

**REPORT ON TITLE**

TO: Proplend Security Limited

FROM: Paris Smith LLP

FULL NAME OF BORROWER: Museum Street Developments Limited

COMPANY NUMBER (if appropriate): 11413724

DESCRIPTION OF PROPERTY: 22-26 Museum Street Ipswich Suffolk IP1 1HZ

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:	SK306508 - 22 Museum Street SK215170 - 24 and 26 Museum Street (part only of this title)
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. 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 your security.

3. **VALUATION:**

We have read the Valuation Survey Report dated 18 January 2019 from Carter Jonas LLP 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 plans annexed to this report.

4. **BUILDINGS INSURANCE:**

The following Insurance Policy is in force:

Insurer: Aspen Insurance

Sum Insured: £4,600,000 (this insurance covers 22-32 Museum Street, not just the Property)

Sum Insured recommended by Valuer: £2,250,000

Renewal Date: 23 July 2019

Policy No: N0AA90A18A0B

Current Premium: £12,320 (inc. IPT)

5. **PURCHASE CONTRACT:**

- i. Purchase Price: N/A, the Property is already owned by the Borrower.
  - 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. Guarantees The Guarantees 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

**Please Quote Reference: AZC/113022/47**

## SCHEDULE

### RESTRICTIVE COVENANTS

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

- 1 There is an accessway at the rear of the Property which is believed to be for pedestrian use only. There are statutory declarations from the previous owners showing that for 40 years this accessway has been used. Those rights have been registered against the title, but are merely possessory rights and there is no legal title to the rights of way.
- 2 The Property at 22 Museum Street (Title Number SK306508) is subject to rights in a Conveyance dated 14 August 1878 for the benefit of the land to the north of the churchyard to use a pump and well if the same still exists. The Conveyance also contains a covenant to not to use the this property for any noxious use, trade or business and that part of the land shown coloured green on the plan from the Conveyance is not to have any buildings on it other than walls.
- 3 The Property at 22 Museum Street (Title Number SK306508) is subject to rights in a Conveyance dated 23 June 1922 again for the benefit of the property to the north of the churchyard to use the pump and well referred to and by reference to an Agreement of 6 May 1904, this property is subject to declarations that the windows at the back of 24 Museum Street would be constructed with opaque glass and that rights of light are enjoyed by licence.
- 4 When the Borrower acquired this Property (see original Report on Title), the Contract for Sale required the Seller to put on risk indemnity insurance policies in respect of the rights referred to above. These were linked to the proposed change of use from office to residential accommodation. The policy is only to be put on risk if there is a change of use and that application has not yet been submitted in respect of the properties that you are charging but only in respect of the adjoining properties.

It is likely, however, that these rights are no longer valid. The 1904 Agreement and 1922 Conveyances would appear to refer to land to the north of St Mary's Church having the right to use a pump and well. No well exists and no pump exists. The Borrower confirms that since they have occupied the premises, no-one has sought to exercise these rights.

### ADVERSE INTERESTS

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

- 1 Please note the Property is currently vacant and has been since the completion of the original loan to the Borrower back in July 2018.
- 2 As per your instructions, a No Search Indemnity Policy will be put on risk at completion. The Insured Risk is defined as "the Property may be subject to an Adverse Entry that would otherwise be revealed by Searches had they been carried out and up to date on the Policy Commencement Date". The Insured Use is defined as "Development and subsequent use thereafter of the Property in accordance with planning permission obtained after Policy Commencement Date." We have been advised by the Insurer that while the Insured Use reflects future development, the policy is covering a "snapshot" of the Property at the current time in lieu of searches being carried out.

The Limit of Indemnity i.e. the maximum amount the insurer will pay under the policy is £375,000. In the event that there is an Adverse Entry against the Property on the Policy Commencement Date, directly attributable to the Insured Risk, the policy will cover a) the cost of remedying an Adverse Entry (including the provision of a defective title policy covering any associated risk) and/or any amount necessarily payable to free the Property from the Adverse Entry; b) any shortfall in the outstanding debt under the mortgage or charge where the Insured exercises its rights under the mortgage or charge where the Underwriter otherwise accepts liability and c) any other costs incurred with the written agreement of the Underwriters for the purpose of settling any claim.

For the purposes of the policy Searches mean all or any of the following, relating to search reports in accordance with:-

- a) a search of the local land charges register of the relevant local authority in accordance with Form LLC1;
- b) an enquiry of the local authority in accordance with CON29R and 29O;
- c) an enquiry of the water and/or sewerage undertaker for the area in which the Property is situated in accordance with Form CON29DW;
- d) a coal mining report in accordance with Form CON29M or any other mining report; and
- e) a Chancel Repair search.

You will note that the policy does not cover an Environmental Search which has been obtained separately. Our comment on this report can be found in section 5 below.

- 3 We are advised that a planning application is to be made in connection with a change of use to residential accommodation. We have requested details of this from the Borrower's solicitors who say that no planning application has yet been submitted. We are advised that the Property will remain vacant until the planning permission for change of use has been secured.
- 4 As advised when the first loan was made to the Borrower, and again confirmed in the valuation report dated 18 January 2019, there is an oil tank in the basement of 26 Museum Street which has the potential for contamination. We have been advised by the Borrower's solicitor that this has not yet been decommissioned but this will be done following the grant of planning permission and the implementation of the same.
- 5 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 Groundsure 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 indicates that the Property is:-

- within close proximity to an area which is a moderate risk of natural ground instability;
- within 5km of a number of proposed wind and solar installations; and
- a listed building.

- 6 Copies of the Fire Risk Assessment and Asbestos Risk Register have been provided both of which contain recommendations. The Borrower's solicitors say that the items identified in the Fire Risk Assessment have been addressed, but the recommendation in the Asbestos Risk Register have not been implemented on the basis that consent for a change of use is being applied for and the resulting works will require the re-working of both reports.
- 7 As will be noted under the Schedule of Restrictive Covenants, only part of the land comprised in Title Number SK215170 is to be charged to you (numbers 24 and 26 Museum Street). We are attaching copies of the registered title plans for both titles and a further plan which has been approved by the Borrower showing the area that is to be charged comprising only 24 and 26 Museum Street.

We have asked for confirmation that the physical separation of the Property will not cause any problems specifically as the valuation refers to the roof area between all of the properties in the Borrower's ownership having an open access. The Borrower's solicitors has been advised by their client and that separation will not cause issues, and the separating walls to all floors (including the roof space) will be reinstated in order to provide the necessary fire separation.

Signed by:

Signature:



Name: Nick Vaughan

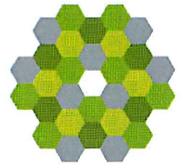
Position: Senior LLP Partner

authorised to sign for and on behalf of Paris Smith LLP

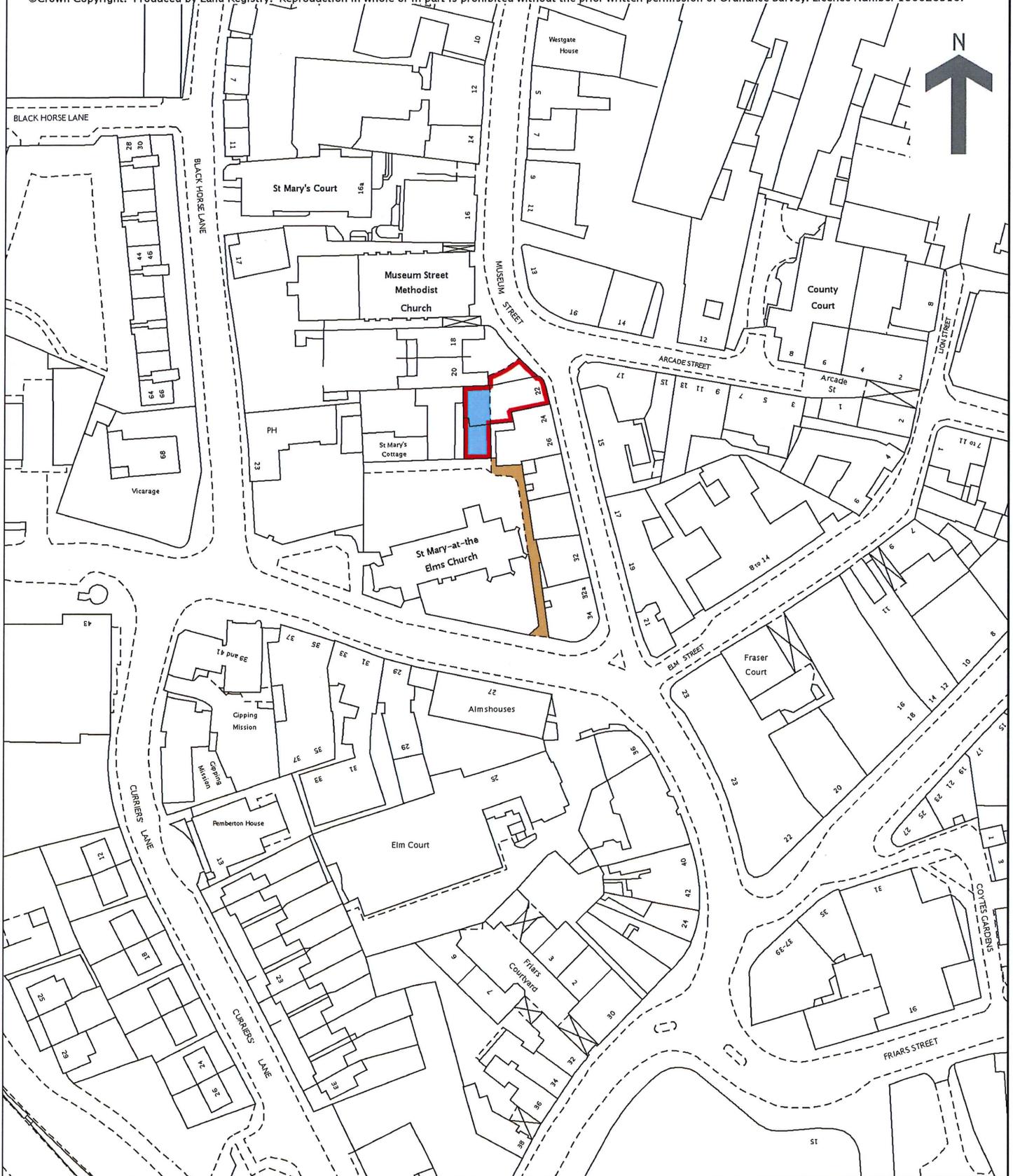
Date: 25 April 2019

# Land Registry Official copy of title plan

Title number **SK306508**  
Ordnance Survey map reference **TM1644NW**  
Scale **1:1250**  
Administrative area **Suffolk : Ipswich**



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Land Registry  
Official copy of  
title plan

**Title number** [REDACTED]  
Ordnance Survey map reference **TM1644NW**  
Scale **1:500 enlarged from 1:1250**  
Administrative area **Suffolk : Ipswich**



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