

REPORT ON TITLE



NB The image extracted is for illustrative purposes only

REFINANCE – SEPARATE REPRESENTATION

To	Proplend Security Limited (“PSL”)
From	Paris Smith LLP
Borrower	Clavis Group Limited
Company Number	11371006
Property	5 The Green, St Leonards-On-Sea TN38 0SY
Is the Borrower the same as the Owner?	Yes, the Property is already owned by the Borrower
Advance Amount	Gross Loan: £800,000 Amount to be released to Girling Solicitors LLP on completion: £37,702.16
PG Required	Yes, Karen Tyas will be providing a personal guarantee limited to £200,000.

1 TITLE

We certify that the Property is:

Tenure:	Freehold
Title Number:	ESX22892
Class of Title:	Absolute

- a. We certify that the Title to the Property is good and marketable and can be accepted by you as security.

- b. 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.
- c. The Property is registered in the name of the Borrower.
- d. We confirm that the only material **Restrictive Covenants** which affect the Property are set out in the attached Schedule.
- e. We confirm that the only material **Adverse Interests/Rights** affecting the Property are referred to in the Schedule.
- f. No person other than the Borrower has an equitable or overriding interest in the Property save as disclosed in their report.
- g. PSL will obtain a **First Legal Charge** over the Property.
- h. 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 PSL priority beyond the date of completion.
- b. “No Search” Indemnity Policy will be instigated on completion in lieu of Local Authority, Water and Drainage and Chancel Repair Searches.
- c. Clear Bankruptcy Search(es) giving priority beyond the date of completion against the guarantor.

All other appropriate searches have been carried out and, save as referred to below, reveal no entries adverse to PSL’s security.

3 **VALUATION:**

We have read the Valuation Survey Report 22 February 2023 prepared by Strutt & Parker (the “**Valuation**”) and confirm that:-

- a. there are no discrepancies between the Valuation, the title documentation and the results of our searches save as highlighted in this Report.
- b. we are satisfied that PSL will obtain a legal mortgage over the whole of the land shown edged red on the Title Plan and

4 **SECURITY DOCUMENTATION:**

The following security documentation has been properly executed and witnessed (where required) and the originals are held by us.

- a. Legal Mortgage To be dated on completion
- b. Debenture To be dated on completion
- c. Guarantee To be dated on completion
- d. Board Resolution dated 23 February 2023

5 **COMPLETION ARRANGEMENTS**

We now request to 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.

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

We hold an irrevocable undertaking from the Borrower's conveyancer confirming that following completion they will send a completed AP1 in respect of the Purchase of the Property and registration of PSL's Legal Mortgage, 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.

Our banking details are:

Account Name	Paris Smith LLP Client Account
Account Number	3755 9583
Bank	National Westminster Bank
Branch	High Street, Southampton
Sorting Code No	56-00-68
Completion Date	<u>28 February 2023</u>
Reference:	AZC.113022.185

SCHEDULE

RESTRICTIVE COVENANTS/ADVERSE INTERESTS/RIGHTS

The Borrower has confirmed in replies that in respect of the covenants, rights and use impacting the Property they are not aware of any breach.

1. **Title Matters**

(a) **Charges to be redeemed by the Seller's solicitor:**

Title No	Lender	Charge Date
ESX22892	Proplend Security Limited - <i>Legal Charge & Debenture</i>	19 July 2019

(b) **Price Paid**

The price stated to have been paid on:

Title No	Price Paid	Date
ESX22892	£665,000	22 August 2018

(c) **Property Address:**

Please refer to the "Property" on page 1 of this report.

Title Matters affecting the Property		
Date	Document	Comments
4 April 1977	Conveyance (entries A2, C1 & C2)	<p>The land (being the Property) transferred by this conveyance has the benefit of and is subject to such easement and rights as the conveyance had the effect of granting by virtue of s.10(2)(i & ii) of the Leasehold Reform Act 1967:</p> <p><i>(i) to grant with the house and premises</i> <i>all such easements and rights over other property, so far as the landlord is capable of granting them, as are necessary to secure to the tenant as nearly as may be the same rights as at the relevant time were available to him under or by virtue of the tenancy or any agreement collateral thereto, or under or by virtue of any grant, reservation or agreement made on the severance of the house and premises or any part thereof from other property then comprised in the same tenancy; and</i></p> <p><i>(ii) to make the house and premises subject to</i> <i>all such easements and rights for the benefit of other property as are capable of existing in law and are necessary to secure to the person interested in the other property as nearly as may be the same rights as at the relevant time were available against the tenant under or by virtue of the tenancy or any agreement collateral thereto, or under or by virtue of any grant, reservation or agreement made as is mentioned in paragraph (i) above.</i></p>

		<p>The conveyance contains a number of restrictive covenants, which are listed below:</p> <ul style="list-style-type: none"> • At all times hereafter to maintain the boundary fences or walls belonging to the said property • Not to alter the elevation or architectural decorations of the said property nor erect any additional or other building without the previous written consent of the Vendor his successors in title or assigns • Not to use the said premises or any part thereof or permit the same to be used for any purposes which shall or may be or grow to the annoyance grievance damage or disturbance of the Vendor or the neighbours. <p>When the current loan was completed a restrictive covenant indemnity policy was put on risk. This policy remains in place and the limit of indemnity is £1,250,000. We are further advised that the Borrower has not received any correspondence in respect of any alleged breach of the said covenants.</p>
19 July 2019	<p>Lease (entry L1)</p> <p><i>Separately registered under title number ESX40102</i></p>	<p>This entry relates to a lease which granted to KSL Guaranteed Rent Limited (company number: 10278935) on 19 July 2019 for a term from 19 July 2019 until 30 July 2029.</p> <p>KSL Guaranteed Rent Limited was dissolved on 25 January 2023, and there is currently a pending Land Registry application in respect of this leasehold title, which has been lodged by Quantuma (insolvency practitioners). We understand that this is an application to disclaim the lease.</p> <p>Please note that a new lease of the Property is being granted upon completion to Key Property Solutions Guaranteed Ltd, and the terms of that lease are set out in the lease report in section 2, below.</p>

2. Occupational Interests

Prior to or on completion of your loan a new lease of the whole Property will be completed, and details of this lease are set out in the lease report.

Premises	5 The Green, St Leonards-On-Sea TN38 0SY
Original parties	<p>Landlord – Clavis Group Limited</p> <p>Tenant – Key Property Solutions Guaranteed Ltd</p>
Date	To be dated upon completion
Tenant	<p>Key Property Solutions Guaranteed Ltd (company number: 12591793) of King Arthurs Court Maidstone Road, Charing, Ashford, Kent, England TN27 0JS</p> <p><i>Please note that the sole director of the Tenant company is Karen Tyas, the sole director of the Borrower.</i></p>

Term commencement date and expiry date	A term of years from completion to and including 27 February 2031
Break Clause	<p>The Landlord may terminate the Lease at any time by serving a break notice on the Tenant which gives the Tenant not less than 3 months' notice.</p> <p>If the Lease is terminated in accordance with the break clause then the Landlord shall refund, within 14 days, any rent which has been paid for a period after the break date.</p>
Excluded Tenancy	No, the Lease is not being contracted out.
Rent and rent payment dates	<p>£180,000 per annum payable monthly in advance on the 1st of each month.</p> <p><i>Please note that all sums in payable under the Lease are expressed to be exclusive of VAT. So if an option to tax were name then VAT would be charge on the rent. However, the Borrowers Solicitor has confirmed that no option to tax the Property has been made.</i></p>
Rent review dates and date of last review	The rent shall be reviewed on 29 July 2024 and every 4 th anniversary of that date (29 July 2028)
Rent review	The rent will be reviewed on an upward only RPI basis, but the review is subject to a minimum increase of 1% and a maximum increase of 5%.
Forfeiture	
(a) Rent unpaid for 21 days after due.	(a) Yes
(b) Breach of condition.	(b) Yes
(c) Tenant/Guarantor insolvency	(c) Yes
Use and any restrictions on use	Use as a house in multiple occupation (HMO) with planning use within the Town and Country Planning (Use Classes) Order 1987 sui generis as at the date the Lease is granted
Repair and decoration	<p>Repair – The Tenant shall keep the Premises clean, tidy and in good repair and conditions throughout the term.</p> <p>Decoration – The Tenant shall decorate the Premises (interior and exterior) as often as is reasonably necessary and in the last 3 months of the term.</p> <p>All decoration carried out in the last 3 months of the term shall be carried out to the satisfaction of the Landlord using materials, designs and colours approved by the Landlord.</p>
Insurance	<p>The Landlord shall keep the Building insured against a standard list of risk for the reinstatement cost. The Tenant shall pay the Insurance Rent (being the gross costs incurred by the Landlord in insuring the Premises) on demand.</p> <p>If the building is destroyed or damaged by any of the risks that are covered by the Landlord's insurance so as to make the Premises unfit for occupation or use then the rent (or a fair proportion of it) shall be suspended until the Premises have been made fit for occupation and use or until the end of 3 years whichever is sooner.</p> <p>If following damage or destruction of the Premises the Landlord</p>

	<p>considers that it is impossible or impractical to reinstate the Building then it may terminate the Lease by giving notice to the Tenant.</p> <p>If the Building has not been reinstated within 3 years of the damage occurring then the Tenant may terminate the Lease by giving notice to the Landlord.</p> <p>If the Lease is determined in accordance with the insurance provisions then all insurance proceeds shall belong to the Landlord.</p>
<p>Alterations</p> <p>(a) External/structural</p> <p>(b) Internal, non-structural alteration</p>	<p>The Tenant shall not make any external or structural alterations or additions to the Premises or any openings in the boundaries of the Premises.</p> <p>The Tenant may make non-structural alterations or alterations to the Premises or to the service media at the Premises with the prior consent of the Landlord (such consent not to be unreasonably withheld)</p>
<p>Alienation</p>	<p>Assignment - The Tenant shall not assign the whole of the Lease without the consent of the Landlord (such consent not to be unreasonably withheld).</p> <p>When giving consent the Landlord may make this conditional upon:</p> <ul style="list-style-type: none"> • the Tenant providing an AGA; • a person of acceptable standing to the Landlord (acting reasonably) acting as a guarantor for the assignee; <p>Further the Landlord may refuse consent to an assignment if:</p> <ul style="list-style-type: none"> • any annual rent due under the Lease is outstanding; • there is any material breach of covenant; • in the Landlord’s reasonable opinion, the assignee is not of sufficient financial standing to enable it to comply with the tenant covenants and conditions in the Lease; or • the assignee is a group company of the Tenant. <p>Assignment of part of the Lease is prohibited.</p> <p>Underletting – The Tenant may underlet the whole or part of the Property as part of a house in multiple occupation.</p> <p>Charging – The Tenant shall not charge part only of the Lease, and may only charge the whole with the consent of the Landlord (such consent not to be unreasonable withheld)</p> <p>Other Dealings – other than those listed above no other dealing/alienation is permitted</p>
<p>Service Charge</p>	<p>As this is a Lease of the whole of the Property there are no service charge provisions.</p>
<p>Landlord Covenants</p>	<ul style="list-style-type: none"> • Quiet enjoyment; and • Insurance.
<p>Lease registerable? (ie, granted for more than 7 years)</p>	<p>No, the Lease is not registerable as the term is less than 7 years.</p>

3. Searches

Date	Search	Material Matters Revealed
	Local	<p>No Search Indemnity will be implemented on completion by the Borrower's Solicitor acting for the Borrower.</p> <p>Although we have not reviewed the results of a local authority search the Borrower's Solicitor has provided us with the following planning consent HS/FA/18/00958 (dated 7 March 2019) which permitted a change of use of the Property from a Care Home (C2) to a large HMO (Sui Generis).</p> <p>In addition to provide a copy of the decision notice we have also been provided with confirmation that condition 5 (cycle storage) of the above planning permission was discharged on 28 October 2019.</p>
	Water and Drainage	<p>No Search Indemnity will be implemented on completion by the Borrower's Solicitor acting for the Borrower.</p>
20 February 2023	Chancel Repair	<p>This search indicates that the Property is within a tithe district or parish which has no record of a risk of chancel repair liability.</p>
20 February 2023	Environmental	<p>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.</p> <p>Subject to the comments above we would point out that the report has been certified as "Passed" meaning that in the professional opinion of Landmark Information the level of risk associated</p>

		<p>with the information disclosed in the report:</p> <p>(a) is unlikely to have an adverse effect on the value of the Property, and</p> <p>(b) is not such that the Property would be designated "Contaminated Land" within the meaning of Part IIA of the Environmental Protection Act 1990.</p> <p>Aside from the comment regarding contamination the report also reveals that the Property is located in close proximity to an ancient woodland and a local nature reserve.</p>
Information correct as at 22 February 2023	Company	<p>Name: Clavis Group Limited</p> <p>Active: Yes</p> <p>Director(s): 1 - Karen Tyas</p> <p>Secretary: Simon Tyas</p> <p>Shareholders: the single share in the company is held by Karen Tyas</p> <p>PSC: Karen Tyas</p> <p>Purpose: Other letting and operating of own or leased real estate (SIC: 68209)</p> <p>Charges: 2</p> <ul style="list-style-type: none"> • Proplend Charge – 19 July 2019 (charge code: 0357 3059 0016) • Proplend Debenture – 19 July 2019 (charge code: 0357 3059 0017)
Expires: 14 March 2023	Bankruptcy	Clear against Karen Tyas
Expires: 4 April 2023	Land Registry Priority	ESX22892 In favour of Proplend Security Limited
	SRA check	Girling Solicitors LLP (SRA ID: 614527)
	Source of Funds	Not applicable, the new loan being provided by PSL is being used to redeem the existing 2019 loan, no additional funds are required to complete.
26 August 2022	Official Copies	ESX22892

OTHER

4. Buildings Insurance

Insured	Clavis Group Limited
Property	5 The Green, St. Leonards-On-Sea, East Sussex TN38 0SY

Sum Insured	£1,405,109
Reinstatement Figure – Valuation	£800,000
Policy No	VR8293001
Expiry	9 August 2023
Use	Tenanted Property - DSS - Let directly to local authority <i>Although this description is not exactly correct you have confirmed that you are happy with this.</i>
36 Months' Rent	Loss of rent cover up to £1,000,000
PSL Interest Noted	Yes
Copy Policy sent to PSL	Yes.

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

Date	Report	Contents
22 April 2019	EPC	E(54) expires 21 April 2029 <i>Please note that the E rating is the minimum rating permitted by the MEES Regulations.</i>
26 November 2020	Fire Risk Assessment	This assessment gave the Property a “Moderate” risk score and made 8 recommendations We have received confirmation from the Borrowers (via their solicitors) that all fire safety regulations are adhered to and regular checks are made. We are also advised that the next inspection is booked for 26 March 202. This inspection will be undertaken by a company called Fuzion, who we are advised also maintain the fire/smoke alarm system. The Borrower has also confirmed that the Property is regularly inspected by Hastings Council to ensure that the Property complies with HMO standards, and because the council places people in the Property who require emergency housing.
27 February 2023	Asbestos Report	The report has been prepared on the basis that the primary use of the property is residential. The report states that of the areas inspected, there were no locations identified or presumed to contain high risk. It was noted that textured plaster on the 2 nd floor bathroom ceiling contained asbestos. Asbestos had also been located in the textured plaster ceiling on the landing and stairwell on the 2 nd floor. Recommendations to manage and annually re-inspect were made for both areas.
21 June 2019	HMO Licence (Ref: WK/201900355)	The HMO Licence permits the Property to be occupied by a maximum of 15 occupants and the

		<p>maximum number of households permitted is 11.</p> <p>The HMO Licence is valid from 9 April 2019 until 8 April 2024 and the licence holder and manager is listed as Karen Tyas of Key Property Solutions Guaranteed Ltd (the tenant under the new lease)</p>
23 April 2019	Electrical Installation Condition Report	<p>This report confirms that at the time of the inspection the electrical installations at the Property were in a satisfactory condition, although it did make some recommendations.</p> <p>This report also suggests that a further inspection be undertaken after an interval of not more than 5 year (2024)</p>
20 June 2022	Gas Installation/Safety Record	This report states that at the time of the inspection the gas boiler was in a satisfactory condition. The report does not refer to any other gas appliances within the Property.

6. Identification Documents

Name	List A ID	Date/Expiry	List B ID (POA)	Date/Expiry
Karen Tyas	Passport	13 May 2032	Water Bill	18 October 2022
	Driving Licence	13 June 2025		

7. Valuation – Material Matters

Date	22 February 2023
Market Value	<p>£1,250,000 – current tenancies</p> <p>£850,000 – vacant possession</p> <p>£750,000 – with planning consent (£3,125,000 – GDV)</p>
Reinstatement	£800,000
Property	5 The Green, St Leonards-on-Sea, East Sussex TN38 0SY
Use	HMO
Tenure	Freehold
Other	<p>Title – The Property is freehold and registered under title number ESX22892, please refer to section 1(c) of the Schedule for further details about the title.</p> <p>Planning Situation – The Property has planning permission to be used as a large HMO (Sui Generis) and the Tenant holds a valid HMO licence, please refers to sections 3 & 5 of the Schedule for further details.</p> <p>In relation to the ongoing planning application (ref: HS/FA/22/00264) this is still pending, but if granted would permit the Demolition of existing outbuilding and proposed extension with associated parking and landscaping. Change of use from HMO (Sui Generis) to 11 flats (C3). Should this planning permission be granted we understand that this will not be implemented while PSL have security over the Property.</p>

	Tenancy & Rental Income – Prior to or upon completion the Property will be let to Key Property Solutions Guaranteed Ltd, please refer to the lease report in section 2 of the Schedule
--	---

Indemnity Policies to be put into place on completion
No Search Indemnity Insurance – £1,250,000 limit of indemnity
Indemnity Policies already in place
Restrictive Covenant Indemnity Insurance – £1,250,000 limit of indemnity

Signed by:	
Signature Name:	Alexander Cheele
Position:	Associate
Authorised to sign for and on behalf of:	Paris Smith LLP
Date:	27 February 2023

Title Plan - ESX22892

HM Land Registry
Official copy of
title plan

Title number **ESX22892**
Ordnance Survey map reference **TQ7910SE**
Scale **1:1250**
Administrative area **East Sussex : Hastings**



© Crown copyright and database rights 2020 Ordnance Survey 100026316. You are not permitted to copy, sub-license, distribute or sell any of this data to third parties in any form.

