

## REPORT ON TITLE

To: **PROPLEND SECURITY LIMITED (“Proplend”)** and anyone claiming any right, estate or interest from or through it.

A	Borrower	Hill & Hall Group Limited
B	Mortgagor (if different)	Hill & Hall Group Limited
C	Security Property	Land lying to the east of Warner Road, Walsall & Land on the north side of Cartbridge Walk, Walsall.
D	Title Number	MM62614 & MM90711
E	Transaction	Purchase of MM90711 and a Refinance
F	Purchase Price (if applicable)	£910,000
G	Anticipated Completion Date	6 May 2022

### DEFINITIONS AND INTERPRETATION

1. Reference to "you" or "your" is to **Proplend Security Limited (“Proplend”)**.
2. Unless otherwise defined any capitalised term in this Report shall have the meaning given in Proplend's Basic Instruction Form, Members' Agreement or Loan Contract (the "Bank's Instructions").

Acting on your behalf we confirm we have investigated title to the Security Property, made all appropriate searches and enquiries and otherwise acted in accordance with Proplend's Instructions and certify as follows:

1. The Security Property is

freehold*	<del>leasehold*</del>
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and the title is

<del>registered with Absolute title*</del>	<del>registered with Good Leasehold title*</del>	<del>registered with Possessory title*</del>	<del>registered with Qualified title*</del>	<del>unregistered*</del>
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2. The Mortgagor will on completion of the charge of the Security Property to Proplend (“**Completion**”) have a good and marketable title to the Security Property and all powers necessary to grant the required security over the Security Property to you.

- ~~3. If the title is leasehold, the unexpired residue of the lease term is  years~~

~~and the other material terms of the lease are set out on the accompanying Supplementary Report on Title – Leasehold Security.~~

4. On Completion the Security Property will be owned by the Mortgagor and will be free of any charge, mortgage or other financial encumbrance

<del>save for a charge*</del>	<del>save for a mortgage*</del>	<del>save for another financial encumbrance*</del>
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dated  in favour of

with an outstanding liability of £  as at .

5. There are no matters (including without limitation covenants, conditions, restrictions, easements, rights, notices, schemes, proposals, agreements or encumbrances) which are, may be or may become adverse to Proplend's interests or which should be brought to Proplend's attention (save for those mentioned on the accompanying Supplementary Report on Title – Disclosures which details inter alia the item, the risk for Proplend and our advice on how to remove or mitigate the risk).
6. We are in possession of satisfactory search results relating to the Security Property, Borrower, Mortgagor and Guarantor (if any) and where appropriate the priority period afforded by these extends beyond the anticipated date of Completion, and where required we hold any required consent for the registration of Proplend's charge.
7. On Completion the Security Property will be unoccupied save for where paragraphs 13 and/or 14 are completed.
8. The Security Property has the benefit of all rights over other land that are required in connection with its current use and any proposed use or development.

9. The current use of the Security Property is

The authorised use of the Security Property for the purposes of Town & Country Planning legislation is

~~The current use is therefore authorised under Town & Country Planning legislation. If the current use is not so authorised we are satisfied that the current use is authorised through long user.~~

10. We have received and considered the Valuation prepared in relation to the Security Property. If we have seen a plan accompanying the Valuation we confirm this accords with the title plan. A copy of the title plan is annexed to this Report.

There are no inconsistencies / other issues to refer to the valuer.*
Any inconsistencies / other issues identified have been referred to the valuer who has confirmed that the Security Property is the property valued and that there is nothing contained in this Valuation that impacts the marketability or valuation of the Security Property.*

11. Proplend's Security Documents and all other documents which will be required have been signed by the Borrower, Mortgagor and Guarantor (if any) and are in our possession.

~~12. Buildings insurance cover that satisfies Proplend's requirements will be in place on Completion.~~

Name of insurer	
Address of insurer	
Policy number	
Policy renewal date	
Sum insured	

13. ~~Where there are any residential tenants at the Security Property we confirm:~~

Premises:	
Tenant(s):	
Guarantor:	
Date of agreement:	
Headline Terms:	Start Date: End Date: Rent: Deposit:
AST? <i>If no, provide details</i>	

- ~~a) the Borrower has advised that the Tenant is not in any breach of its obligations under the tenancy agreement to pay rent or other sums due;~~
- ~~b) the Borrower has advised that the Tenant is not in dispute with the previous or current Landlord;~~
- ~~c) there are no terms that need to be brought to Proplend's attention; and~~
- ~~d) the total rental income matches the valuers expectations contained in the Valuation Report.~~

14. ~~Where there are any commercial tenants at the Security Property we confirm:~~

Date:	
Term:	
Expiry date:	
Current tenant:	
Current rent (per annum):	
Description as detailed in the Lease (if only part of the Security Property is let):	
Property Use:	
Provisions for rent review:	
Break clause (dates and terms):	
Lease requirements in relation to insurance:	
Repairing obligations in the lease:	Landlord:  Tenant:
Within Part 2 of the Landlord and Tenant Act 1954:	Y/N

- a) there are no terms that need to be brought to Proplend's attention;
- b) the total rental income matches the valuers expectations contained in the Valuation Report;
- c) there are no other leases in place at the Security Property other than those disclosed at paragraph .

We confirm and undertake that:

- (a) any funds released by you (whether to us or at our direction) will only be for the purpose of the intended Transaction and in a manner that accords with Proplend's instructions and our general duty to protect your interests and in particular that funds will only be remitted to the account of the Borrower's solicitor after we have verified the solicitor and the account in accordance with our firm's internal procedures. We will hold the funds strictly to your order (returnable upon demand) until we are in a position to complete the Transaction;
- (b) we will complete the intended Transaction and carry out all post completion tasks in accordance with instructions (whether or not there are funds to be released to us) and we acknowledge and accept that any subsequent release of this undertaking by you will not release us from any liability to act in accordance with our instructions at all times;
- (c) we will notify you as soon as Completion has taken place and will forward the original Security Documents and other deeds and documentation to you as soon as post completion formalities are dealt with. In the meantime all such items will be held strictly to Proplend's order.

Please remit funds to our client account, details of which are as follows:

Bank name	HSBC Bank plc
Sort code	40-47-17
Account number	72348608
Account title	Harrison Clark Rickerbys Limited Client Account

We confirm that this certificate confirmation and undertaking may be relied upon by you and anyone claiming any right, estate or interest from or through Proplend.

Signature	
Name of solicitor	Emme Raynsford
Name of firm	Harrison Clark Rickerbys Limited
Date	6 May 2022
HCR Reference	EK01.PRO306-10

## SUPPLEMENTARY REPORT ON TITLE LEASEHOLD SECURITY

For use where the Borrower's interest in the Security Property and over which Proplend will take security is leasehold.

Please complete having regard to Proplend's instructions in connection with the Transaction.

If a printed statement below is not accurate please set out your qualification / comments.

Date of lease		
Term of lease / expiry date		
Within the security of tenure provisions of Part 2 of the Landlord & Tenant Act 1994	Yes*	No*
Any restrictions on alienation or charging		
Any restrictions on use		
Current rent per annum		
Provision for adjustment / review of rent		
Who is to insure the Security Property and any other lease requirements in relation to insurance		
Any discrepancies between the lease and Proplend's Instructions / valuer's comments		
Any matters arising from the lease or from your investigations / enquiries relating to it of which Proplend should be aware		

Appropriate enquiries do not disclose any arrears of rent or other sums due under the lease.

Any consent needed for the purchase and / or charging of the Security Property and the development (whether under the lease or a superior lease) has been obtained.

Appropriate enquiries do not disclose any forfeiture or other proceedings (existing or threatened) affecting the lease nor any material breach of the lessees covenants under the lease.

Please provide any disclosures (and accompanying detail) in the in Supplementary Report on Title—  
Disclosures

Signature	
Name of solicitor	
Name of firm	Harrison Clark Rickerbys Limited
Date	

## SUPPLEMENTARY REPORT ON TITLE DISCLOSURES

For use where there are matters (including without limitation covenants, conditions, restrictions, easements, rights, notices, schemes, proposals, agreements or encumbrances) which are, may be or may become adverse to Proplend's interests or which should be brought to Proplend's attention.

Please complete having regard to Proplend's Instructions in connection with the transaction.

We have used a traffic light system in the disclosure table to enable Proplend to assess the importance of the issues we have identified. In the table:

 denotes a low risk matter which the Finance Parties should be aware of but which should not, of itself, prevent the Finance Parties from proceeding with the transaction;

 denotes a medium risk matter which will be satisfactorily mitigated if the action recommended in the Table is taken; and

 denotes a high risk matter which cannot be satisfactorily mitigated and is likely to have an impact on the marketability and/or value of the Security Property.

Issue	Risk   	Solicitor's recommendation to remove / mitigate the risk	Has the valuer provided comment on the risk? If so, please detail	Do you consider the issue prevents the title being certified good and marketable?
<p><b><u>No Buildings Insurance</u></b></p> <p>As the Security Property is bare land it is not applicable to put in place Building's Insurance Policy</p>		<p>None – advisory only.</p> <p>We have been provided with satisfactory public liability insurance instead.</p>	See below	No
<p><b><u>Restrictive Covenants</u></b></p> <p>Title register MM62614 is subject to following entry: <i>"The Land is subject to such restrictive covenants as may have been imposed thereon before 9 December 2015 and are still subsisting and capable of being enforced."</i></p> <p>As we are unable to review or confirm what these restrictive covenants relate to, we are unable to advise whether they are likely to impact on the Security Property's use, value and/or marketability.</p>		<p>The Borrower will have in place at completion an indemnity policy to cover for unknown restrictive covenants, easements and rights for the gross market value of the Security Property. We are of the opinion that this should be sufficient to protect Proplend's interest in the Security Property.</p>	See below	No.

**Absence of a conditional contract for the purchase of the land**

The Security Property is in part owned by the Borrower and in part by Walsall Metropolitan Borough Council.

The Borrower has not yet purchased the land from the Council and has not entered into a contract conditional on the grant of planning. Therefore the Borrower is relying upon the Council proceeding with the sale of the part of the Security Property in their ownership on the terms negotiated prior to the grant of planning permission, at which stage the land would have held a lesser value. The planning permission has now been granted and so will carry a higher valuation. This is important because the Council is subject to a duty to secure best value when disposing of its landholdings.

The Borrower has advised that the decision not to enter into a conditional contract was taken on a commercial basis, as the Borrower's land provides the only viable access to the Security Property as a whole. Consequently, the Borrower is confident that the development of the Security Property will not be able to come forward without their involvement.

The Council's Cabinet resolved on 9 February 2022 to sell the land to the Borrower *"for a sum representing best consideration subject to there being no objections arising from the notification requirements of the Local Government Act 1972 relating to the sale of public open space"*. The remainder of the report on this item is exempt and so, has not been published.



None – advisory only.

See below

No

<p>We have seen confirmation from the Council that the relevant statutory notices were published and that no responses were received within the prescribed timescales.</p> <p>The Borrower has advised that the Council's Estates Department is ready to proceed with the land transfer as soon as funds are available.</p>				
<p><b><u>Planning permission for the proposed development remains within the legal challenge window</u></b></p> <p>The planning permission was granted on 14 April 2022 and will be capable of legal challenge for a period of 6 weeks.</p> <p>During this time an interested party can ask the Court to quash the planning permission. If there is a successful legal challenge, the application will be returned to the Council for consideration afresh. In this situation, there is no guarantee that the application would be granted afresh.</p> <p>The Borrower has confirmed that they are not aware of any potential threat of legal challenge. However there were a number of objections made in respect of the application. Furthermore, the application was recommended for refusal but the Planning Committee decided to grant the application contrary to officer recommendation. This may indicate that the decision to grant is more susceptible to legal challenge.</p>		<p>The Borrower will put judicial review indemnity insurance in place to protect the Mortgagor in the event of a legal challenge.</p>	<p>See below</p>	<p>No on the basis of the judicial review indemnity insurance</p>

<p><b><u>Planning conditions</u></b></p> <p>The planning permission has been granted subject to a number of conditions which will need to be complied with throughout the development of the Security Property.</p> <p>In the event that the Borrower fails to comply with these conditions, enforcement action may be taken against any party with an interest in the Security Property (including the Borrower and the Mortgagor). Any such action would affect the value and marketability of the Security Property.</p>		<p>None – advisory only.</p> <p>The Borrower does not intend to carry out the development of the Security Property and so a breach of condition is unlikely to arise.</p> <p>In any event, the facility will be subject to a condition requiring the Borrower to comply with the planning permission.</p>	<p>See below</p>	<p>No</p>
<p><b><u>Section 111 Agreement and Section 106 Agreement</u></b></p> <p>A Section 111 Agreement and Section 106 Agreement dated 14 April 2022 were entered in respect of the Security Property.</p> <p>The intention of the Section 111 Agreement was to enable the Section 106 Agreement to be entered after the grant of planning permission. Inadvertently, the Section 106 Agreement was completed at the same time as the Section 106 Agreement prior to the grant of planning permission and before the Borrower owned all of the Security Property (i.e. all of the land purportedly bound by the Section 106 Agreement).</p> <p>It has therefore been agreed with the Borrower and the Council that a new Section 106 Agreement will be entered into. This will expressly acknowledge that it has been entered into pursuant to the terms of the Section 111 Agreement and will release and discharge the obligations contained in the Section 106 Agreement</p>		<p>None – advisory only.</p>	<p>See below.</p>	<p>No</p>

<p>dated 14 April 2022. Thereafter, only the new Section 106 Agreement will bind the Security Property.</p> <p>The new Section 106 Agreement (as per the Section 106 Agreement dated 14 April 2022) will contain a number of obligations which bind the Security Property. A mortgagee protection provision has been included in the new Section 106 Agreement to ensure that the Mortgagor will not be liable for compliance with those obligations unless/until it takes possession of the Security Property.</p> <p>In view of the provisions (as explained above) contained in the new Section 106 Agreement, it is imperative that this is completed as quickly as possible after the land transfer. The Council is now ready to complete the land transfer and the new Section 106 Agreement. The Council is separately represented in those matters, but we will remain in control of timings as the land transfer relies upon drawdown for the purchase price and the new Section 106 Agreement is held to our order. We understand that the respective solicitors acting for the Councils on these matters understand the urgency too.</p>				
<p><b><u>Public right of way</u></b></p> <p>The Local Authority search results reveal that there is a public right of way/footpath which abuts the boundary of the security Property (please see green line on plan at annex 2). Such public right could have an impact on the Security Property's value and/or marketability.</p>		<p>None – advisory only.</p> <p>The Borrower has confirmed that their clients <i>'have never received any notice or experienced any nuisance relating to this land and their land'</i>.</p> <p>Valuer to confirm whether this is likely to have an impact on the Security Property's value and/or marketability.</p>	<p>See below</p>	<p>No.</p>

<p><b><u>Public Gravity Sewers</u></b></p> <p>The water and drainage search results reveal a number of public gravity sewers and an abandoned gravity sewer within the boundaries of the Security Property. This means that Severn Trent could require access to the Security Property to carry out any necessary repair works.</p>		<p>None – advisory only.</p> <p>The Borrower has confirmed that they are not aware of any recent or scheduled works to the sewers by Severn Trent on their land. The CPSE replies provided by the Seller do not reveal any information in connection with this.</p> <p>We presume that the Borrower, or any onward developer, would take these into consideration and obtain the necessary consents at the point in which development begins.</p>	<p>See below</p>	<p>No.</p>
<p><b><u>Chancel Repair</u></b></p> <p>The Security Property is located within an area which continues to be at risk of a chancel repair liability. This ongoing liability could have an impact on the Security Property's value and/or marketability.</p>		<p>The Borrower will have in place at completion an indemnity policy which provides cover for chancel repair. The level of cover will be £6.5m and we are of the opinion that this is sufficient to protect Proplend's interest in the Security Property.</p>	<p>See below</p>	<p>No.</p>
<p><b><u>Coal Mining</u></b></p> <p>The results of the coal mining search reveal that reserves of coal exist in the local area which could be worked on at some time in the future. This could have an impact on the Security Property's value and/or marketability.</p>		<p>The title register does not exclude the ownership of the mines and minerals and neither does it refer to excluded or reserved rights for mining for the benefit of any third parties.</p>	<p>See below</p>	<p>No</p>
<p><b><u>Borrower assuming all environmental liabilities from exchange of contracts</u></b></p> <p>The contract which the Borrower has entered into with the Council assumes that any environmental/contaminative liability with regards to the land will be passed onto the Borrower from exchange of contracts. Should land be determined as contaminated then this can be a costly exercise to rectify.</p>		<p>None – advisory only.</p> <p>The environmental search results have not revealed any potential contaminative risks.</p> <p>We understand that the Borrower has had to carry out certain environmental steps as a pre-planning condition and trust that the results of these meant that the Borrower was happy to assume such potential liability.</p>	<p>See below</p>	<p>No</p>

<p><b><u>Environmental Search Results</u></b></p> <p>The results of the environmental search reveal that there is an elevated risk of flooding pursuant to surface water flooding. This could have an impact on the Property's value and/or marketability.</p>		<p>None – advisory only.</p> <p>Given the Property is next to a brook these results are not surprising. We presume that any risks of flooding will be considering and appropriate action taken during the development phase of the site which will be for any onward developer to factor in.</p>	<p>See below</p>	<p>No.</p>

We sent a draft of this Certificate to the Valuer and the Valuer has confirmed by way of email that there is nothing contained in this Certificate that adversely affects their valuation of the Property. A copy of the Valuer's confirmation email is attached to this Certificate.

ANNEX  
TITLE PLAN(S)

Title Plan: MM62614 (edged red)

HM Land Registry  
Official copy of  
title plan

Title number **MM62614**  
Ordnance Survey map reference **SK0200NW**  
Scale **1:2500 reduced from 1:1250**  
Administrative area **West Midlands : Walsall**



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**Title Plan: MM90711 (edged red)**



**Annex 2: Public rights of way (green line)**

