

**REPORT ON TITLE**

TO: Proplend Security Limited

FROM: Paris Smith LLP

FULL NAME OF BORROWER: Churchgate Property Services Limited

COMPANY NUMBER (if appropriate): 06363160

DESCRIPTION OF PROPERTY: 131 and 133 Aldridge Road Perry Barr Birmingham B42 2ET

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:	WK192880 and WM684271
Class of title (if registered):	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 showing the Property edged red.
- d. The Property will be 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. 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 be in sole possession of the Property at 133 Aldridge Road, but details of the Occupier Agreement for 131 Aldridge Road are set out in the Schedule.
- i. 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 Land Charges and 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 in respect of 133 Aldridge Road and no search indemnity insurance for 131 Aldridge Road.
- 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 6 November 2018 prepared by Aitchison Raffety Limited for 133 Aldridge Road and dated 26 October 2018 for 131 Aldridge Road 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. **BUILDINGS INSURANCE:**

The following Insurance Policy is in force:

Insurer: Commercial Express

Name of Insured: Churchgate Property Services Limited

Sum Insured: 131 Aldridge Road - £1,200,000 and 133 Aldridge Road - £1,200,000

Sum Insured recommended by Valuer: 131 Aldridge Road - £925,000 for 133 Aldridge Road - £425,000

Renewal Date: 20 September 2019

Policy No: CEQ320732/2018

Current Premium: £2,236.86 - 131 Aldridge Road. 133 Aldridge Road yet to be specified.

## 5. **PURCHASE CONTRACT:**

- |                           |                |
|---------------------------|----------------|
| i. Purchase Price:        | £292,000       |
| a. Property:              | £292,000       |
| b. Fixtures and Fittings: | Not Applicable |

## 6. 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

## 7. 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 purchase 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 acquisition of the Property and registration of Proplend's Legal Charge and Debenture, 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: TBC

**Please Quote Reference:** NJV/taw/113022/41

## SCHEDULE

### RESTRICTIVE COVENANTS

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

There are no restrictive covenants in respect of either Property.

### ADVERSE INTERESTS

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

- 1 You are taking a charge over the new property at 133 Aldridge Road and a new replacement charge over 131 Aldridge Road. So far as 131 Aldridge Road is concerned, we have not undertaken a full due diligence. No search indemnity insurance will be available for the value of the Property on completion.
- 2 The valuer refers to a variation to the previous HMO Licence for this Property. We have now seen a copy of this which authorises an increase in permissible households within the Property to 28 and number of people at the Property to 49. We have asked for confirmation that the building is fully occupied and the Borrower's solicitors say that the Property is not fully occupied at present. In addition to the Agreement with Weir (see below) there are also licences for Rooms 2, 4, 5, 8, 18, 25, 27 and 28.
- 3 There is in place an Agreement with Weir Lettings Limited. This appears to be an agreement for a bed and breakfast service rather than a lease. It allows for up to 12 rooms to be provided on a bed and breakfast basis. The Borrower is to keep the Property in good repair and maintenance and this appears to be covered by the rental payment. The monthly fee is £15,000 per calendar month for a period of 3 years from 1 December 2018 payable on the first of each month 2 months in arrears.

We are advised that although Weir is allowed to occupy 15 rooms, and the others being numbers 2, 4, 5, 8, 18, 25, 27 and 28 are occupied on licences. These do appear to be a licence although it is assumed in practice that the occupier has exclusive possession of the room and is not moved from room to room and therefore it has probably created a tenancy. This is likely to be treated as an assured shorthold tenancy. The licences are for undefined periods that can be terminated on 2 weeks' notice if the licensee is in breach or 4 weeks' notice otherwise. If these are AST's, then a minimum of 2 months' notice will be required and they will be subject to all the usual provisions relating to obtaining Court orders for eviction if required.

The Agreement is non-transferrable and therefore potentially if you have to enforce your charge, you would not be able to take the benefit of the Agreement. No doubt it could be renegotiated at the time.

- 4 The valuer also refers in his report of 131 Aldridge Road to certain works having been carried out. We are advised that these involve repainting of the interior and changing some old bathrooms with new fittings. No structural alterations were made. No building regulation, planning permission or similar have been issued in respect of the Property.
- 5 There is a Fire Risk Assessment and Asbestos Risk Register report for the Property which remains the same as when your original charge was taken out.

### 133 Aldridge Road

- 1 This Property appears to be in fairly poor condition and the EPC provided only obtains a rating of Class F which would mean it was unsuitable for letting. We understand that the

Borrower is intending to carry out works to the Property to bring it up to standard although no documents have been produced with regard to building regulation or similar approvals at this stage. Similarly, there is no Fire Risk Register or Asbestos Assessment for the Property.

- 2 We are advised that the Property is unoccupied.
- 3 There is a chancel liability policy already in place for the sum of £3,000,000.
- 4 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.
- 5 There is a potential for river and surface water flooding within 25-250 metres of the Property.
  - 6 The local search indicates that there is a potential high speed rail link in the Birmingham area and we have asked for confirmation that the Property falls outside the safeguarding areas and the Borrower's solicitors say that although they have no specific information, it is not believed that the rail link will affect the Property and therefore no safeguarding measures are required.
  - 7 The local search indicates that there are no planning permissions for this Property including its original construction. It is not known therefore as to whether or not works have been carried out either for the construction or extension which would have required planning.

Signed by:

Signature:

A handwritten signature in black ink that reads "Nick Vaughan". The signature is written in a cursive style with a prominent initial "N" and a trailing flourish.

Name: Nick Vaughan

Position: Senior LLP Partner

authorised to sign for and on behalf of Paris Smith LLP

Date: 6 December 2018

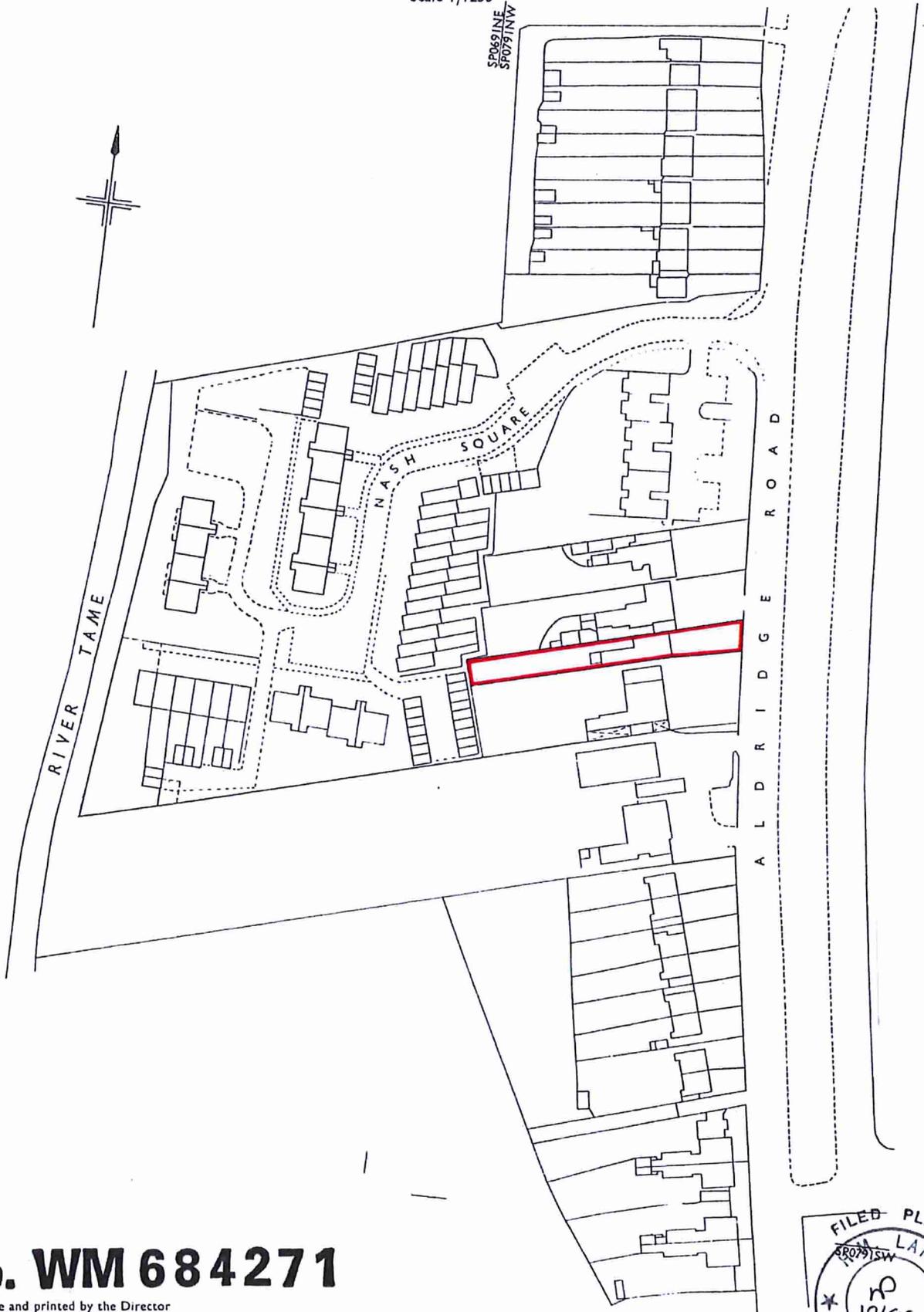
# H. M. LAND REGISTRY

© NATIONAL GRID PLAN  
WEST MIDLANDS  
BIRMINGHAM DISTRICT

SP 0791

SECTION A

Scale 1/1250



## TITLE No. WM 684271

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