

LETTINGS REPORT

To: Proplend Security Limited
Customer(s): Empyrean Gourley Limited
Property: 718-722 Seven Sisters London N15 5NE

| | |
|----|---|
| 1. | Landlord's name and address: Empyrean Gourley Limited |
| 2. | Tenant's name and address: Malene Odderhede Bach Ltd of Bernard Works Bernard Road London N15 4NE |
| 3. | Guarantor of Tenant (if applicable): None |
| 4. | Term and Commencement Date: 1 February 2018 to 31 January 2021 |
| 5. | Rent Provisions Current Rent: £73,068 per annum Premium/inducements: None. Value Added Tax liability: The Lease is subject to payment of VAT on any sums due. Rent Review Dates and Cycle/Breakage Clause: There is no rent review provision. There is no break clause. Rent Review, Basis of Valuation: Not applicable. Service Charges (if applicable): None. |
| 6. | Use of premises: Is for any use which falls under Planning Use Classes B1 and/or B2 Restrictions on change of use: There are no provisions with regard to user that would permit a change of use. |
| 7. | Repairing/Maintaining Obligations: The Tenant is required to keep the premises clean and tidy, and repair, maintain, cleanse and keep the premise in good and substantial repair and condition throughout the term. The Tenant's obligation extends to rebuilding, reinstating or replacing the premises if necessary |
| 8. | Alienation (i.e. right to assign, sub-let): Assignment of part is prohibited. Assignment of the whole is permitted with the Landlord's consent which cannot be unreasonably withheld. In giving the consent the Landlord can require the Tenant to enter in to an AGA, and can require the proposed assignee to provide a guarantor of acceptable standing. There are also provisions which allow the Landlord to refuse consent to an assignment (rent outstanding, breach of tenant covenant, assignee not of sufficient standing, the assignee is a group company) Underletting of part is prohibited. Underletting of the whole is permitted with the Landlord's consent which cannot be unreasonably withheld. The clauses dealing with Underlettings contain all the provision which we would want to see in a commercial lease. All Underlettings must be excluded from the Landlord and Tenant Act Charging of the whole is permitted with the consent of the Landlord which cannot be unreasonably withheld. |

9. **Insurance Provisions:** The Landlord will insure the premises against the Insured Risks. If the Landlord considers it impossible or impractical to reinstate the premises, or if reinstatement is frustrated, then the Landlord can terminate the lease and all proceeds of the insurance shall belong to the Landlord.

In the event that the premises is partially or totally destroyed by an Insured Risk so as to make the premise unfit for occupation and use then the rents

10. **Landlord's obligations:**

- Quiet enjoyment;
- To keep the structure, roof, foundations, exterior and load bearing walls and the windows and doors in the exterior and load bearing walls in repair; and
- To insure.

11. **Effect of Bank enforcing security:** There are no restrictions on the Bank enforcing security under the terms of the Licence, but they will be subject to the terms of the Lease.

12. **Forfeiture and re-entry:**

- Rent unpaid for 21 days;
- Tenant is in breach of obligations;
- Tenant becomes bankrupt or enters into liquidation or has a receiver or administrative receiver appointed or the Tenant enters into competition with its creditors.

13. Please advise/comment in respect of the following:

Assumptions and Disregards Summary: Not applicable.

Unusual/Onerous Provisions (including any mentioned above): None, other than as referred to above. The Lease is considered not an institutional type lease and is in favour of the Tenant.

Effect of matters reported above and recommended steps the Bank should take to protect its position: None

Part II Landlord and Tenant Act 1954: The lease is excluded.

14. We confirm that subject to the above:

The Lease is a full repairing and insuring Lease but is not an institutional type Lease.

Your Customer has advised us that the Tenant (i) is not in breach of any of its obligations under the Lease to pay the rent or other sums due and (ii) is not in dispute with the Landlord; and

Subject to 13 above, the Lease is considered to be satisfactory for secured lending and there are no provisions in the Lease which could materially affect the value of the Property.

We acknowledge that you are relying on this Report and are entitled so to rely in connection with security for facilities provided to your Customer(s).

Signed by:

Signature:

A handwritten signature in black ink that reads "Nick Vaughan". The signature is written in a cursive style with a horizontal line under the name.

Name: Nick Vaughan

Position: Senior LLP Partner

authorised to sign for and on behalf of **PARIS SMITH LLP**

Date: 8 June 2018

Address of Firm: Number 1 London Road
Southampton
Hampshire SO15 2AE

Notes: (1) When space is insufficient please continue on a separate sheet of paper referring to the relevant paragraph.

LETTINGS REPORT
(Assured Shorthold Tenancies)

To: Proplend Security Limited
Customer(s): Empyrean Gourley Limited
Property: 8 Gourley Place Seven Sisters London N15 5NF

1. **Landlord's name and address:** The Landlord is described as Andrew Charles & Co Estate Agents Limited, who are the Agents for the Borrower. We are advised that no issues have been raised by the Tenant but the Tenant has signed a letter confirming that their landlord is the Borrower.

2. **Tenant's name and address:** Caroline Smith of 8 Gourley Place Seven Sisters London N15 5NF

3. **Guarantor of Tenant (if applicable):** N/A

4. **Date of tenancy agreement:** Undated, but assumed to be the commencement date of 1 December 2017.

5. **Tenancy agreement in standard AST form:** Yes, save as to the name of the Landlord.
If no, provide details:

6. **Headline terms**

Start date: 1 December 2017

Term: 12 months expiring on 30 November 2018.

Rent: £850 per calendar month.

Break option (if any): Landlord can serve notice of its intention to market the Property for sale and not more than 4 months after service of the notice, the Landlord can serve a break notice of at least 2 months from the date of service providing evidence that the Property is genuinely on the market for sale.

The Landlord and Tenant may terminate the Agreement at any date after 6 months from the commencement of the tenancy on giving not less than 2 months' notice.

7. **Deposit arrangements:** The deposit is expressed to be held under a recognised tenancy deposit scheme.

8. **Have any notices been served to bring the tenancy to an end?** The Borrower's solicitors say no.

9. **Effect of Bank enforcing security:** The Bank will take subject to the terms of the AST.

10. **Right of forfeiture and re-entry:**

- Rent in arrears for 14 days;
- Breach of Tenant's covenants;
- Tenant becomes bankrupt.

11. **Please advise/comment in respect of the following:**

Unusual/onerous provisions (including any mentioned above): None other than the name of the Landlord.

Effect of matters reported above and recommended steps the Bank should take to protect its position: None

12. We confirm that:

the tenancy agreement is in standard form; and

your Customer has advised us that the Tenant (i) is not in breach of any of its obligations under the tenancy agreement to pay rent or other sums due and (ii) is not in dispute with the Landlord

We acknowledge that you are relying on this Report and are entitled so to rely in connection with security for facilities provided to your Customer(s).

Signed by:

Signature:



Name: Nick Vaughan

Position: Senior LLP Partner

authorised to sign for and on behalf of **PARIS SMITH LLP**

Date: 8 June 2018

Address of Firm: Number 1 London Road

Southampton
Hampshire SO15 2AE

LETTINGS REPORT
(Assured Shorthold Tenancies)

To: Proplend Security Limited
Customer(s): Empyrean Gourley Limited
Property: 714 Seven Sisters Road Tottenham London N15 5NE

1. **Landlord's name and address:** The Landlord is described as Andrew Charles & Co Estate Agents Limited, who are the Agents for the Borrower. We are advised that no issues have been raised by the Tenant but the Tenant has signed a letter confirming that their landlord is the Borrower.

2. **Tenant's name and address:** Kinga Glowczyk and Piotr Glowczyk of 714 Seven Sisters Road London N15 5NE

3. **Guarantor of Tenant (if applicable):** N/A

4. **Date of tenancy agreement:** 7 January 2017

5. **Tenancy agreement in standard AST form:** Yes. The latest tenancy extends the previous tenancy agreement.

If no, provide details:

6. **Headline terms**

Start date: 10 January 2016

Term: Term of years expiring on 9 January 2018. It is assumed that the Tenant is holding over.

Rent: £950 per calendar month.

Break option (if any): Landlord can serve notice of its intention to market the Property for sale and not more than 4 months after service of the notice, the Landlord can serve a break notice of at least 2 months from the date of service providing evidence that the Property is genuinely on the market for sale.

The Landlord and Tenant may terminate the Agreement at any date after 6 months from the commencement of the tenancy on giving not less than 2 months' notice.

7. **Deposit arrangements:** The deposit is expressed to be held in a recognised tenancy deposit scheme.

8. **Have any notices been served to bring the tenancy to an end?** The Borrower's solicitors say no.

9. **Effect of Bank enforcing security:** The Bank will take subject to the terms of the AST.

10. **Right of forfeiture and re-entry:**

- Rent in arrears for 14 days;
- Breach of Tenant's covenants;
- Tenant becomes bankrupt.

11. **Please advise/comment in respect of the following:**

Unusual/onerous provisions (including any mentioned above): None other than the name of the Landlord.

Effect of matters reported above and recommended steps the Bank should take to protect its position: None

12. We confirm that:

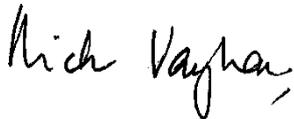
the tenancy agreement is in standard form; and

your Customer has advised us that the Tenant (i) is not in breach of any of its obligations under the tenancy agreement to pay rent or other sums due and (ii) is not in dispute with the Landlord

We acknowledge that you are relying on this Report and are entitled so to rely in connection with security for facilities provided to your Customer(s).

Signed by:

Signature:



Name: Nick Vaughan

Position: Senior LLP Partner

authorised to sign for and on behalf of **PARIS SMITH LLP**

Date: 8 June 2018

Address of Firm:

Number 1 London Road
Southampton
Hampshire SO15 2AE

LETTINGS REPORT
(Assured Shorthold Tenancies)

To: Proplend Security Limited

Customer(s): Empyrean Gourley Limited

Property: 714a Seven Sisters Road Tottenham London N15 5NE

1. **Landlord's name and address:** The Landlord is described as Andrew Charles & Co Estate Agents Limited, who are the Agents for the Borrower. We are advised that no issues have been raised by the Tenant but the Tenant has signed a letter confirming that their landlord is the Borrower.

2. **Tenant's name and address:** Kristine Mutu of 714a Seven Sisters Road London N15 5NE

3. **Guarantor of Tenant (if applicable):** N/A

4. **Date of tenancy agreement:** Undated, but assumed to be 23 June 2017 when rent commenced.

5. **Tenancy agreement in standard AST form:** Yes, save as to the name of the Landlord
If no, provide details:

6. **Headline terms**

Start date: 23 June 2017

Term: 23 June 2017 to 22 June 2020

Rent: £7,200 per quarter

Break option (if any): Landlord can serve notice of its intention to market the Property for sale and not more than 4 months after service of the notice, the Landlord can serve a break notice of at least 2 months from the date of service providing evidence that the Property is genuinely on the market for sale.

The Landlord and Tenant may terminate the Agreement at any date after 6 months from the commencement of the tenancy on giving not less than 2 months' notice.

7. **Deposit arrangements:** The deposit is expressed to be held in a recognised tenancy deposit scheme.

8. **Have any notices been served to bring the tenancy to an end?** The Borrower's solicitors say no.

9. **Effect of Bank enforcing security:** The Bank will take subject to the terms of the AST.

10. **Right of forfeiture and re-entry:**

- Rent in arrears for 14 days;
- Breach of Tenant's covenants;
- Tenant becomes bankrupt.

11. **Please advise/comment in respect of the following:**

Unusual/onerous provisions (including any mentioned above): None other than the name of the Landlord.

Effect of matters reported above and recommended steps the Bank should take to protect its position: None

12. We confirm that:

the tenancy agreement is in standard form; and

your Customer has advised us that the Tenant (i) is not in breach of any of its obligations under the tenancy agreement to pay rent or other sums due and (ii) is not in dispute with the Landlord

We acknowledge that you are relying on this Report and are entitled so to rely in connection with security for facilities provided to your Customer(s).

Signed by:

Signature:



Name: Nick Vaughan

Position: Senior LLP Partner

authorised to sign for and on behalf of **PARIS SMITH LLP**

Date: 8 June 2018

Address of Firm: Number 1 London Road

Southampton
Hampshire SO15 2AE

LETTINGS REPORT

To: Proplend Security Limited

Customer(s): Empyrean Gourley Limited

Property: Ground Floor 716 Seven Sisters Road Seven Sisters London N15 5NE

| | |
|----|---|
| 1. | Landlord's name and address: Empyrean Gourley Limited |
| 2. | Tenant's name and address: West Point Plumbing & Heating Limited |
| 3. | Guarantor of Tenant (if applicable): None |
| 4. | Term and Commencement Date: 5 years from and including 6 June 2017 |
| 5. | Rent Provisions Current Rent: £1,100 per calendar month Premium/inducements: None. Value Added Tax liability: There is no provision in the Lease for payment of VAT. Rent Review Dates and Cycle/Breakage Clause: There is no rent review. The rent automatically increases to £1,200 per calendar month 30 months after 6 June 2017. The Landlord may determine the Lease at any time after 30 months by giving 6 months' previous notice in writing. The Tenant can determine the Lease at any time after 30 months by giving 6 months' notice in writing. Rent Review, Basis of Valuation: Not applicable. Service Charges (if applicable): There is no provision for payment of a full service charge. The Tenant is to pay 60% or other proportion determined by the Landlord of the amount that the Landlord expends in maintaining and repairing the roof of the building. There are no provisions in the Lease relating to service of demands, payment on account, etc. |
| 6. | Use of premises: Retail use within Class A1. Restrictions on change of use: There is no provision to change the use. |
| 7. | Repairing/Maintaining Obligations: It is assumed that the Tenant is liable for repair of the whole of the building including the foundations and structural parts. The Landlord is liable for maintenance of the roof subject to receiving 60% of the costs from the Tenant. |
| 8. | Alienation (i.e. right to assign, sub-let): The Tenant may not assign, transfer, charge, underlet, share or part with possession or occupation of the whole or any part of the premises. |
| 9. | Insurance Provisions: To insure against normal risks in full reinstatement value. The rent will be suspended whilst the premises remain unoccupied. There is no provision for the Lease to be terminated if the premises cannot be reinstated. |

| | |
|-----|--|
| 10. | <p>Landlord's obligations:</p> <ul style="list-style-type: none"> • To maintain the roof; • To insure; • Quiet enjoyment. |
| 11. | <p>Effect of Bank enforcing security: There are no restrictions on the Bank enforcing security under the terms of the Lease, but they will be subject to the terms of the Lease.</p> |
| 12. | <p>Forfeiture and re-entry:</p> <ul style="list-style-type: none"> • Rent unpaid for 7 days; • Breach of covenant; • Commits an act of insolvency. |
| 13. | <p>Please advise/comment in respect of the following:</p> <p>Assumptions and Disregards Summary: Not applicable.</p> <p>Unusual/Onerous Provisions (including any mentioned above): None, other than as referred to above. The Lease is considered not an institutional type lease and is in favour of the Tenant.</p> <p>Effect of matters reported above and recommended steps the Bank should take to protect its position: None.</p> <p>Part II Landlord and Tenant Act 1954: The tenancy is excluded.</p> |
| 14. | <p>We confirm that subject to the above:</p> <p>The Lease is a full repairing and insuring Lease but is not an institutional type Lease.</p> <p>Your Customer has advised us that the Tenant (i) is not in breach of any of its obligations under the Lease to pay the rent or other sums due and (ii) is not in dispute with the Landlord; and</p> <p>Subject to 13 above, the Lease is considered to be satisfactory for secured lending and there are no provisions in the Lease which could materially affect the value of the Property.</p> |

We acknowledge that you are relying on this Report and are entitled so to rely in connection with security for facilities provided to your Customer(s).

Signed by:

Signature:



Name: Nick Vaughan

Position: Senior LLP Partner

authorised to sign for and on behalf of **PARIS SMITH LLP**

Date: 8 June 2018

Address of Firm: Number 1 London Road
Southampton

Hampshire SO15 2AE

Notes: (1) When space is insufficient please continue on a separate sheet of paper referring to the relevant paragraph.

LETTINGS REPORT
(Assured Shorthold Tenancies)

To: Proplend Security Limited

Customer(s): Empyrean Gourley Limited

Property: 716a Seven Sisters Road Tottenham London N15 5NE

1. **Landlord's name and address:** Nicholas Charalambous, who is a director of the Borrower. We are advised that no issues have been raised by the Tenant but the Tenant has signed a letter confirming that their landlord is the Borrower.

2. **Tenant's name and address:** Bol Thour of 716a Seven Sisters Road London N15 5NE

3. **Guarantor of Tenant (if applicable):** N/A

4. **Date of tenancy agreement:** 13 March 2014

5. **Tenancy agreement in standard AST form:** Yes, save as to the name of the Landlord.
If no, provide details:

6. **Headline terms**

Start date: 22 March 2014

Term: 12 months to 21 March 2015. It is assumed that the Tenant is holding over.

Rent: £740 per 4 weeks.

Break option (if any): None.

7. **Deposit arrangements:** The deposit is expressed to be held under a recognised tenancy deposit scheme.

8. **Have any notices been served to bring the tenancy to an end?** The Borrower's solicitors say no.

9. **Effect of Bank enforcing security:** The Bank will take subject to the terms of the AST.

10. **Right of forfeiture and re-entry:**

- Rent in arrears for 14 days;
- Breach of Tenant's covenants;
- Tenant becomes bankrupt.

11. **Please advise/comment in respect of the following:**

Unusual/onerous provisions (including any mentioned above): None other than the name of the Landlord.

Effect of matters reported above and recommended steps the Bank should take to protect its position: None

12. We confirm that:

the tenancy agreement is in standard form; and

your Customer has advised us that the Tenant (i) is not in breach of any of its obligations under the tenancy agreement to pay rent or other sums due and (ii) is not in dispute with the Landlord

We acknowledge that you are relying on this Report and are entitled so to rely in connection with security for facilities provided to your Customer(s).

Signed by:

Signature:



Name: Nick Vaughan

Position: Senior LLP Partner

authorised to sign for and on behalf of **PARIS SMITH LLP**

Date: 8 June 2018

Address of Firm: Number 1 London Road
Southampton
Hampshire SO15 2AE

LETTINGS REPORT
(Assured Shorthold Tenancies)

To: Proplend Security Limited

Customer(s): Empyrean Gourley Limited

Property: 716b Seven Sisters Road Tottenham London N15 5NE

1. **Landlord's name and address:** Nicholas Charalambous, who is a director of the Borrower. We are advised that no issues have been raised by the Tenant but the Tenant has signed a letter confirming that their landlord is the Borrower.

2. **Tenant's name and address:** Huseyin Senlik of 716b Seven Sisters Road London N15 5NE

3. **Guarantor of Tenant (if applicable):** N/A

4. **Date of tenancy agreement:** Undated but assumed to commence on the term commencement date of 16 November 2011.

5. **Tenancy agreement in standard AST form:** Yes, save as to the name of the Landlord.
If no, provide details:

6. **Headline terms**

Start date: 16 November 2011

Term: 12 months ending 15 November 2012. We have asked the Borrower's solicitors to confirm that the terms remain the same and that the Tenant is holding over on the same rent.

Rent: £758.33 per calendar month.

Break option (if any): Either party may terminate the tenancy at any time after 6 months by giving at least 2 months' written notice to end on a rent due date.

7. **Deposit arrangements:** The deposit is expressed to be held under a recognised tenancy deposit scheme.

8. **Have any notices been served to bring the tenancy to an end?** The Borrower's solicitors say no.

9. **Effect of Bank enforcing security:** The Bank will take subject to the terms of the AST.

10. **Right of forfeiture and re-entry:**

- Rent in arrears for 21 days;
- Breach of Tenant's covenants;
- Tenant becomes bankrupt.

11. **Please advise/comment in respect of the following:**

Unusual/onerous provisions (including any mentioned above): None other than the name of the Landlord.

Effect of matters reported above and recommended steps the Bank should take to protect its position: None

12. We confirm that:

the tenancy agreement is in standard form; and

your Customer has advised us that the Tenant (i) is not in breach of any of its obligations under the tenancy agreement to pay rent or other sums due and (ii) is not in dispute with the Landlord

We acknowledge that you are relying on this Report and are entitled so to rely in connection with security for facilities provided to your Customer(s).

Signed by:

Signature:



Name: Nick Vaughan

Position: Senior LLP Partner

authorised to sign for and on behalf of **PARIS SMITH LLP**

Date: 8 June 2018

Address of Firm: Number 1 London Road
Southampton
Hampshire SO15 2AE

REPORT ON TITLE

TO: Proplend Security Limited

FROM: Paris Smith LLP

FULL NAME OF BORROWER: Empyrean Gourley Limited

COMPANY NUMBER (if appropriate): 10783461

DESCRIPTION OF PROPERTY: 714 (inc 8 Gourley Place), 714a, 716, 716a, 716b and 718-722 Seven Sisters Road Tottenham London N15 5NH

IS BORROWER THE SAME AS OWNER? Yes

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 numbers (if registered) or if not confirm whether it is unregistered and/or subject to first registration: | MX229448, MX202007, MX101636 and NGL373072 |
| 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 Plans (or in the case of a property that is not registered, a plan) showing the Property edged red.
- d. The Property will be registered in the name of the Borrower on completion.
- 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. The Borrower will not be in sole possession of the Property.
- i. Proplend Security Limited will obtain a First Legal Charge over the Property but there will continue to be a Debenture as to which, see the Schedule of Adverse Interests.

2. SEARCHES:

We confirm we hold:-

- a. Clear Land Registry Search giving Proplend Security Limited priority beyond the date of completion.

- b. You have agreed to accept no search indemnity insurance in place of normal searches.
- c. Bankruptcy Search giving Proplend Security Limited priority beyond the date of completion against the Guarantor.

3. **VALUATION:**

We have read the Valuation Survey Report dated 2 May 2018 from Karen St Helen 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: £N/A
 - a. Property: £N/A
 - 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: to be advised

SCHEDULE

RESTRICTIVE COVENANTS

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

714 Seven Sisters Road

There are no covenants.

716 Seven Sisters Road

The Property is subject to covenants that may have existed prior to first registration. It is assumed that no details of these were provided and therefore indemnity insurance should be obtained on completion.

718-722 Seven Sisters Road

There are no covenants.

722 Seven Sisters Road

The Property is subject to rights in a Transfer of the adjoining property dated 14 July 1999 as follows:-

- The right to use the staircases and landings situated at the rear of the adjoining premises at 722 Seven Sisters Road for fire escape and to use the services and rights of entry with or without workmen making good any damage caused.

The Property is subject to rights contained in a Transfer dated 18 February 1980 as follows:-

- An obligation on the owners of this Property and the adjoining properties at 724 and 726 Seven Sisters Road to maintain the yard, staircase and services on a 50/50 basis;
- A right to pass over the staircase and the rear access at the Property and rights to use services and rights of entry making good any damage caused.

ADVERSE INTERESTS

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

- 1 As you will be aware, you have agreed to accept indemnity insurance in respect of searches and therefore we have not been able to examine any current local search, drainage search, environmental search or chancel search. However, we have been supplied with copies of searches which were undertaken in 2017 and the following points arise:-
 - 1.1 There is a potential liability for chancel repair and a policy will be put in place at completion;
 - 1.2 The environmental report refers to a medium risk of subsidence and the Borrower's solicitors confirm that the property insurers have covered subsidence and are aware of this risk;
 - 1.3 The separate flood search refers to a high risk of flooding, in particular from surface water. Again, the Borrower's solicitors say that the insurers have been advised of this and have provided flood cover;
 - 1.4 There is a foul or combined sewer which runs through the rear of the properties. The Borrower's solicitors say that no buildings have been constructed on or within the vicinity of the sewer since at least 2008;
 - 1.5 There is a liability notice for community infrastructure levy registered against the properties. The Borrower's solicitors say that none of the planning consents referred to in the search have ever been implemented and that there is no outstanding CIL liability. We have recommended that this should be referred to the valuer.

- 1.6 The local search refers to safeguarding directions in respect of the route alignment of Crossrail 2. The Borrower's solicitors say that the property is outside of the safeguarding zone.
- 1.7 There are references to planning consents for the property at 714 Seven Sisters Road which refer to a number of commercial uses although the Borrower says that this property is purely used for residential purposes. Again, they say that none of these consents have been implemented and this should be referred to the valuer.
- 2 As you are aware the Properties do not have EPC's and it has been agreed that the Borrower will provide an undertaking. The undertaking requires the Borrower to obtain EPC's for each of the Properties within 1 month of drawdown, and if any of the Properties have a rating of E or below work will be completed to bring them up to the minimum standard within 3 months of drawdown.
- 3 We refer to the separate Lettings Reports on the assured shorthold tenancies in respect of the residential accommodation and the 2 commercial leases. The AST's were granted by what would appear to be the Landlord's agents and are therefore potentially defective. We have asked whether or not any issues have been raised by the tenants' solicitors or whether there are any arrears and the Borrower's solicitors say no issues have been raised and that there are no arrears. At our insistence each of the tenant's have signed letters in which they confirm that the Borrower, and not their agent Andrew Charles & Co Estate Agents, is their landlord.

The commercial leases are also very tenant friendly and fairly basic. Please refer to the Lettings Reports. The existing lease of 718-722 Seven Sisters Road is completely defective, and it has been agreed that this will be surrendered and a new lease put in place on or before completion, and we have prepared a Letting Report on the new lease.

Signed by:

Signature:



Name: Nick Vaughan

Position: Senior LLP Partner

authorised to sign for and on behalf of Paris Smith LLP

Date: 12 June 2018