspect the state and condition of the Corporation's Conduits.

Schedule Two – Corporation Rights

1. Subject to payment by the Corporation in accordance with para 3 of Sch 4 of a fair and reasonable proportion (according to use) of the costs incurred by the Company for maintaining the Company's Conduits the right to passage of Services to and from the Corporation's Land through the Company's Conduits.
2. If the Company shall fail to maintain the Company's Conduits the right to enter the Company's Land to carry out such works which the Company has failed to perform.
3. The Company may at any time on giving not less than 6 mths written notice to the Corporation terminate any of the rights granted in so far as they relate to any part of the Corporation's Land in such notice such termination to be on the following terms:
 - 3.1 On or before expiry of such notice the Company shall (having carried out any necessary works at its cost) grant an alternative right for the benefit of the part of the Corporation's Land which is not materially less convenient than the right in respect of which notice has been served ("**Terminated**

Right") such grant to be in substantially the same form and subject to the same covenants and conditions as in this Deed.

- 3.2 Upon the grant of such alternative right the Terminated Right shall cease and determine without prejudice to the right of either party in respect of any breach by the other of the covenants and conditions in this Deed relating to the Terminated Right.
- 3.3 Company to pay the Corporation's reasonable legal and surveyors costs and disbursements and VAT for the deed granting such alternative rights.
4. Right to enter the Company's Land to inspect the state and condition of the Company's Conduits.

Schedule Three – Company Covenants binding the Company's Land

1. Not to carry out any of the Company's Authorised Operations without obtaining (where necessary) all licences consents and approvals required by law.
2. To carry out the Company's Authorised Operations so that they can withstand any damage subsidence and ground strains.
3. On receipt of a written demand with receipts/invoices to pay a fair and reasonable proportion (according to use) of:
 - (a) Costs incurred by the Corporation for maintaining and improving the Corporations conduits.
 - (b) Any fees or charges made in respect of the supply of any Services made by the supply company.
 - (c) The costs of installing any monitoring equipment to ascertain the fees charges payable whether such installations may be.

(excl VAT which the Corporation can reclaim or claim credit for)
4. Not to obstruct the Corporation's Conduits or the sewers/drains with oil or grease or pass deleterious matter into the same from the Company's Land.
5. Keep the Corporation and its employees and agents indemnified at all times.
 - (a) From losses damages or expenses incurred due to any wrongful act neglect or omission of the Company its servants agents or licences in connection with the exercise of the Company's Rights or arising out of the carrying out of the Company's Rights.
 - (b) Except as is unreasonably (Unfair Contract Terms Act 1977) against all liability in respect of and to be responsible for personal injury (fatal or otherwise) loss of or damage to property) and any other loss damage costs and expenses however caused or incurred (except to the extent to which the same arose by the wilful or negligent act of the Corporation or its servants or agents) which but for the existence of this Deed would not have arisen.
 - (c) Against all claims for compensation for any damage or injury or disturbance to the Corporation's Land of any kind whatsoever of the owners tenants or other occupiers of the adjoin property caused in connection or in consequence of the exercise of purported exercise of the Company's

Rights and to settle direct with such owners tenants and other occupiers any such claims.

Schedule Four – Corporations Covenants which bind the Corporation's Land

1. Not to carry out any of the Corporation's Authorised Operations without obtaining (where necessary) all licences consents and approvals required by law.
2. To carry out any of the Corporation's Authorised Operations without obtaining (where necessary) all licences and approvals required by law.
3. On receipt of a written demand accompanied by appropriate receipts/invoices to pay a fair and reasonable proportion (according to use) of:
 - (a) Costs incurred by the Company for maintaining and improving the Company's conduits
 - (b) any fees or charges made in respect of the supply of any Services made by the supply company.
 - (c) the costs of installing any monitoring equipment to ascertain the fees charges payable wherever such installations may be

(excl VAT which the Corporation can reclaim or claim credit for)
4. Not to obstruct the Company's Conduits or the sewers/drains with oil or grease or pass deleterious matter into the same from the Corporation's Land.
5. Keep the Company and its employees and agents indemnified at all times.
 - (a) From losses damages or expenses incurred due to any wrongful act neglect or omission of the Corporation its servants agents or licences in connection with the exercise of the Corporation's Rights or arising out of the carrying out of the Corporation's Rights.
 - (b) Except as is unreasonably (Unfair Contract Terms Act 1977) against all liability in respect of and to be responsible for personal injury (fatal or otherwise) loss of or damage to property) and any other loss damage costs and expenses however caused or incurred (except to the extent to which the same arose by the wilful or negligent act of the Corporation or its servants or agents) which but for the existence of this Deed would not have arisen.
 - (c) Against all claims for compensation for any damage or injury or disturbance to the Company's Land of any kind whatsoever of the owners tenants or other occupiers of the adjoin property caused in connection or in consequence of the exercise of purported exercise of the Corporation's Rights and to settle direct with such owners tenants and other occupiers any such claims.

Schedule Five

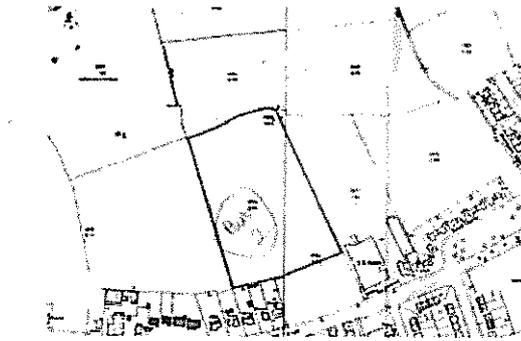
Part 1 Corporation Covenants

On receipt of a written demand accompanied by appropriate receipts or invoices to pay a fair and reasonable proportion (according to use) of the costs incurred by the Company in carrying out any works under para 2 of Schedule One

Part 2 Company Covenants

On receipt of a written demand accompanied by appropriate receipts or invoices to pay a fair and reasonable proportion (according to use) of the costs incurred by the Corporation in carrying out any works under para 2 of Schedule One

- (e) A 1995 Transfer of the land in this title (shown in part edged red on the plan extracted below) and other land between (1) British Coal Corporation (2) P A Dryden ("Purchaser") and (3) The Coal Authority ("Authority") contains the following material matters:



NB: The title states: The matters contained in the Conveyance dated 22 January 1919 referred to in the above mentioned Transfer dated 18 August 1995 do not necessitate additional entries in the register.

(i) Restrictive covenants which bind the Property:

The Purchaser covenants with the Authority:

- (A) No building structure or works to be erected on or in the Property or any parts and no renewal or enlargement of or alteration to any building structure in the Property shall be carried out unless the design or layout or any alteration or addition thereto and the method of enlarging altering or adding to such building structure or works employ the best available techniques and materials not entailing excessive cost for minimising damage caused by subsidence (insofar as the risk of subsidence can be reasonably foreseen).
- (B) Not to prevent inhibit or obstruct the entrance to the Shafts.
- (C) Not to do or cause or permit anything to be done in or on the Property which would cause damage or injury to the Shafts.
- (D) Not to prevent inhibit or obstruct the rights granted to the Authority under Clause 2 and the 4th Schedule of this Transfer. Clause 2:

(ii) Rights granted to the Authority for the benefit of the Shafts

- (A) Right at all reasonable times and on reasonable prior notice (save in emergency) to enter on the Property to gain access to the Shafts to comply with statutory requirements in relation to a Mine and
- (B) Right to inspect maintain repair cap or fill such Shafts

NB: The above rights are subject to the below:

Clause 2 of 4th Schedule:

- The Authority to make good damage caused to the Property and pay compensation to the Purchaser in respect of loss or damage to crops on the Property

- In exercising such rights the Authority to cause as little disruption to the Purchaser's use of the Property as is reasonable.

(iii) Declarations

- (A) The Purchaser shall not by virtue of this Transfer acquire any right of light or air which would prejudice the free use and enjoyment of any adjoining land belonging to British Coal for building or any other purpose.
- (B) The Transfer does not include the benefit of any covenant or easement (or right) of way water drainage light air or other easement or right and the law of property act 1925 sec 62 shall not apply to this Transfer.

(iv) Restriction

There was a requirement to register a restriction on the title but we consider that the restriction was removed following the overage provisions contained within the Transfer having been complied with/now no longer relevant as expired.

(v) Exceptions and Reservations

All interests of British Coal in any unworked beds seams or deposits of minerals in or under the Property.

(vi) Third Schedule – Subjections

1. All interests of British Coal in any unworked beds seams or deposits or minerals in or under the Property.

2. All such quasi – easements

NB: There are excluded from this registration the mines and minerals excepted by the 1995 Transfer and the land is also subject to the rights reserved thereby. The Transfer also contains a provision as to light or air.

3. DU11199

- (a) There are excluded from this registration the mines and minerals excepted and reserved by the 1939 Conveyance:

"EXCEPT AND RESERVED all mines and mineral substances of whatsoever nature lying in under or upon the said piece or parcel of land unto the person or persons entitled thereto together with full liberty for themselves and their successors in title and lessees at all times to work the same by underground operations only and to let down the surface of any part of the said land and any buildings now or hereafter to be erected thereon without being liable for payment of any compensation for any damage caused thereby."

- (b) A 2010 Transfer of the land in DU62353 and DU11199 between (1) Easington And District Workmen's Club And Institute Ltd and (2) Canal Homes Ltd contains a provision excluding the operation of Section 62 of the Law of Property Act 1925.

If rights have not been expressly granted then, then the exclusion of the operation of section 62 removes implied rights under section 62 which when applied reads certain words into a transfer so that it is deemed to include all ways, watercourses, privileges, easements, rights and advantages whatsoever which either appertain or are reputed to appertain to the land or any part of it or at the time of the conveyance are occupied or enjoyed with the land or any part of it.

NB: This Deed contained Overage Provisions that expired on 30.07.15 and required a Deed of Covenant to be entered into on a disposal.

NB: The land edged and numbered in green on the title plan has been removed from this title and registered under the title number or numbers shown in green on the said plan.

1. Other Title Matters

(a) Charges to be redeemed:

Date	Security Trustee
22/01/19 Legal Mortgage & Debenture against all three titles.	Proplend Security Limited

NB: We understand that you will redeem your lending internally with the balance redemption monies to be sent directly to you by the Borrower's conveyancer.

We will forward Form DS1s for the above charges to the Borrower's conveyancer following completion once you have confirmed receipt of the redemption monies.

(b) Price Paid

Title	Price	Date
DU62353 and in DU11199	£70K	20.11.13
DU343256	£200k	04.10.17

NB: The Valuation confirms a Market Value of £1,190,000 with the benefit of planning permission.

2. Occupational Interests

The Borrower has confirmed that there are none to their knowledge.

3. Searches

NB: We have left our comments in below from the previous Report on Title for the old searches for information only. You have confirmed that you are happy to proceed with no search indemnity and a draft policy has been supplied by the Borrower's conveyancer with the following material details:

Quote Ref	C3964/00057
Property	1. Land and buildings on the North side of Seaside Lane, Easington, Peterlee as registered at the land registry under title number DU62353 2. Land lying to the North of Seaside Lane, Peterlee as registered with the land registry under title number DU343256 3. Land and buildings on the North West side of Seaside Lane, Easington, Peterlee as registered with the land registry under title number DU11199
Insured	Any bank, building society, security trustee or other lender providing finance and holding a mortgage or charge on the Property, at the Policy Commencement Date.
Use	Continued use as bare land as in existence on the Policy Commencement Date as registered with the land registry under title numbers DU343256, DU62353 and DU11199.
Risk	No Search (Mortgagee Only) Insurance.

Adverse Entry	<p>Adverse Entry means:</p> <p>a. any outstanding financial charge registered against the Property taking priority over the Insured's mortgage or charge</p> <p>b. any matter that affects the market value of the Property which would otherwise have been disclosed in Searches had they been obtained on the Policy Commencement Date.</p>
Searches	<p>Searches mean all or any of the following, relating to search reports in accordance with: -</p> <p>a. a search of the local land charges register of the relevant local authority in accordance with Form LLC1</p> <p>b. an enquiry of the local authority in accordance with form CON 29 Enquiries of Local Authority (2016) and CON29O Enquiries of Local Authority (2016) (or a property enquiry certificate of the relevant local authority where the Property is situated in Scotland or Northern Ireland)</p> <p>c. an enquiry of the water and/or sewerage undertaker for the area in which the Property is situated, in accordance with Form CON29DW (or a regional property enquiry certificate where the Property is situated in Northern Ireland)</p> <p>d. a coal mining report in accordance with Form CON29M or any other mining report</p> <p>e. a Cheshire Salt Search</p> <p>f. a search of the records of ascertainment and/or further records held by the National Archives establishing a specific liability against a Property to pay all or part of the cost of repair to a church chancel.</p> <p>g. a Highways Search with the relevant Local Authority</p> <p><u>NB: The Indemnity does not cover adverse entries revealed by an Environmental Search.</u></p>
Policy Limit	<p>£1,190,000</p> <p>NB: MV confirmed in Valuation is £1,190,000.</p>
Insured	<p> What is insured?</p> <ul style="list-style-type: none"> ✓ The cost of remedying or removing an adverse entry ✓ Any shortfall in the outstanding debt under the mortgage or charge as a direct consequence of a successful claim reducing the market value of the property ✓ Any other costs and expenses incurred with the Insurer's prior written agreement.
Not Insured	<p> What is not insured?</p> <p>Claims arising from or relating to:</p> <ul style="list-style-type: none"> ✗ any adverse entry known to you or your advisors on the policy commencement date, including those contained in any existing searches available ✗ any adverse entry dated after the policy commencement date ✗ the absence of any planning, listed buildings and/or conservation area consent required for the use, construction and any past alterations at the property ✗ any phase of the HS1 and HS2 rail links, Crossrail 1 and/or Crossrail 2 projects ✗ loss or damage due to ground movement, including subsidence.

Date	Search	Material Matters Revealed
10.12.18	Local	<p><u>(a) Planning and Building Regulations</u></p> <p><i>NB: Although not revealed by our searches, the Borrower's conveyancer has supplied a copy of a "Delegated Report" Application Ref: DM/14/02479/PND dated 01.10.14 which relates to the proposal to demolish the working men's club, which they have confirmed has been demolished.</i></p> <p><i>We have queried with the Borrower's conveyancer as to the current status of the two planning applications referred to below and when they anticipate these being granted. They have confirmed in replies to enquiries dated 03.01.19 and reconfirmed by email on 22/10/19:</i></p> <p><u>"Our client has not yet agreed the required s.106 Agreement as it is assumed the end buyer will want to have some input into the terms of the Agreement. Consequently, we do not envisage planning being granted until such time as the end buyer is in a position to move forward with the site."</u></p>

"The borrower does not yet have an end buyer for the site, consequently the planning permission will not be available prior to drawdown."

Further to the above confirmations the Borrower has re-confirmed the position as below via an email from his solicitor dated 22/10/19:

"outline planning permission was granted for both applications they are subject to a S106 agreement which we have not yet settled as the end buyer is an RSL and they may yet get better terms."

1. Ref: DM/17/00444/OUT Outline application with all matters reserved for the erection of approximately 59 no. residential units. Land to the North of Lauren Court, Easington Village

Decision: Pending and not yet approved- copy held

NB: The valuer comments:

Application number: DM/17/00444/OUT

Address: Land to the north of Lauren Court, Easington village.

Proposal: Outline application with all matters reserved for the erection of approximately 59 no. residential units.

Date validated: 20th February 2017

Status: Pending Decision

The DCC Planning Services Committee report recommends Approval subject to :

- i) 10% affordable housing on site.
- ii) A contribution of £550 per dwelling towards the provision and upgrading of footpaths at the former Easington Colliery site.
- iii) Contribution of £500 per dwelling toward enhancement or provision of play facilities in the Easington Electoral Division.

The Proposed development Drawing attached to application DM/17/00444/OUT shows a scheme comprising a total of 102, predominately semi-detached, two and three bedroom dwellings.

2. Ref: DM/16/00152/OUT

Outline application for change of use to C3 use and the erection of approximately 43 no. residential units plus infrastructure works including new access Easington Village Workingmen's Club Seaside Lane Easington Village Peterlee SR8 3DY

Decision: Pending and not yet approved-copy held

NB: The valuer comments:

Application number: DM/16/00152/OUT

Address: Former Easington Working Mens Club, Seaside Lane Easington village.

Proposal: Outline application with all matters reserved for the erection of approximately 43 no. residential units.

Date validated: 19th January 2016.

Status: Pending Decision

The DCC Planning Services Committee report recommends Approval subject to :

- i) 10% affordable housing on site.
- ii) A contribution of £24,225 towards the provision and upgrading of footpaths at the former Easington Colliery site.
- iii) Contribution of £500 per dwelling toward enhancement or provision of play facilities in Easington Electoral Division.

(b) Planning Designations and Proposals

The land falls within the District of Easington Local Plan – adopted December 2001 which contains the following designations or proposals:

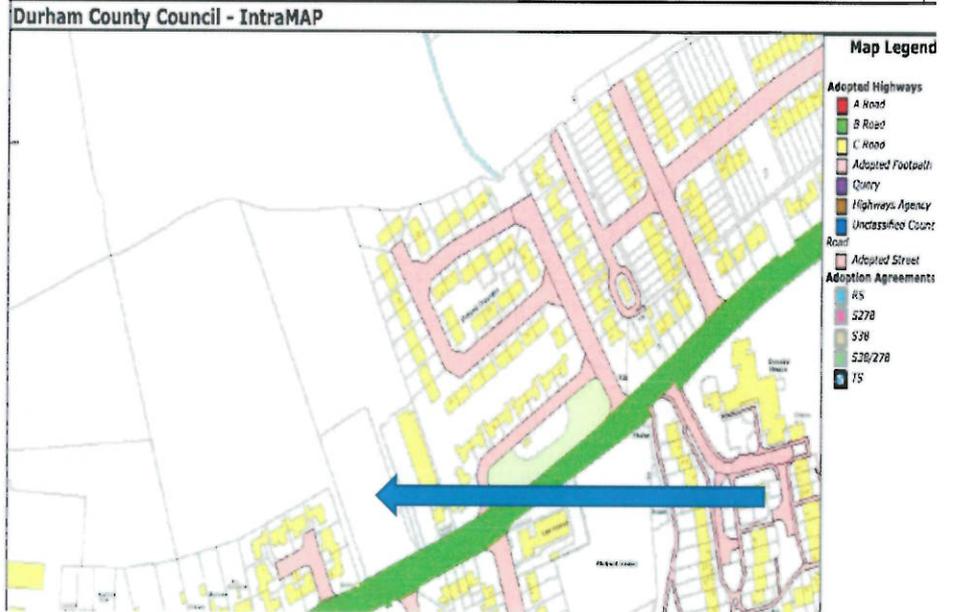
Environment:- Protection of Countryside. Copies of the saved Policies may be found at: <http://www.durham.gov.uk/article/3266/What-s-in-place-to-support->

planning-and-development-decision-making-at-the-moment- Further details can be obtained from the Spatial Policy Team –spatialpolicy@durham.gov.uk

(c) Adopted Highways

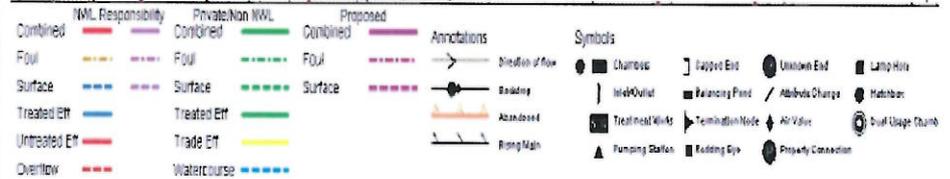
- Petwell Crescent - Yes
- Seaside Lane - Yes, see attached plan for the extent of the adopted highways

NB: We have marked the rough location of the Property with a blue arrow to assist. The adopted highways are shown shaded green.



28.11.18 Water

- Foul water drains to a public sewer? No
- Surface water drains to a public sewer? Land
- Does the public sewer map indicate any public sewer within 30.48 metres (100 ft) of any buildings within the property? Yes
- The map of waterworks indicates that there are water mains, resource mains or discharge pipes within the boundaries of the property.
- Are there any water mains, resource mains or discharge pipes within the boundaries of the property? Yes



NB: We have marked the location of the Property with a blue arrow to assist.

27.11.18	Sitecheck Assess	<p>In the professional opinion of Landmark Information Group, the level of risk associated with the information assessed in this report:</p> <p>1) is unlikely to have an adverse effect on the value of the property, and 2) is not such that the property would be designated "contaminated land" within the meaning of Part 2A of the Environmental Protection Act 1990.</p> <p>A screening of Energy & Infrastructure projects has identified a project/s at or close to the property. <u>The Borrower should purchase a SiteSolutions Energy & Infrastructure report to better understand the potential impact on the Property.</u></p> <p><u>NB: The Borrower's solicitor has confirmed that the Borrower does not hold any detailed site investigations/reports.</u></p>
27.11.18	Coal Mining	<p>Past underground coal mining: The Property is in a surface area that could be affected by underground mining in 5 seams of coal at 270m to 420m depth, and last worked in 1978. Any movement in the ground due to coal mining activity associated with these workings should have stopped by now.</p> <p>Future underground coal mining: Reserves of coal exist in the local area which could be worked at some time in the future. No notices have been given, under section 46 of the Coal Mining Subsidence Act 1991, stating that the land is at risk of subsidence.</p> <p>NB: The valuer has noted that the coal authority website states a mining search is required and he assumes that the mines and minerals are excepted and reserved.</p>
03.12.18	SIM	DU11199 Freehold DU62353 Freehold DU343256 Freehold
27.11.18	Chancel	No record of risk of chancel.
03/10/19	Company	Planning Gain Ltd <ul style="list-style-type: none"> • Active: Yes • Purpose: Buying & Selling of own real estate • Director: Martin Oliver • PSG/Shareholders: Martin Oliver – 75% or more • Charges: Two (Legal Mortgage and Debenture), both dated 22/01/19 to Proplend Security Limited.

		<i>NB: The above will be refinanced and replaced with new security to you on completion.</i>
Dated 18/10/19 Expire: 08/11/19	Bankruptcy	Held clear -Director and Guarantor: Martin Oliver.
Dated: 18/10/19 Expire: 08/11/19	Priority	Held clear: Proplend Security Limited <ul style="list-style-type: none"> • DU343256 • DU62353 • DU11199
18/12/18	Security Trustee Exchange Check	Short Richardson & Forth Bank Details – Clear
03/10/19	SRA Check & Scam Alert Check	Short Richardson & Forth - Clear
21/10/19	Official Copies x3	In date.

OTHER

1. Insurance

We hold a copy of the public liability insurance Schedule – SAUA Ltd on behalf of Caitlin Underwriting Agencies Limited with the details below.

Policy No	Insured	Period	Liability	Excess
SALSALIA/M1 37942/0376/1 8	Planning Gain Limited	From: 10.12.18 To: 09.12.19	£2M any one Occurrence	£250

Proplend Security Limited's interest is noted and a copy of the Schedule has been sent to you.

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

Not required as a cleared site.

3. ID – Martin Oliver

- Passport expires 2025
- Shell Energy Electric & Gas Statement: 25 Granville Gardens dated 17/09/19

4. VALUATION

This reveals the following material matters:

Date	28.11.18 as amended on 18/10/19
Address	Site of Former Easington Working Men's Club adjoining land, Seaside Lane, Easington Peterlee County Durham SR8 3DY
Titles	The valuation refers to all three titles.
MV	£1,190,000
MR	

	The land is only suitable for agricultural grazing in present condition. Valuer values the existing land assuming grazing licence for a 1 yr Farm Business Tenancy at a rent of £660 pa.
Reinstatement	N/A
Summary	<ul style="list-style-type: none"> • <u>Residential development site with planning permission for 102 dwellings recommended for approval.</u> • Cleared site and over grown agricultural land which is not cropped/grazed. No buildings as the working men's club has been demolished. • Valuation makes the special assumption that the planning applications in respect of the site are formally approved. • Opportunity development of adjoining garage site. • Mining (ex mining east coast town) and contamination status unknown. • Trespass vacant site. • Assumes that access rights will be available to the rear for maintenance. • Assumes no changes in the condition of the site since the previous inspection on 21.11.18. <i>NB: The Borrower has confirmed this via his solicitor's email dated 22/10/19.</i> • Access road is included within the ownership. • <u>Two planning applications associated with the site are recommended for approval but not yet approved.</u> • <u>Former coal mining town: Recommends Mining Report and Contamination Report.</u> <p><u>NB: See our comments in the searches section above.</u></p> <p>The entrance to the site is included in the ownership. I assume the car repair garage (Title DU277411) will have a full right of way from the highway to the garage. I am not aware of any other private rights of way or easements.</p> <p><i>NB: The valuer has confirmed the above because the two titles noted below do not abut the highway. They have rights of way over the Borrower's property to reach the highway pursuant to the 2004 Transfer as shown shaded green on the plan extracted at para 1 (b) of this report. We raised the above with the Borrower's solicitor and they confirmed: "This title number: DU277411 has now been closed. We have attached the two titles that now comprise the adjacent land to the east instead (DU291720 and DU291721).</i></p>
Tenure	Freehold
Rent	Vacant

5. Commercial Property Standard Enquiries ("CPSE's") / Enquiries

We raised the following with the Borrower's conveyancer and their replies dated 03.01.19 are set out below each query:

Please confirm that enquiries on the purchase of the Property and since Your Client's ownership did not reveal:

- (a) that the Property is subject to any agricultural tenancies/occupations/grazing rights;
"not to our client's knowledge"
- (b) existing and or historic planning permissions contain any agricultural restrictions;
"confirmed, so far as our client is aware"
- (c) the Property is subject to any adverse interests/rights affecting the current/proposed use as a residential development and or the valuation; and
"confirmed, so far as our client is aware"
- (d) any breach of covenants affecting the titles to the Property and the proposed use does not breach any existing covenants.
"confirmed, so far as our client is aware"
- (e) Please supply a copy of the replies to CPSEs given by the seller to Your Client on the Acquisition of the Property.
"not possible, our client no longer has such documents"
- (f) Please confirm that the Property benefits from all necessary rights and services required for the proposed use as a residential development.
"This will be the responsibility of the buyer."

NB: Replies to enquiries of the Borrower's solicitor dated 03.01.19 confirm that the Borrower has not opted to tax the Property.

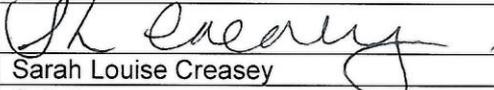
TITLE PLANS FOR THE PROPERTY



NB: The land edged and numbered in green on the title plan has been removed from this title and is now registered with title numbers DU291720 and DU291721.

VALUATION PLAN



Signed by:	
Signature Name:	Sarah Louise Creasey
Position:	Solicitor
Authorised to sign for and on behalf of:	enact Conveyancing Limited
Date:	23/10/19