

REPORT ON TITLE

TO: Proplend Security Limited

FROM: Paris Smith LLP

FULL NAME OF BORROWER: J&S Franklin (Holdings & Management Services) Limited

COMPANY NUMBER (if appropriate): 428935

DESCRIPTION OF PROPERTY: 151 Strand London WC2R 1JA

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:	LN142619
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 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. 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 and reference is made to the separate Lettings Report.
- 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. You have agreed to accept no search indemnity insurance and therefore we have not received the results of any Local Authority search, drainage search, chancel search or environmental search.
- c. Bankruptcy Search giving Proplend Security Limited priority beyond the date of completion against the Guarantor.

No other search have been carried out as you are relying on no search indemnity insurance.

3. **VALUATION:**

We have read the Valuation Survey Report dated 24 July 2019 prepared by Avison Young 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: Zurich Plc

Name of Insured: J&S Franklin (Holdings & Management Services) Limited

Sum Insured: £2,978,500

Sum Insured recommended by Valuer: £2,500,000

Renewal Date: 30 September 2019

Policy No: 127/CH01/EY790790/8

Current Premium: £3,799.45

5. **PURCHASE CONTRACT:**

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

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. Guarantees The Guarantees 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: 68 Above Bar Southampton SO14 7DS
Sorting Code No: 56-00-68
Completion date: TBC

Please Quote Reference: NJV/taw/113022/53

SCHEDULE

RESTRICTIVE COVENANTS

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

There are no restrictive covenants. However, there are personal covenants on the title which refer to matters contained to in a Grant and Licence dated 21 August 1964 and Licence dated 23 September 1964 with the Minister of Public Buildings and Works. No copies of the Licence 23 September 1964 have been produced. A copy of the previous Licence has been provided, which is registered against the adjoining title in favour of Somerset House and which grants rights of air and rights to use and maintain pipes. There are also restrictions on windows being placed at the rear of the Property. We have asked whether or not there have been any breaches of these conditions and whether or not the proposed development when completed will interfere with these rights, and the Borrower's solicitors say that the Borrower has not been advised of any complaints relating to the issues set out in the Licence. They do not know whether the pipes are in situ or indeed whether any windows at the Property have been blocked up at any time. We have advised the Borrower's solicitors that indemnity insurance to the value of the Property must be in place on completion in respect of the missing Licence. However, they are unable to obtain indemnity cover for the potential issues that may be contained within the missing Licence. They have been offered restrictive covenant cover but that might not include matters such as use of pipes, rights of light and air, etc. In those circumstances, if the Property was to be developed in the future then it is likely that there will have to be a discussion with the adjoining property at Somerset House and with the possibility of a further licence or deed being entered into and with the prospect of some additional payment. Whilst this will not affect your loan whilst it is being serviced by the Borrower, if you were require to sell as a mortgagee and sold to a developer then that would be an additional cost to the developer who would need to factor that in to any offer made. On that basis, you may wish to refer this aspect to the valuer for further comment.

ADVERSE INTERESTS

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

- 1 As you will be aware, there is a planning consent reference 16/12166/FULL dated 13 March 2018 for the demolition of the existing building and redevelopment to provide a basement, lower ground, ground and Part 5, Part 6 upper floors with roof terrace and mechanical plant at roof level for use as an Apart-Hotel with private members' bar at lower ground floor level.

We have asked the Borrower's solicitors to confirm that no provisions of this planning permission have been implemented and they say that that is the case. They have prepared the archaeological investigation but nothing else.

There are a number of conditions some of which are standard but some of which are specific to the Property. This includes obscure glazing to the western elevation; a restriction that no more than 55 customers are allowed into the bar area at any one time; there is a management plan for the use of the bar (which we have not seen); there are restrictions on the use of the bar between 7.00am and midnight Sunday to Wednesday and 8.00am to 2.00am Thursday to Saturday. There are also requirements for reports to be obtained including archaeological reports; noise levels which have to be approved before implementation. There are also specific requirements in respect of any part of the Property which overhangs the pavement, any crossover of the pavement area and any licences required for using the pavement during construction. If the estimated cost of the whole project exceeds £300,000 then a site waste management plan for recycling of the waste is required.

In accordance with your instructions, we have not investigated the terms of the planning consent.

- 2 There are older planning consents which we have not investigated but which permit the current use. There is also an order that permitted development rights for the change of use from offices to dwellings and from shops to financial and professional services offices have been withdrawn and therefore any applications for these changes of uses will need to be made in the normal way.
- 3 There are various planning consents for use of the area outside of the Property and other properties for docking points for cycle hire. We have asked whether or not these still apply and the Borrower's solicitors say that they do not relate to the Property itself. This would appear to be an incorrect entry made on the local search and in fact refers to the Property at 181 Strand.
- 4 The search at Transport for London indicates that the Property is within 200 metres of the Transport for London Road Network (Victoria Embankment), there are railway services within the vicinity of the Property on the Circle, District, Jubilee and Piccadilly lines but it is considered they are not sufficiently close as to be likely to affect the Property. The Property is within 2 kilometres of the HS2, Crossrail 1 and Crossrail 2 proposed developments but not covered by any specific safeguarding requirements.
- 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 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.

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 Property is within close proximity to the River Thames. However, in the opinion of the search providers, the risk for flooding both from river, coastal and surface water is considered minimal because of the flood defences and Thames Barrier.

- 6 We have seen copies of the Fire Risk Assessment and Asbestos reports, the latter of which is now more than 13 years old. In view of the proposed works in the future, it is assumed that a new Risk Register will be compiled on completion when it is expected that no asbestos will be present at the Property.
- 7 As you will be aware, the Property is subject to a charge in favour of Octane Property Finance Limited which will be discharged on completion. There is also a charge in favour

of Lloyds Bank plc by way of debenture which is to remain. That charge includes usual charges over properties currently and acquired in the future as well as all other rights over the assets and undertakings of the Borrower. We have requested a Deed of Priority giving you complete priority over the premises to be charged from the date of completion.

- 8 Reference is made to the separate Lettings Report relating to the proposed new lease in favour of J&S Franklin Limited.
- 9 The Borrower is obtaining a revised EPC.
- 10 The replies to CPSE enquiries indicate that there is a basement/lower ground floor which the Borrower believes protrudes around a metre under the pavement. That will have been in situ since the original construction. The registered title plan is so old that it is almost impossible to see whether or not the extent of the Property includes this area under the pavement. It would seem that it does not as the adjoining property protrudes further out. No further investigation has been undertaken but if this is of concern, then the matter should be referred to the valuer.
- 11 The Borrower's solicitors say that no VAT election has been made.

Signed by:

Signature:



Name: Nick Vaughan

Position: Senior LLP Partner

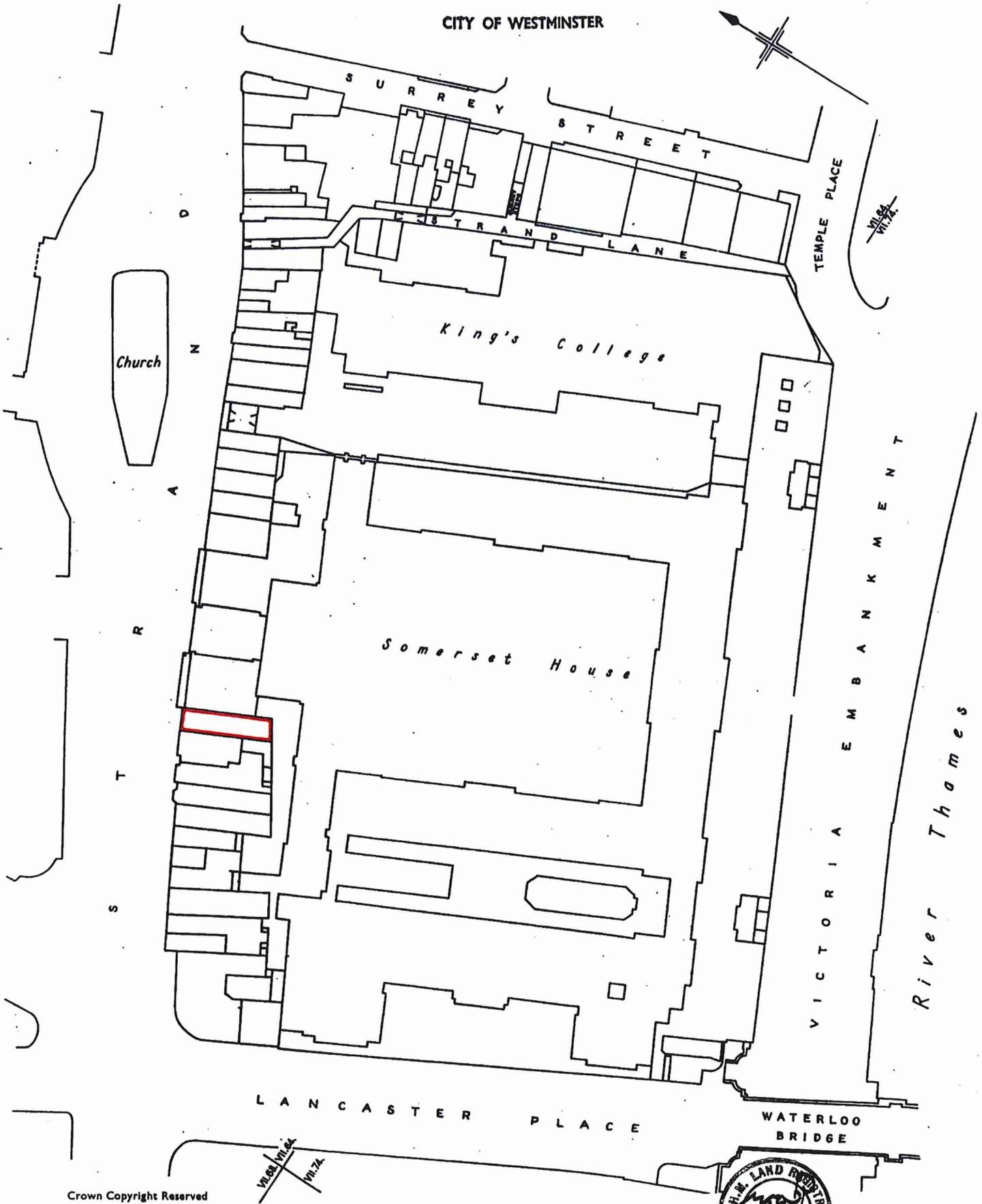
authorised to sign for and on behalf of Paris Smith LLP

Date: 2 September 2019

H. M. LAND REGISTRY GENERAL MAP

LONDON SHEET VII.64. SECTION J.
(EXTRACT FROM)
GREATER LONDON Scale 1056'

CITY OF WESTMINSTER



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Filed Plan of Title No. LN 142619

