

**REPORT ON TITLE**

TO: Proplend Security Limited

FROM: Paris Smith LLP

FULL NAME OF BORROWER: Cardinal Lofts (Victorian Building) Limited

COMPANY NUMBER (if appropriate): 9445117

DESCRIPTION OF PROPERTY: Blocks B, C & E1 Cranfields Mill College Street Ipswich

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 number (if registered) or if not confirm whether it is unregistered and/or subject to first registration:	SK361894
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 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. 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.
- 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.

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 22 August 2019 prepared by Robert Sterling Surveyors and confirm that:-

- a. there are no discrepancies between the report, the title documentation and the results of our searches, save that the Property is freehold (under title number SK361894) rather than leasehold as indicated in section 12.1 of the valuation report.
- b. 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: ERGO Versicherung AG, UK

Name of Insured: Various companies including the Borrower

Sum Insured: £5m, but this covers other properties. The Property is covered for £3m

Reinstatement value recommended by Valuer: £750,000

Renewal Date: 12 August 2020

Policy No: JRPGIL1901L1006/B1370RL0047119

Current Premium: Unspecified

**5. PURCHASE CONTRACT:**

- a. Purchase Price: £0.00
  - i. Property: £0.00
  - ii. 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

## SCHEDULE

### RESTRICTIVE COVENANTS & ADVERSE INTERESTS

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

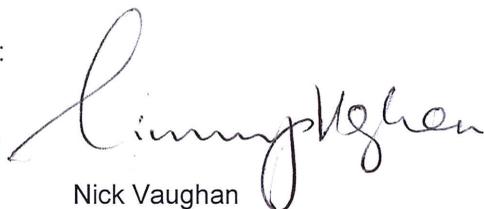
- 1 We refer to the attached Report on Title submitted on 23 October 2018 in connection with your last loan on this property. The comments contained in the previous Report on Title remain valid save as varied below.
- 2 You have agreed to accept no search indemnity insurance and therefore we have not undertaken any further investigations of matters that would normally be raised by a; local authority search, a drainage and water search, or an environmental desktop search. The limit of indemnity on this policy is £2,825,000.

Please note the no search indemnity policy does not cover the lack of a chancel search. However, when the first loan was completed in October 2018 we were provided with a chancel search which confirmed that there was no record of there being any chancel liability.

- 3 In terms of the planning we are advised that there has been no change since the previous loan was completed. Therefore please refer to paragraphs 6 & 7 of the previous Report on Title for details of the planning situation. .

Signed by:

Signature:



Name:

Nick Vaughan

Position:

Senior LLP Partner

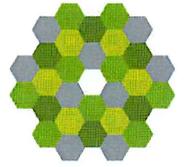
authorised to sign for and on behalf of Paris Smith LLP

Date:

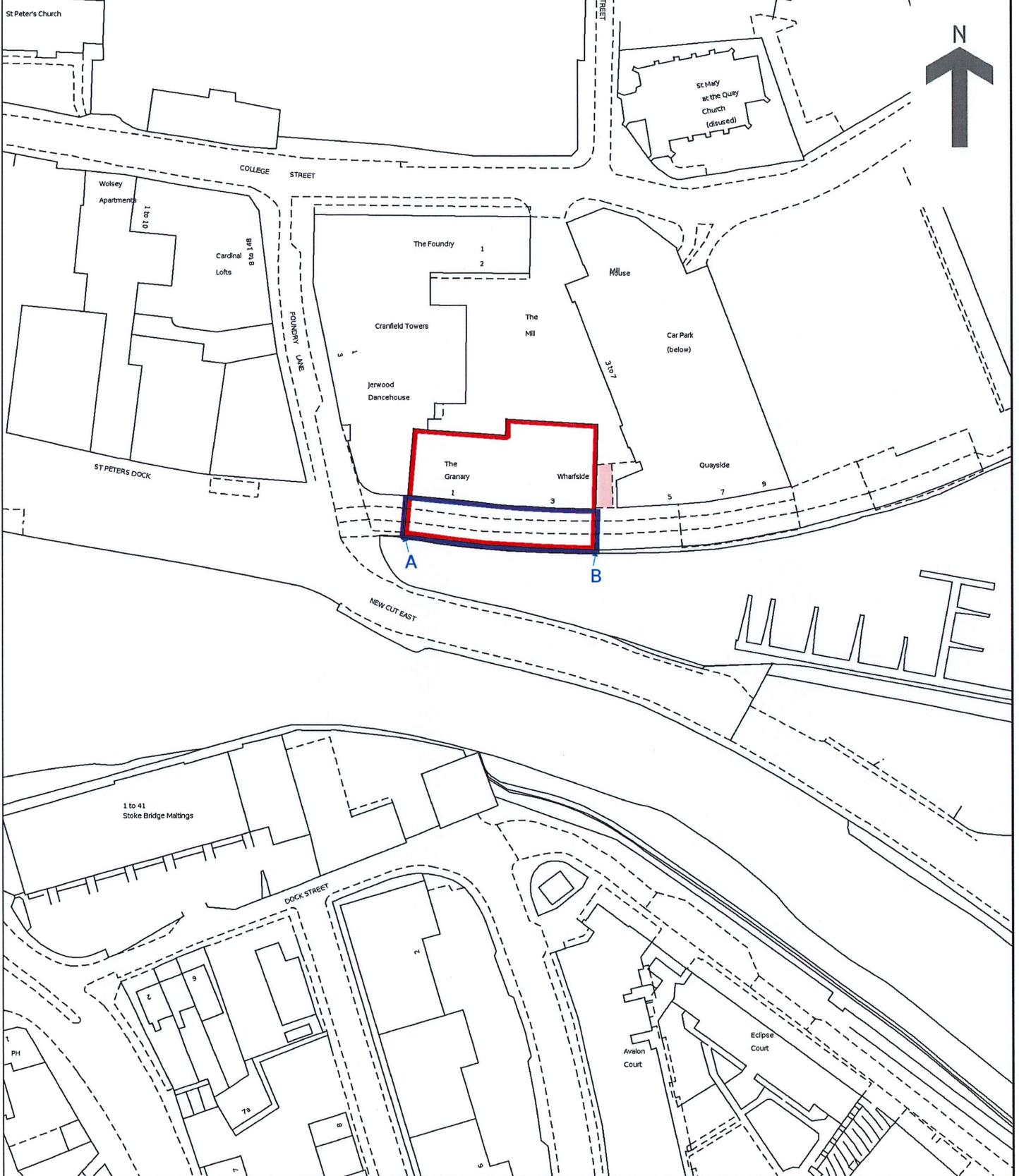
25 October 2019

# HM Land Registry Official copy of title plan

Title number **SK361894**  
Ordnance Survey map reference **TM1644SW**  
Scale **1:1250**  
Administrative area **Suffolk : Ipswich**



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FROM: Paris Smith LLP

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COMPANY NUMBER (if appropriate): 9445117

DESCRIPTION OF PROPERTY: Blocks B and C Cranfields Mill College Street Ipswich

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 number (if registered) or if not confirm whether it is unregistered and/or subject to first registration:	SK361894
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 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. 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.
- 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.
- 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 October 2018 prepared by Montagu Evans 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: ERGO Versicherung AG, UK

Name of Insured: the Borrower

Sum Insured: £5m, but this covers other properties. The Property is covered for £3m

Sum Insured recommended by Valuer: none specified

Renewal Date: 13 August 2019

Policy No: JRBGGIL1801L1006/B1370RL0047118

Current Premium: unspecified

## 5. **PURCHASE CONTRACT:**

- |                           |                |
|---------------------------|----------------|
| i. Purchase Price:        | £0.00          |
| a. Property:              | £0.00          |
| 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/113022/37

## SCHEDULE

### RESTRICTIVE COVENANTS

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

- 1 It should be noted that the area of land said to be edged mauve but the area in front of the Property only includes the airspace from the minimum height of 5.18 metres above the Quay roadway to a maximum height of 23.44 metres above the Quay roadway.

As between Points A and B, only the quay wall is included in the title.

- 2 The Property is subject to covenants in a Conveyance dated 13 November 1907 but no copy was produced on first registration. We have requested an insurance indemnity policy for the value of the Property to be put on risk at the date of completion.
- 3 The Property is subject to provisions contained in a Transfer dated 28 July 2015. It should be noted that when the Borrower acquired the Property it was from Administrators and therefore no covenants for title were given and information relating to the Property was very limited.

Throughout the Transfer there is reference to the Courtyard which is shown edged green on Plan 3 to the Transfer and which is attached to this Report.

- 4 There is reference to a planning permission dated 25 May 2005 under reference IP/04/00313/FUL (see below as to the Schedule of Adverse Interests) and related Section 106 Agreements.
- 5 The Transfer contains provisions that no dispositions without a certificate signed by a conveyancer that the provisions of the Transfer have been complied with or do not apply. The appropriate certification in connection with your proposed charge has been requested from the Borrower's solicitors.
- 6 The Property was granted rights to use services over the Retained Land (shown edged blue on Plan 2 of the Transfer and attached to this Report). This also contains the right to pass on foot only over the Courtyard and for the purposes of loading and unloading to pass and park on the Courtyard on a temporary basis and only for the purpose of using trade vehicles. It should be noted that these rights do not include rights to park for the use of the Property or rights of vehicular access other than for loading and unloading.

It is understood that the Borrower or a related company owns additional land which includes a car park. However, no rights are granted over that and in any event you are not taking security from the Borrower or the related company over the car park land. The valuer has confirmed that a lack of access does not affect its valuation of the Property in its current position (a derelict building). It may have an effect with regard to future use of the Property when it is developed.

- 7 There is a right to erect scaffolding on the Retained Land and a temporary block or stop up the access to and egress from the Courtyard to the dock wall to include carrying out any development provided that notice is given beforehand to the owners of the Courtyard and normal restrictions on making sure that the scaffolding is safe and not there for any longer than is necessary and cause as little inconvenience as possible, making good any damage caused.
- 8 There is a right to erect or alter any building on the Property, rights of overhang and rights of emergency escape. There is also a right to construct a refuse store in the Courtyard again subject to conditions.

- 9 The Transfer contains rights reserved for the benefit of the Retained Land and the Courtyard which are similar to those referred to above including the potential to erect scaffolding and to temporarily block the Courtyard and access ways.

Covenants given by the owners of the Property:-

- 1 To pay the Courtyard service charge which is a fair and reasonable proportion of the costs for inspecting, maintaining, repairing and insuring the Courtyard; landscaping the area and providing all services as may be deemed necessary from time to time. We have requested details of the payments of the service charge and confirmation that no unusual items of expenditure are anticipated and the Borrower's solicitors say that the courtyard service charge is not currently operational.
- 2 The Property may not be used as a bar serving alcoholic drinks later than midnight, a nightclub, takeaway, bookmakers or an off-licence although convenience stores or mini-marts selling alcohol as a range of products is acceptable.
- 3 Not to store refuse other than in the refuse areas. Not to carry out any building works or excavation works which would compromise the services.
- 4 Not to build on, over or interfere with the foundations of the Retained Land without the owner's prior approval, not to be unreasonably withheld or delayed.
- 5 Following construction on the Property, to keep all buildings in good and substantial repair and condition.
- 6 To support, point and keep weatherproof to a reasonable standard any party walls.
- 7 To observe the restrictions with regard to any refuse store.
- 8 Any purchaser of the freehold of the Property is to enter into a Deed of Covenant to observe these provisions and to pay the costs of the owners of the Retained Land.

#### **ADVERSE INTERESTS**

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

- 1 Reference is made to the attached title plan. There is an access road running to the south of the Property and in part under that area of the Property over which only the airspace is shown.

This was declared a restricted byway and as such is deemed to be publicly maintained. However, this was dealt with on appeal in March 2011 and the Inspector specifically removed any rights for mechanically propelled vehicles (cars, etc) to use the area. Therefore, there is only a right of way on foot. The Borrower's solicitors have suggested that rights were granted under various Docks Acts but in view of the Inspector's decision, that takes precedence and therefore there is only pedestrian access.

A highways search has indicated that the adjoining road at Foundry Lane leading them to College Street is publicly maintained. However, there would need to be access over the remainder of the site (the Courtyard as referred to in the Transfer above). Currently, that appears to be only for the purposes of loading and unloading and not vehicular access.

On further enquiry of the Borrower's solicitors it is understood that access is from College Street via the courtyard but there is no parking on site and no vehicular access other than for loading and unloading.

- 2 Part of the Property consists of the quay wall. This can be a hugely expensive item and we have requested details of who is responsible for this and at what cost. The Borrower's solicitors say that each of the frontage owners is responsible for their share but provide no information as to potential cost.
- 3 As indicated above, covenants in a Conveyance of 1907 were not available on first registration and an indemnity policy will be required on completion.
- 4 Fire Risk Register - there is no Fire Risk Register. The building is vacant..
- 5 Asbestos Risk Assessment - there is no Asbestos Risk Assessment. There is a letter which indicates that in March 2015 no asbestos was found in the building.
- 6 Planning consents and further consents - planning consent was originally granted under reference IP/04/00313/FUL for the development of the whole of the former Cranfield Mill site of which the Property forms part. Subsequently the conditions to that Consent were varied in 2016. There are conditions that there should be no development of the Property until sitting-out areas in relation to the restaurant units, flood precaution work and flood-proofing is agreed with the local authority. The non-residential areas of the development were to be put to the uses as specified in the original application which was for Class Use A1, A2, A3, B1 and D2 for a dance studio performance space, 81-bedroom hotel, car parking etc.

No storage of refuse containers are to be within the quayside area adjoining Albion Wharf. Site investigation works previously approved under the original Planning Permission were to be completed prior to first occupation of any of the Units within Block D but it is assumed therefore that there were environmental reports available at that time although none have been provided.

It is understood in any event that the Borrower will intend to vary the Planning Consent further before the Property is developed.

There is a Consent from the planning authority confirming that some of the conditions to the original Planning Permission have been dealt with in relation to the other parts of the development. It also confirms that the Section 106 payments were all paid in full.

- 7 Section 106 liabilities - the original Section 106 Agreement was on 24 May 2005 but that has been varied subsequently. We have not seen a coloured plan to the Section 106 Agreement. There were originally provisions relating to affordable housing which have been deleted.

As indicated above, various contributions have now been paid in full including environmental improvement contributions.

- 8 The valuer in his report suggests that the Property has the potential for flooding but that there are flood defence works. We have requested details of this from the Borrower's solicitors who say that they are not aware of any specific defences although public records indicate that Ipswich benefits from a flood defence project which has included a flood barrier and works to the river banks along the Orwell.
- 9 Minerals and mines are reserved from the Property. We have asked whether or not a mining search is required as a result and the Borrower's solicitors say that none is

required and in any event there is an indemnity insurance policy in respect of the exclusion of mines and minerals from the Property.

- 10 A drainage search has been provided and although this is now some years old, the Property has not changed as it has remained derelict. It does not provide any information and the Property is described as being a newly acquired plot or a piece of land, neither of which is correct. We have asked for a revised search and the Borrower's solicitors say that because the Property is not being developed at this stage, no further information is available. The replies to enquiries also indicate that currently no services are connected to the Property.
- 11 The local search indicates that there is a heightened level of Radon in the area and we have asked for details of any Radon protection measures. The Borrower's solicitors say that no radon protection measures have been put in place at the current time.
- 12 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 "Requiring Further Action" meaning that in the professional opinion of Argyll Environmental the Property does have the potential for contamination and to be designated as such under the Environmental Protection Act 1990.

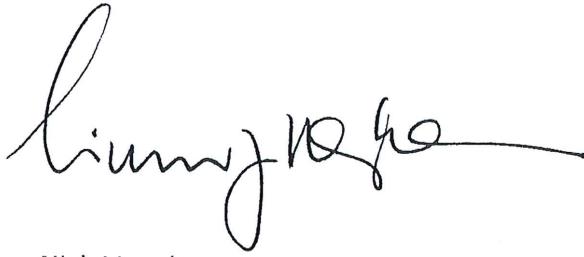
The search indicates that the site was occupied and used as commercial and industrial premises including a Malthouse, a corn storage and mill. It is also within 25 metres of tanks.

There are a number of surface water facilities and dockland area. The Property is also considered to be at substantial risk of flooding.

We have referred this back to the Borrower's solicitors. Notwithstanding that the Property has not been converted and remains derelict, we would expect there to be sufficient information to satisfy the search provider so that they can produce a "Passed" certificate. The Borrower's solicitors say that they have no further information in respect of any environmental matters. They mention condition 9 of the Planning Permission required a decontamination scheme to be approved and implemented prior to the construction of new buildings. Those buildings have commenced approximately 12 years ago and more than 200 residential flats have been sold in the overall development. Notwithstanding that they have not provided any evidence of the information provided to the local authority or to any third parties and you will need to take a commercial view on this in the absence of any information which would change the results of the environmental search.

There is an environmental indemnity policy taken out last year for £2.85 m which secures the borrowers and successors in title and mortgagees

Signed by:

A handwritten signature in black ink, appearing to read "Nick Vaughan", with a long horizontal flourish extending to the right.

Signature:

Name: Nick Vaughan

Position: Senior LLP Partner

authorised to sign for and on behalf of Paris Smith LLP

Date: 23 October 2018