

## **REPORT ON TITLE**

TO: Proplend Security Limited

FROM: Paris Smith LLP

FULL NAME OF BORROWER: Brocton Group Limited

COMPANY NUMBER (if appropriate): 10691799

DESCRIPTION OF PROPERTY: 115-120 and 126 Stafford Street Walsall WS2 8EX

IS BORROWER THE SAME AS OWNER? Yes on completion

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 number (if registered) or if not confirm whether it is unregistered and/or subject to first registration:	WM373943 and SF48919
Class of title (if registered):	Title 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 Plan (or in the case of a property that is not registered, a plan) 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. We confirm that the only 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. Proplend Security Limited will obtain a First Legal Charge over the property.

2. SEARCHES: We confirm we hold:-

- a. Clear Land Registry Search giving Proplend Security Limited priority beyond the date of completion.
- b. Local Authority Search no older than four months prior to the date of completion of the charge revealing no Entries which might adversely affect Proplend Security Limited's security.
- c. Bankruptcy Search giving Proplend Security Limited 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 Proplend Security Limited's security.

3. VALUATION:

We have read the Valuation Survey Report dated 29 December 2017 prepared by PLP Property Consultants who have confirmed that the Report can be relied upon and confirm that:-

- i) there are no discrepancies between the report, the title documentation and the results of our searches.
- ii) we are satisfied that Proplend Security Limited will obtain a legal mortgage over the whole of the land shown edged red on the Title Plan

4. PURCHASE CONTRACT:

- i. Purchase Price: £410,000
  - a. Property: £410,000
  - b. Fixtures and Fittings: £N/A

5. SECURITY DOCUMENTATION:

The following security documentation has been properly executed and witnessed and is held by ourselves. (Please delete if not applicable).

- a. Legal Charge                      The Legal Charge will be dated upon completion
- b. Debenture                              The Debenture will be dated upon completion
- c. Guarantee                              The Guarantee will be dated upon completion

6. COMPLETION ARRANGEMENTS

We now request you to pay to us the Advance Amount and undertake that if you pay to us the said sum and we shall use the same only to effect the remortgage of the Property by the Borrower.

We confirm we hold an irrevocable undertaking from a firm of solicitors that following completion they will send a completed AP1 in respect of the remortgage of the Property and registration of Proplend Security Limited's Charge, any necessary supporting documentation, and any title documents that are received from the Seller's solicitors.

Our banking details are:

Account Name: Paris Smith LLP Client Account  
Account Number: 37559583  
Bank: National Westminster Bank plc  
Branch: 12 High Street Southampton  
Sorting Code No: 56-00-68  
Completion date:

## **SCHEDULE**

### **RESTRICTIVE COVENANTS**

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

#### **Title Number WM373943 (115-120 Stafford Street Walsall)**

There are no restrictive covenants but please refer to the Schedule of Adverse Interests below to the bankruptcy and other interests registered against the title.

#### **Title Number SF48919 (126 Stafford Street Walsall)**

There is a provision in a Conveyance dated 15 May 1944 that the adjoining properties can be dealt with and developed in any way even if this interferes with the rights of light and air to the Property.

The Conveyance also includes a right for the adjoining property to use water and soil through any sewers, drains and watercourses on the Property which is not considered to be onerous.

### **ADVERSE INTERESTS**

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

- 1 As indicated above, there are a number of bankruptcy and other entries registered against both titles. The sale is by a receiver appointed by Lloyds Bank Plc who have charges against both properties in respect of their charge dated 1 October 2014.
- 2 There are subsequent charges and charging orders in favour of Midland Provincial Finance Limited, Nationwide Building Society and Amicus Finance Plc all of which will be overreached by the sale.
- 3 There are then bankruptcy notices registered against both properties. We have asked for confirmation that the Trustee in Bankruptcy has consented to the sale and the Borrower's solicitors have produced an email from the Seller's solicitors confirming that the Trustee contacted the Seller on 16 October for an update in relation to the properties. On the same day it was confirmed to the Trustee that the sale had exchanged and that there would be a shortfall, and that there would be no funds available for distribution. Again, the Seller contacted the Trustee on 27 November to respond to further queries raised in response to their previous email and nothing further has been heard from the Trustee.
- 4 Reference is made to the plan to Title WM373943 and it will be seen that part of the buildings appear to protrude outside of the registered title on to what we assume is public highway. We have raised this with the Borrower's solicitors who have agreed that the indemnity policy in respect of chancel repair will be amended to include any liability for such part of the building that protrudes onto public highway, and this will be for the amount of the value of the Property £820,000.
- 5 Under the terms of the Contract for Purchase, the Borrower has a Licence to Occupy the Property which expires on 14 January 2018. We have asked for confirmation that there have been no breaches of the terms of that Licence and it has not been terminated and the Borrower's solicitors say that there have been no breaches.
- 6 Reference is made to the Lease Reports for the Leases of 126 Stafford Street and 115-120 Stafford Street.

In addition, it appears that the Borrower has granted 5 year leases of the garage forecourt at the rear of 126 Stafford Street for a car forecourt service and Units A, B and C at the rear of 117 Stafford Street for storage. These leases are in some doubt at present as they are granted by Brocton Group Limited when it has no interest in the Property other than a Licence to Occupy. At best, these should be considered to be Agreements for Lease at this stage although they may well be converted into formal leases once Brocton Group Limited completes its purchase.

In view of the unsatisfactory nature of this, it has now been agreed that there will be surrenders of those Leases granted by the Borrower. There will be a new Head Lease to DCB Accommodation Limited and then Sub Leases, and Reports have been prepared in relation to the new Leases which will be in place on completion.

- 7 The Borrower's solicitors have provided a Mining Search in respect of stone mining in the area. This indicates the Property is acceptably free from stone mining risk. There are 3 old wells and an old pump recorded to lie within the Property. Whilst not considered to be related to stone mining, the wells and pump could present a settlement or subsidence risk and they recommend that further action be taken in the form of a visual inspection for visible defects and signs of related settlement or subsidence effects.

There are no recorded stone mine entries within 20m of the Property. An area of poorly documented underground limestone workings is recorded to extend "well past St Peters Church", which is located approximately 120m to the south of the Property.

The Property is recorded to lie within minerals safeguarding areas for limestone, sand and gravel.

No further information or investigations have been undertaken, and if there are any concerns in this respect the matter should be referred to the Valuer for further comment.

- 8 The Borrower's solicitors have confirmed that the recommendations in the Fire Risk Assessment Report were reviewed by the Fire Officer in November 2017 and he confirmed that he was happy with the precautions that had been recommended.

It appears that there is no Asbestos Risk Assessment Report. This is something that should be provided within a specified period of time after completion in view of the nature of the occupants of the building.

- 9 The Property appears to have a potential chancel liability. There is also reference on one of the titles to Glebe land which is an indication of previous church ownership. We have requested an indemnity policy and confirmation that the entries on the title have been disclosed to the insurance providers. The Borrower's solicitors will put on risk a policy for the value of the Property.

- 10 The Borrower's solicitors have produced copies of the planning permissions registered with the local authority. In respect of 115-120 Stafford Street, there were planning applications in 1995 to incorporate the ground floor front rooms into existing dwellings with normal conditions subject to the properties being used only as houses in multiple occupation and not to be occupied by anybody under the age of 16. Prior to that, there appears to have been a variety of uses in relation to office, shop and manufacturing. In 1995, consent for change of use for first floor residential occupation at 120 Stafford Street was granted providing additional bedroom, communal sanitary facilities and fire escape to the adjoining hostel at 118-119 Stafford Street.

What is not clear, however, is that in January 2000 consent was granted for ground floor shutters to the front elevation of 115-120 Stafford Street which would seem unusual for

a hostel and then in 2005, consent was granted for Units A-C at the rear of 115-120 Stafford Street for a change of use to a music rehearsal room.

The current use of these premises are as a hostel although as will be noted above, there has been a Lease or Agreement for Lease for Units A, B and C to be used as storage none of which would comply with the current planning consents.

With regard to 126 Stafford Street, consent was granted in 2005 for a change of use to bed and breakfast accommodation with normal restrictions.

We have raised these matters with the Borrower's solicitors who say that their clients have confirmed that 118-119 Stafford Street has been used as a hostel for in excess of 40 years. In 2005 Planning Permission was obtained to turn 126 Stafford Street into bed and breakfast accommodation. It has been used as a hostel since then.

115, 116 and 117 Stafford Street have been used as a hostel (Stage 2 Living Flats) since January 2013.

The other uses, as a forecourt, etc, do not appear to be authorised. The Borrower has approached the Local Authority to ask for further information, but they have confirmed that the only information they have is as set out above. If these uses have been in place for 118, 119 and 126 Stafford Street, then an application for a Certificate of Lawful Use could be applied for in the future. In respect of 115, 116 and 117 Stafford Street, that has only been used as a hostel since 2013, and this matter should be referred to the Valuer for comment.

- 11 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 complied 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 "Passed" meaning that in the professional opinion of Landmark 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.

The report states that there is no significant contaminant linkage and accordingly soil and groundwater liabilities are unlikely to occur.

There is a low to moderate risk of flooding and no further action is considered necessary and there is a recommendation that flood defences might improve the position.

There is also revealed a potential risk of mining and mining instability.

- 12 The Valuer has raised some issues, which we have put to the Borrower's solicitors as follows:-
  - 12.1 The Borrower confirms there have been no recent repairs or extensions at the Property.
  - 12.2 The Borrower confirms the Property has not been flooded to the best of their knowledge. A Director of the Borrower has known the Property for approaching 40 years.
  - 12.3 Although there is reference to advertising areas at the Property, they are not currently let. They were previously let on a licence fee of around £3,500 per annum and new arrangements will be put in place once the Borrower is in situ.

Signed by:

Signature:

A handwritten signature in black ink that reads "Nick Vaughan". The signature is written in a cursive style with a comma at the end.

Name: Nick Vaughan

Position: Senior LLP Partner

authorised to sign for and on behalf of **Paris Smith LLP**

Date: 17 January 2018

# H.M. LAND REGISTRY

TITLE NUMBER

## WM 373943

ORDNANCE SURVEY  
PLAN REFERENCE

COUNTY SHEET  
WEST MIDLANDS

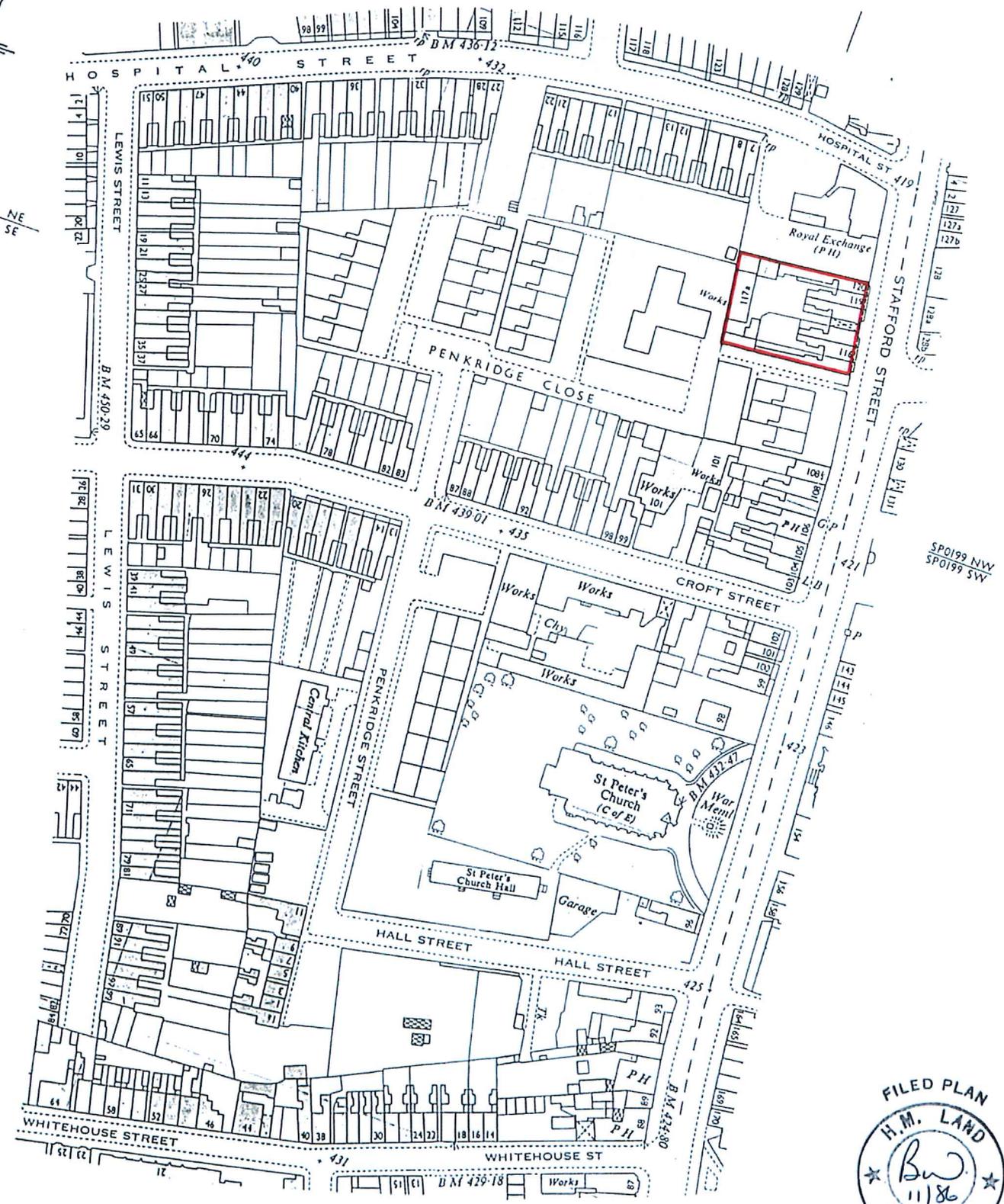
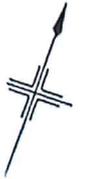
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SP0099

SECTION  
N

Scale: 1/1250

WALSALL DISTRICT

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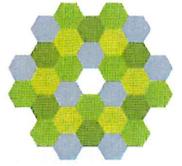


SP0199 NW  
SP0199 SW



Land Registry  
Official copy of  
title plan

Title number **SF48919**  
Ordnance Survey map reference **SP0199NW**  
Scale **1:1250**  
Administrative area **West Midlands : Walsall**



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