

REPORT ON TITLE

TO: Proplend Security Limited

FROM: Paris Smith LLP

FULL NAME OF BORROWER: Carr Street Estates Limited

COMPANY NUMBER (if appropriate): 11748293

DESCRIPTION OF PROPERTY: 26-32 Carr Street, Ipswich, Suffolk, IP4 1EJ

IS BORROWER THE SAME AS OWNER? Yes

FULL NAME OF OWNER IF DIFFERENT (Where property is being transferred state intended owner): Not applicable

1. TITLE

a. We certify that the Property is:

| | |
|------------------------------------------------------------------------------------------------------------------|----------|
| Tenure: | Freehold |
| Title numbers (if registered) or if not confirm whether it is unregistered and/or subject to first registration: | SK367479 |
| Class of title (if registered): | Absolute |

- b. We certify that the Title to the Property is good and marketable and can be accepted by you as security.
- c. We annex hereto a copy of the Title Plans showing the Property edged red.
- d. The Property is registered in the name of the Borrower.
- e. We confirm that the only Restrictive Covenants which affect the Property are set out in the attached Schedule.
- f. Adverse interests affecting the Property are referred to in the Schedule.
- g. No person other than the Borrower has an equitable or overriding interest in the Property.
- h. The Borrower will not be in sole possession of the Property.
- i. Proplend Security Limited will obtain a First Legal Charge over the Property.

SCHEDULE

RESTRICTIVE COVENANTS

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

There are no restrictive covenants in respect of either Property.

- 1 The part of the Property shaded mauve on the title plan are subject to various restrictive covenants contained in a Conveyance dated 26 July 1923 which restrict the use of the Property. The current use of the Property as retail premises and offices would not appear to breach the use covenants, but we have asked the Borrower's solicitor to confirm and they have said they do not believe the current would breach the covenants and further the Borrower has not been notified of any breach.
- 2 The part of the Property shaded yellow on the title plan are subject to various restrictive covenants contained in a Conveyance dated 28 April 1930 which restricts the use of the Property. The current use of the Property as retail premises and offices would not appear to breach the use covenants, but we have asked the Borrower's solicitor to confirm and they have said they do not believe the current would breach the covenants and further the Borrower has not been notified of any breach.
- 3 The part of the Property shaded pink on the title plan are subject to various restrictive covenants contained in a Conveyance dated 16 March 1962 which restricts the use of the Property. The current use of the Property as retail premises and offices would not appear to breach the use covenants, but we have asked the Borrower's solicitor to confirm and they have said they do not believe the current would breach the covenants and further the Borrower has not been notified of any breach.
- 4 Part of the Property is subject to unknown restrictive covenants which were contained in a Conveyance dated 2 September 1946. Unfortunately, this conveyance wasn't filed when the Property was registered, so we have no further details of these covenants. However, when the Borrower purchased the Property an indemnity policy was put in place which covers not just the Borrower but also future owners but also any lender holding a charge on the Property. The limit of indemnity on this policy is £2,850,000.
- 5 The part of the Property shaded blue on the title plan (shown on the enlargement) only includes the upper floors. This appears to create a flying freehold with the ground floor of the area shaded blue forming part of the freehold of 32a Carr Street (Title Number: SK126899). The Borrower's solicitor is unable to provide any further information about this piece of the Property. However, the indemnity cover referred to in paragraph 4 (above) includes Flying/Creeping Freehold cover, again the limit of indemnity is £2,850,000.

ADVERSE INTERESTS

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

- 6 The Property has the benefit of a right of way over the land tinted brown on the title plan. This is the pedestrian accessway which runs to the west of the Property and provides access to the car park at the rear of the building.
- 7 The part of the Property hatched blue on the title plan is subject to rights granted by a Lease dated 22 November 1966 to the Eastern Electricity Board for a term of 42 years from 29 September 1966 (expired on 28 September 2008). Given that the Lease has expired we have asked the Borrower's solicitor to confirm if the lease has been renewed and they have said that it has not and they do not believe the entry is still needed.

8 The Property is subject to the rights granted by a Deed dated 12 December 1966. We have asked the Borrower's solicitor to confirm if the rights have or are still exercised and they have said that as far as the Borrower is aware the rights have never been exercised and there has been no impact on the Borrower's use or enjoyment of the Property.

9 The Property is currently subject to a Legal Charge in favour of Shawbrook Bank Limited dated 29 March 2019 which will be discharged on completion.

10 Upon completion the Property will be subject to three lease:-

10.1 Ground Floor - 10 year lease to Poundland Limited at a current rent of £250,000/annum

10.2 Basement - 6 year lease to Age UK Suffolk at a current rent £50,000/annum

10.3 Upper Floors – 999 years to Carr St Developments Limited at a peppercorn rent

Full details of the above lease can be found in the enclosed lease reports.

11 The Local Authority Search (dated 21 December 2018) reveals a number of historic planning permissions and building regulation approvals relating to the Property, summarised below are the most recent permissions or approvals or those that are relevant to the current use of the Property:-

11.1 Planning Permission (96/00706/FUL) dated 20/11/1996 – Alterations to the shopfront

11.2 Planning Permission (06/00953/FUL) dated 29.11.2006 – Installation of an ATM cash machine

11.3 Planning Permission (IP/10/00615/ADV) dated 07.07.2010 - Installation of illuminated fascia and projection sign

11.4 Building Regulations (Ref: 95/00132/FP) – Formation of a shopfront in the basement

11.5 Building Regulations (Ref 96/00116/FP) – Alterations and fitting out of the basement shop unit

11.6 Building Regulations (Ref: 08/01205/IN) – refurbishment of basement

Aside from the above the above documentation the search confirms that Carr Street is a highway maintainable at the public expense. A separate highways search also confirms that Cox Lane (which runs to the east of the Property) is also a highway maintainable at the public expense.

Lastly, the search confirms that there are no outstanding notices (planning enforcement, planning contravention, environmental, etc.) affecting the Property.

12 The Drainage and Water Search (dated 20 March 2019) confirms that the Property is connected to a metered mains water supply. Further the search indicated that foul and surface water drain in to public sewers.

The search does reveal that there are public sewers within 30.48 metres (100 feet) of the building, but there are no water mains, resource mains or discharge pipes within the boundaries of the Property.

13 The searches referred to above are more than 6 months old and for this reason the Borrower's solicitor has agreed to put in place a search validation policy on completion. The limit of indemnity on this policy will be £1,700,000. The search validation insurance

does not cover an environmental search, and therefore the Borrower's solicitor has provided a new search which is referred to below.

- 14 It is now standard procedure to undertake environmental desktop searches in transactions of this nature. However please note the limited nature of the search. The search is undertaken by independent search consultants at a limited cost and is compiled by the search consultants on the basis of inspection of documentary records only accessed by means of a "desk top" search. It does not, of course, arise from a physical inspection of the site. Clearly it will not reveal information which is not recorded in public documentation. The search should therefore be regarded as a general guide only. If you have concerns as to possible contamination of the site then you should discuss further with us the need for a more detailed survey (possibly including a site survey). You will understand that we are not qualified to advise on whether or not the search results are acceptable (or the level of risk involved) but we would be happy to discuss any particular queries with you and to consider with you whether further expert advice should be obtained on any matters arising from the search result itself and/or with regard to the site or your proposals generally.

Subject to the comments above we would point out that the report has been certified as an "Acceptable Risk" meaning that in the professional opinion of Landmark Information the level of risk associated with the information disclosed in the report:

- (a) is unlikely to have an adverse effect on the value of the Property, and
- (b) is not such that the Property would be designated "Contaminated Land" within the meaning of Part IIA of the Environmental Protection Act 1990.

- 15 The Chancel Search (dated 09.03.2016) indicates that the Property is within a parish that has no record of risk of chancel repair liability.
- 16 You have provided us with an Asbestos Refurbishment and Demolition Survey dated 22 July 2019 relating to the first & second floors of the Property. This survey indicates that 9 samples were taken from the first & second floors and all of these samples were found to contain asbestos. The survey only identifies very low or low risk, but recommends that all items containing or suspected of containing asbestos should be removed prior to refurbishment.
- 17 We have been provided with Asbestos Surveys for the commercial units dated 10 September 2019 and 28 August 2014, both of these reports confirm that there is asbestos present in these units. Further both reports identify asbestos which needs to be removed from the units. The Borrower's solicitor has provided us with two asbestos removal certificates (dated 3 March 2017 and 11 March 2017), and they have confirmed that the asbestos identified in commercial units has been removed.
- 18 There are two EPCs for the Property, one relating to the basement which gives an Asset Rating of C (52), and another for the ground-second floors of the Property which gives an Asset Rating of D (83). There is currently no EPC for the first & second floors of the Property.
- 19 In the valuation report the Valuer has indicated that there is significant work required to the upper floors of the property, this space is current vacant. We have not been provided with any information about any intended works, and have assumed that this part of the building will be redeveloped by the tenant (Carr St Developments Limited) once planning permission is obtained.

Signed by:

Signature:

A handwritten signature in black ink that reads "Nick Vaughan". The signature is written in a cursive, slightly slanted style.

Name: Nick Vaughan

Position: Senior LLP Partner

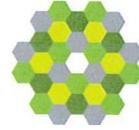
authorised to sign for and on behalf of Paris Smith LLP

Date: 20 November 2019

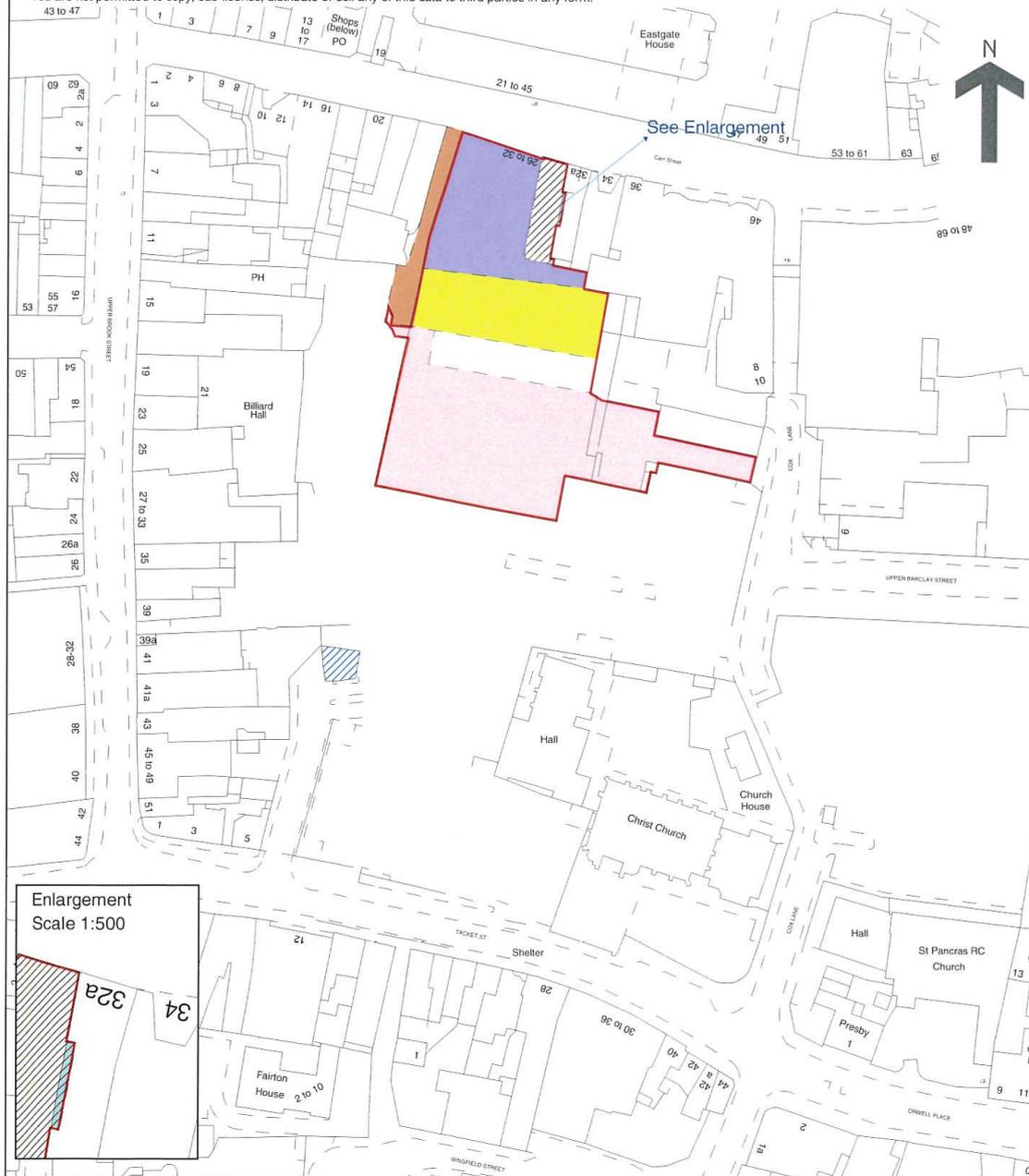
Title Plan

HM Land Registry
Official copy of
title plan

Title number **SK367479**
Ordnance Survey map reference **TM1644NE**
Scale **1:1250**
Administrative area **Suffolk: Ipswich**



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This official copy issued on 22 August 2018 shows the state of this title plan on 22 August 2018 at 10:48:33.
It is admissible in evidence to the same extent as the original (s.67 Land Registration Act 2002).
This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground.
This title is dealt with by HM Land Registry, Durham Office.

