

REPORT ON TITLE

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

A	Borrower	Worcester Parkway Business Park Limited
B	Mortgagor (if different)	N/A as above.
C	Security Property	Land on the Southside of Streamhall Garage, Linton Trading Estate, Worcester Road, Bromyard, HR7 4QT
D	Title Number	HE65548 & HE38319
E	Transaction	Purchase —Refinance*
F	Purchase Price (if applicable)	£- N/A
G	Anticipated Completion Date	7 June 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*	leasehold*
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and the title is

registered with Absolute title*	registered with Good Leasehold title*	registered with Possessory title*	registered with Qualified title*	unregistered*
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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

save for a charge*	save for a mortgage*	save for another financial encumbrance*
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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 as storage units

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

commercial/storage. The Borrower's solicitor has confirmed that the Borrower has used the Security Property for storage since it's ownership in 2008 and so it would appear that the use has been authorised through the principles of long user.

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	Allianz Insurance plc
Address of insurer	57 Ladymead, Guildford, Surrey, GU1 1DB
Policy number	32/SP/29128460/03
Policy renewal date	31.03.2023
Sum insured	Various – refer to policy specifics

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? If no, provide details	


- ~~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:	10 November 2017
Term:	10 years
Expiry date:	09 November 2027
Current tenant:	Storage Facilities Limited
Current rent (per annum):	£9,000 pa
Description as detailed in the Lease (if only part of the Security Property is let):	Shown edged blue and numbered 1 on title plan HE38319
Property Use:	Storage
Provisions for rent review:	Stepped Rent: First three years is £8kpa. From the 4 th year for 3 years the rent will be £9k pa and from the 7 th year until the end of the term the rent will be £13kpa.
Break clause (dates and terms):	Break Date: 9 November 2022 (ability to serve has now passed and Borrower has confirm no notice has been received)
Lease requirements in relation to insurance:	Tenant to insure including for PLI of £2million
Repairing obligations in the lease:	Landlord: None Tenant: To keep property clean and in good repair and condition (including keeping service media serving the property in good working order)
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 .

Please see disclosure schedule.

Date:	14.03.2018
Term:	Circa 9 years 6 months
Expiry date:	09 November 2027
Current tenant:	Storage Facilities Limited
Current rent (per annum):	£6,600 pa
Description as detailed in the Lease (if only part of the Security Property is let):	<p>As per red hatching:</p>  <p>The area hatched yellow is not referred to in the lease and it is noted that the land hatched red straddles both title numbers of the Security Property.</p>
Property Use:	Storage
Provisions for rent review:	Stepped Rent: £5kpa for the first 3 years. £6,600pa for years 4 to 7 and then £10kpa for the remainder of the term.
Break clause (dates and terms):	None/would have already passed.
Lease requirements in relation to insurance:	Tenant to insure including for PLI of £2million
Repairing obligations in the lease:	Landlord: None Tenant: To keep property clean and in good repair and condition (including keeping service media serving the property in good working order)
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 June 2022
HCR Reference	EK01.PRO306-11

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><u>Registered Proprietor</u></p> <p>Registered titles for the Security Property are currently in different names to the Borrower/Mortgagor (although connected parties). The Security Property has been subject to transfers so that upon completion of registration they will be in the name of the Borrower. These transfers have not yet completed at Land Registry and are currently subject to a registration gap.</p>		<p>None – advisory only.</p> <p>Proplend are aware of this as it forms part of the wider transaction.</p>	<p><i>"I have reviewed the RoT and can confirm that, with the Indemnity Policy in place, there are no issues highlighted therein that have a detrimental effect on the figures detailed in my Report."</i></p>	No.
<p><u>Tenant's Option to Purchase</u></p> <p>Each of the leases noted above contains a right of pre-emption for the Tenant to acquire the freehold from the Borrower. The Option period is from 10 November 2026 and until 8 November 2027 and the purchase price is based on the higher of an agreed figure or the market value.</p>		<p>None – advisory only.</p>	<p><i>"I have reviewed the RoT and can confirm that, with the Indemnity Policy in place, there are no issues highlighted therein that have a detrimental effect on the figures detailed in my Report."</i></p>	No.

<p><u>Rights of Way</u></p> <p>We understand that the estate road between the Security Property and the highway is not adopted and is privately owned. The title registers contain various rights of way for the benefit of the Security Property:</p> <ul style="list-style-type: none"> - Land tinted blue on title plans annexed have a right of way over the road coloured brown (shown on plan 1 annexed) pursuant to a conveyance dated 23.04.1986; - Land tinted pink and mauve on title plans have a right of way over roadway coloured brown and land tinted pink on plan 2 annexed (pursuant to a transfer dated 14.03.1994); and - Land tinted pink, brown and blue on title plans have a right of way over land tinted brown on plan 3 annexed (pursuant to a 29.04.2005 transfer). <p>Each of these conveyances include covenants for the Security Property to contribute towards the repair and maintenance of the estate road (this is also included in the schedule of personal covenants).</p>		<p>None - Advisory only.</p> <p>The Borrower's solicitor has confirmed that whilst there is a right for the owners of the estate road to demand costs for repair and maintenance (either for half of such costs or as according to user), no demands have been received by the Borrower and neither have any payments been made or are owing. The Borrower has further confirmed that the county council have resurfaced the road within the last 7 years in any event.</p>	<p><i>"I have reviewed the RoT and can confirm that, with the Indemnity Policy in place, there are no issues highlighted therein that have a detrimental effect on the figures detailed in my Report."</i></p>	<p>No.</p>
<p><u>Rights of Way – missing entries</u></p> <p>Further to the disclosure above, upon reviewing the two registered titles which contain the estate road, it doesn't appear that the burden of the Security Property's right of way has been noted on one of the titles (HW146380). As the land containing the estate road should have obligations to repair and maintain we would have expected those relevant transfers/conveyances to have been noted on the estate road title.</p>		<p>None – advisory only.</p> <p>The adequate rights the security property require appear correctly registered on our title which should be sufficient. The Security Property has clearly used the estate road for a number of years without issue or interruption.</p>	<p><i>"I have reviewed the RoT and can confirm that, with the Indemnity Policy in place, there are no issues highlighted therein that have a detrimental effect on the figures detailed in my Report."</i></p>	<p>No.</p>

<p><u>Positive Covenants</u></p> <p>The Security Property is subject to a number of positive covenants which include:</p> <ul style="list-style-type: none"> - For a 'screen' to be erected between points a-b on plan 2 annexed (this is noted in the schedule of personal covenants); and - For a relevant fences/gates be erected and maintained between points a-x, y-b and b-c on plan 3. <p>Positive obligations could have an impact on the Security Property's value and/or marketability.</p>		<p>None – advisory only.</p> <p>The Borrower's solicitor has confirmed that these positive obligations have been, and continue to be, observed and complied with</p>	<p><i>"I have reviewed the RoT and can confirm that, with the Indemnity Policy in place, there are no issues highlighted therein that have a detrimental effect on the figures detailed in my Report."</i></p>	<p>No.</p>
<p><u>Unknown Restrictive Covenants</u></p> <p>One of the Security Property's title registers (HE65548) reveals that the land tinted mauve on the title plan is subject to such restrictive covenants as may have been imposed thereon before 6 June 1994 and are still subsisting and capable of being enforced. Such unknown restrictive covenants could have an impact on the Security Property's value and/or marketability as we are unable to ascertain what such covenants are or how they affect the land.</p>		<p>The Borrower will have in place from completion a indemnity policy providing cover for a level of £400,000 concerning unknown restrictive covenants.</p>	<p><i>"I have reviewed the RoT and can confirm that, with the Indemnity Policy in place, there are no issues highlighted therein that have a detrimental effect on the figures detailed in my Report."</i></p>	<p>No.</p>
<p><u>Tenant Insures</u></p> <p>The leases (See section 14 above) have been drafted so that the obligation to insure sits with the Tenant. This is unusual and not industry standard.</p>		<p>None – advisory only.</p> <p>Whilst this would not usually be commercial acceptable, the Security Property is made up of storage containers only which wholly belong to the Tenant and there is no 'building' for the Borrower to insure. The Borrower does have Public Liability Insurance and Proplend's interest is noted in respect of the Security Property.</p>	<p><i>"I have reviewed the RoT and can confirm that, with the Indemnity Policy in place, there are no issues highlighted therein that have a detrimental effect on the figures detailed in my Report."</i></p>	<p>No.</p>

<p><u>Incorrect registration of Leasehold Interest</u></p> <p>The Lease dated 14.03.2018 of title HE65548 – should have also been registered against title HE38319 as the 2018 lease includes a small strip of land contained in title HE38319. Strangely the option to purchase has been noted against this title but not the leasehold interest itself. Presumably an application/administrative oversight.</p>		<p>None – advisory only.</p> <p>The Borrower could request that the Tenant carries out a tidy up exercise to properly regularise the position on the freehold titles but given the same Tenant is in occupation of both title, we are not of the opinion that urgent rectification is to be a priority.</p>	<p><i>“I have reviewed the RoT and can confirm that, with the Indemnity Policy in place, there are no issues highlighted therein that have a detrimental effect on the figures detailed in my Report.”</i></p>	<p>No.</p>
<p><u>Contaminated Land</u></p> <p>The results of the environmental search reveal that the Security Property could be considered as potentially contaminative land. This could have an impact on the Security Property’s value and/or marketability.</p>		<p>It is likely that adverse entry has been revealed as a result of past use of the Security Property (industrial/commercial). As the land is used for storage, Proplend have noted the risk and are happy to proceed.</p>	<p><i>“I have reviewed the RoT and can confirm that, with the Indemnity Policy in place, there are no issues highlighted therein that have a detrimental effect on the figures detailed in my Report.”</i></p>	<p>No, subject to the comments in this report.</p>
<p><u>Chancel policy required</u></p> <p>The property is located within an area which is subject to a potential chancel repair liability. This continuing liability liability could have an impact on the Security property’s value and/or marketability.</p>		<p>The Borrower will have in place at completion a chancel repair indemnity policy with a level of insurance of £400,000. We are of the opinion that this is sufficient to protect Proplend’s interest in the Security Property.</p>	<p><i>“I have reviewed the RoT and can confirm that, with the Indemnity Policy in place, there are no issues highlighted therein that have a detrimental effect on the figures detailed in my Report.”</i></p>	<p>No.</p>
<p><u>No Asbestos/FRA as Tenant would be responsible</u></p> <p>We have not been provided with any evidence that any fire risk assessments or asbestos surveys have been carried out at the Security Property.</p>		<p>None – advisory only.</p> <p>Any requirement for statutory compliance would have to be carried out by the Tenant pursuant to the terms of the occupational leases. Further, given the current use of the Security Property these reports/surveys may not be necessary.</p>	<p><i>“I have reviewed the RoT and can confirm that, with the Indemnity Policy in place, there are no issues highlighted therein that have a detrimental effect on the figures detailed in my Report.”</i></p>	<p>No.</p>
<p><u>No EPCs</u></p> <p>We have not been provided with any EPCs for the Security Property.</p>		<p>None – advisory only.</p> <p>It is understood that EPCs are not required as the Security Property made up of storage containers only. There is no heating system and so the Security Property would be exemption from the regulations.</p>	<p><i>“I have reviewed the RoT and can confirm that, with the Indemnity Policy in place, there are no issues highlighted therein that have a detrimental effect on the figures detailed in my Report.”</i></p>	<p>No.</p>

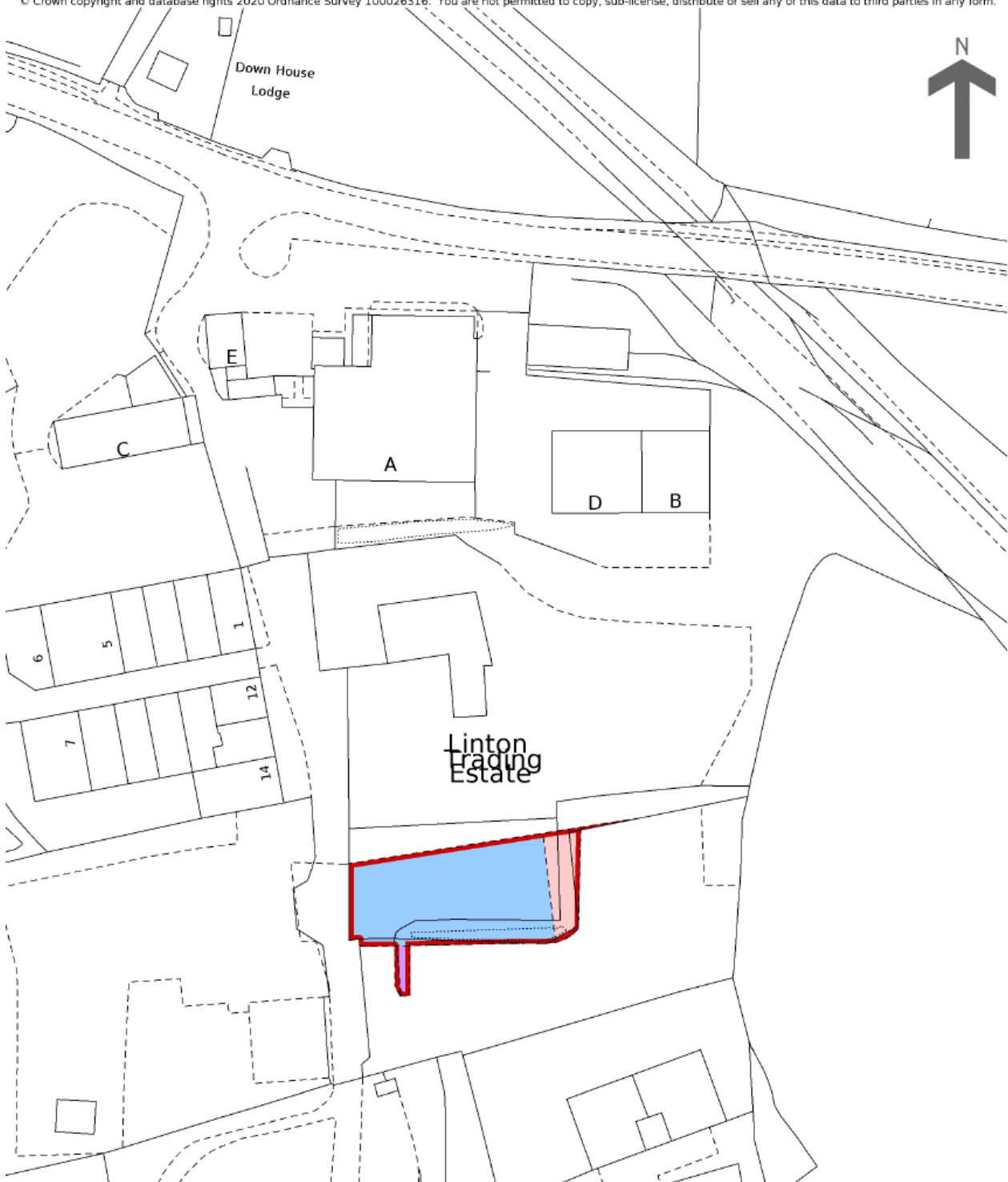
ANNEX
TITLE PLAN(S)

HM Land Registry
Official copy of
title plan

Title number **HE65548**
Ordnance Survey map reference **SO6654SE**
Scale **1:1250 enlarged from 1:2500**
Administrative area **Herefordshire**



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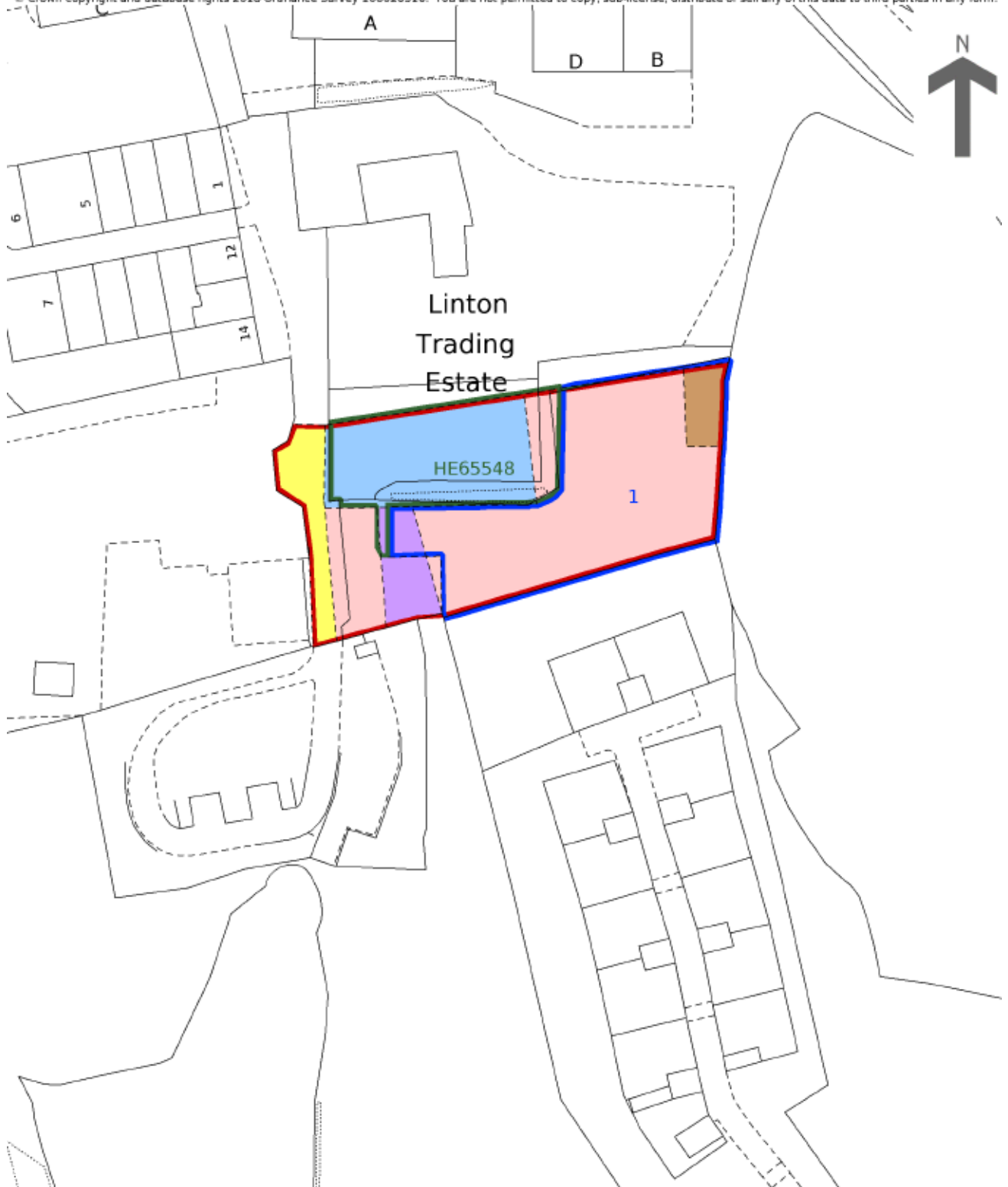


HM Land Registry
Official copy of
title plan

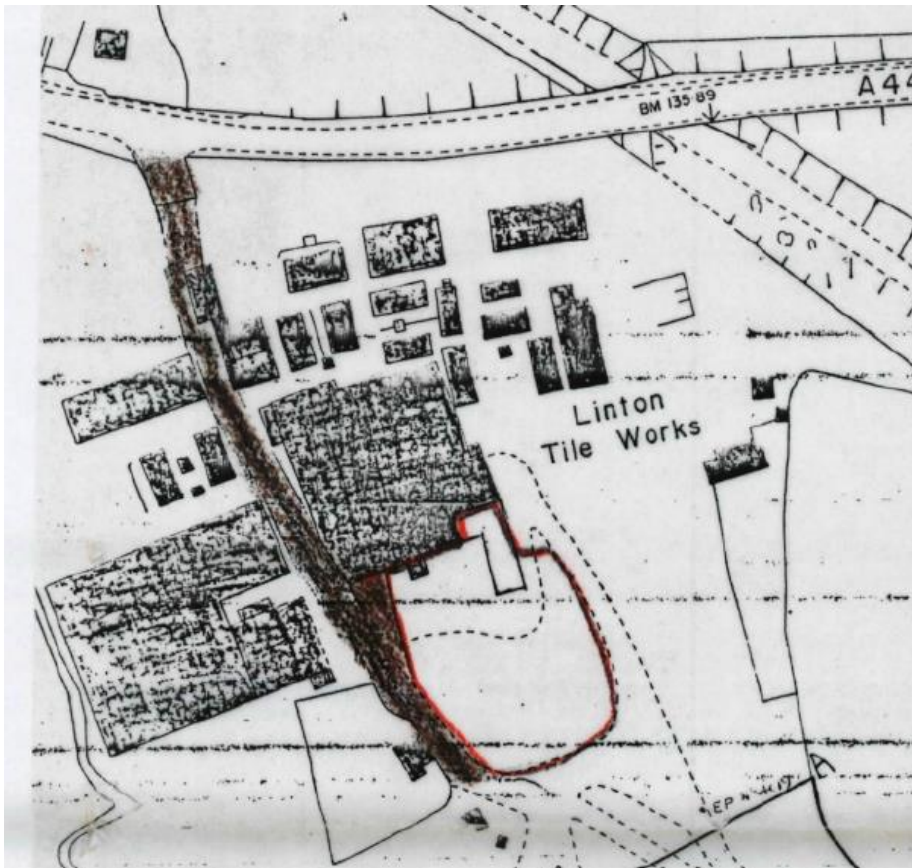
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Ordnance Survey map reference **SO6654SE**
Scale **1:1250 enlarged from 1:2500**
Administrative area **Herefordshire**



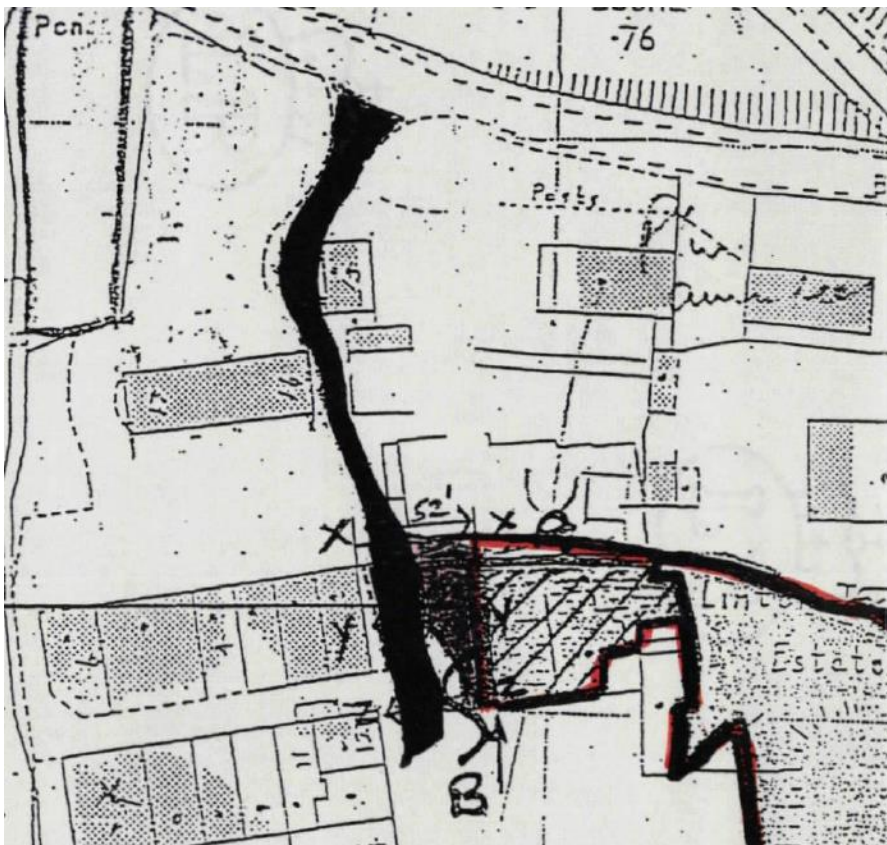
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Plan 1: Right of Way



Plan 2: Right of Way



Plan 3: Right of Way

