

REPORT ON TITLE

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

A	Borrower	Tianxia Properties Limited
B	Mortgagor (if different)	As above
C	Security Property	43-45 High Street, Deal, CT14 6EL
D	Title Number	K182913
E	Transaction	Purchase /Refinance*
F	Purchase Price (if applicable)	£800,000
G	Anticipated Completion Date	10 November 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
~~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.*~~
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 (Registered in England number 84638)
Address of insurer	Registered office: 57 Ladymead, Guildford, Surrey, GU1 1DB, United Kingdom.
Policy number	75/BB/28246066/10
Policy renewal date	16.10.2023
Sum insured	£2,145,000

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:	13 May 2022
Term:	5 years
Expiry date:	12 May 2027
Current tenant:	M & Co Trading Limited
Current rent (per annum):	£65,000 pa (there was a 3 months rent free period) – payable monthly
Description as detailed in the Lease (if only part of the Security Property is let):	N/A – lease of whole
Property Use:	Retail with ancillary office/storage within use Class A1
Provisions for rent review:	None
Break clause (dates and terms):	None
Lease requirements in relation to insurance:	Landlord insurers property and Tenant pays gross premium via Insurance Rent. Landlord does insurance plate glass nor Tenant's fixtures.
Repairing obligations in the lease:	Landlord: None Tenant: keep property in good and substantial repair and condition
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	09 November 2022
HCR Reference	EK01.PRO306-15

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>Right of Way ('ROW')</u></p> <p>The Security Property benefits from a ROW over the service yard at the rear of no 47 (the land hatched red on the plan at annex b) so that deliveries can be made to the rear of the Security Property. This right is pursuant to a deed dated 1993 and the beneficiary is to pay ¾ of the cost of maintenance of the service yard.</p>		<p>None – advisory only.</p> <p>The Borrower's solicitor has confirmed that the current seller has not made any payments, has not received any demands and is unaware if any maintenance/repair works are schedule.</p>	<p><i>"I revised the documents attached and I confirm that our valuation remains unaffected."</i></p>	No
<p><u>Right of Way ('ROW')</u></p> <p>The Security Property benefits from a further ROW over the land hatched yellow in Deal car park connecting service yard (as above) to Park Street (see Annex C). This right is also subject to a contribution (based on how the rateable value of the Security Property bears to the aggregate rateable value of the land edged green on the plan) towards the repair and maintenance of the same.</p>		<p>None – advisory only.</p> <p>The Borrower's solicitor has confirmed that the current seller has not received any demands for payment.</p>	<p><i>"I revised the documents attached and I confirm that our valuation remains unaffected."</i></p>	No

<p><u>Fire Risk Assessment ('FRA')</u></p> <p>The only FRA for the Security Property which we have been provided with is out of date. Owners and occupiers of commercial property have a duty to regularly assess the risk of fire. Failure to comply with the regulations could lead to enforcement action which could have an impact on the Security Property's valuer and/r marketability.</p>		<p>At completion the Borrower will have signed an undertaking letter which confirms that they, or the occupational tenant, will have commissioned a new FRA with 60 days of completion to ensure it is up to date and in accordance with the regulations. The undertaking letter forms part of Proplend's security suite and failure to comply could result in an event of default.</p>	<p><i>"I revised the documents attached and I confirm that our valuation remains unaffected."</i></p>	<p>No</p>
<p><u>Gas pipe</u></p> <p>Part IIs of the Local Authority search results reveal that there is a gas pipe which runs under or within 100 yards of the Property. The route of this gas pipe, and whether it is still in use, is unknown.</p>		<p>The Seller has confirmed that it has not been given any notice by any utility provider confirming that access is required for maintenance or that any is unknown.</p> <p>None – advisory only.</p>	<p><i>"I revised the documents attached and I confirm that our valuation remains unaffected."</i></p>	<p>No</p>
<p><u>Highways</u></p> <p>We have not been provided with the results of any Highways searches (these are delayed until mid November) and we are therefore unable to confirm whether the Security Property directly abuts the public highway (we are aware that access to the rear is over privately owned land – as per disclosures above).</p>		<p>The Seller's solicitor has commented: <i>"Given that the property is on a high street and is used as a retail shop by the occupational tenant my client [seller] would have assumed that pedestrian access is not an issue."</i></p>	<p><i>"I revised the documents attached and I confirm that our valuation remains unaffected."</i></p>	<p>No</p>
<p><u>Air-conditioning</u></p> <p>We understand that there is air conditioning in the Security Property, although we have not been provided with any copies of any service reports.</p>		<p>None – advisory only.</p> <p>This would be the responsibility of the occupational tenant.</p>	<p><i>"I revised the documents attached and I confirm that our valuation remains unaffected."</i></p>	<p>No.</p>

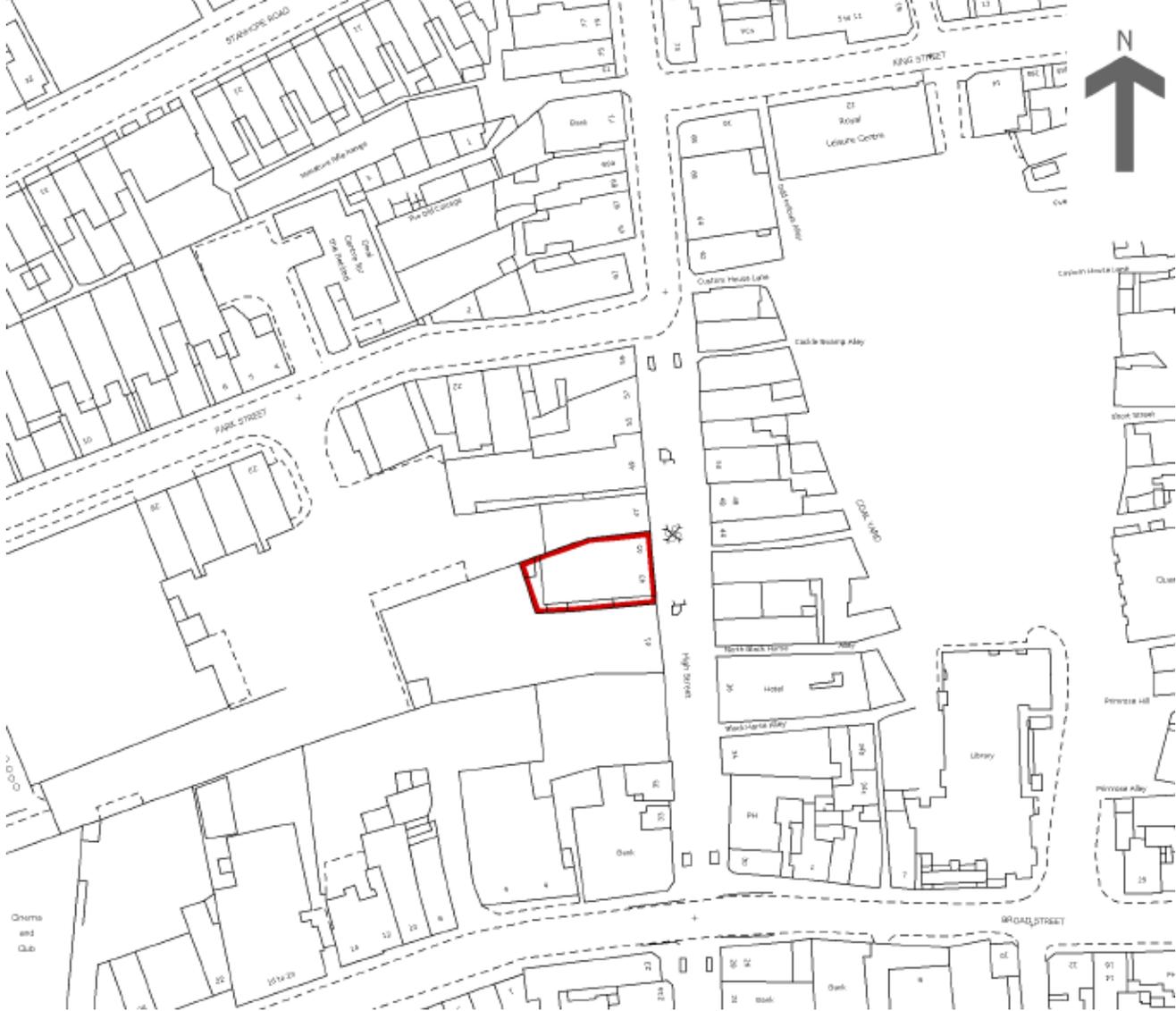
ANNEX
TITLE PLAN(S)

HM Land Registry
Official copy of
title plan

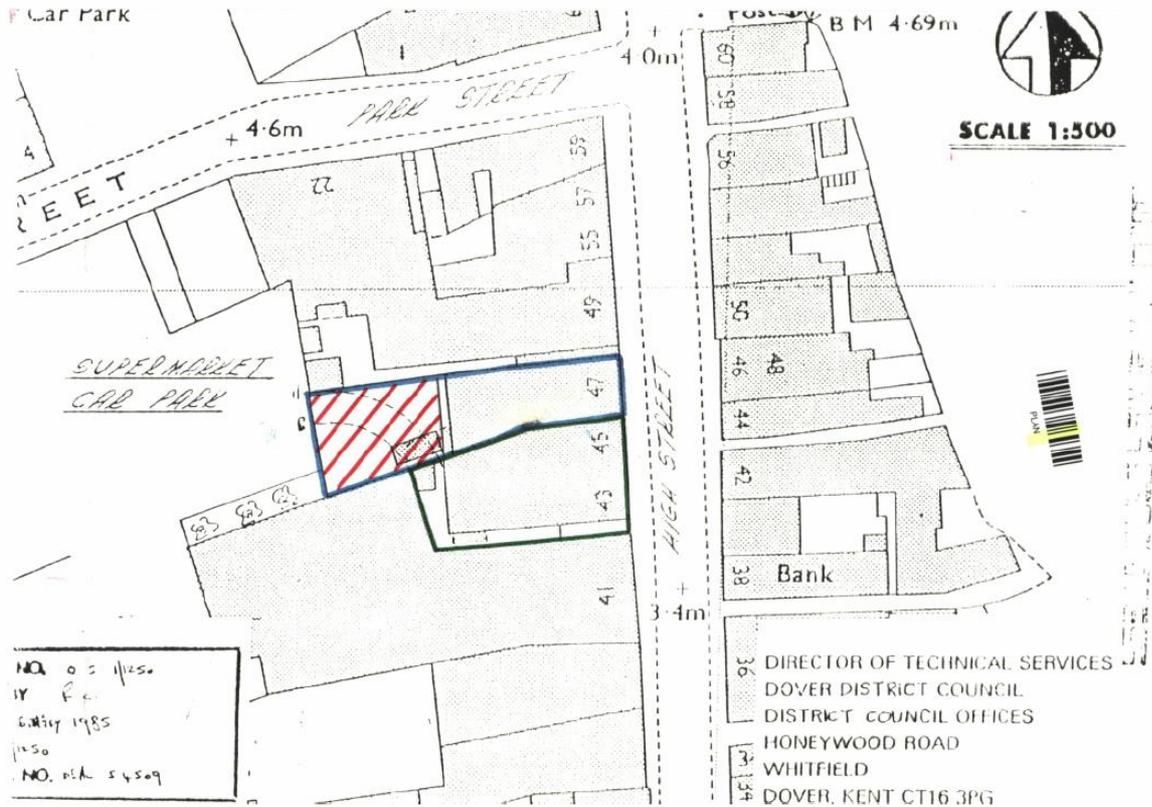
Title number **K182913**
Ordnance Survey map reference **TR3752NE**
Scale **1:1250**
Administrative area **Kent : Dover**



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**Annex B:
Service Yard**



**Annex C:
Car Park**

