

## REPORT ON TITLE

**TO:** Proplend Security Limited

**FROM:** Paris Smith LLP

**FULL NAME OF BORROWER:** Lovett Investments Limited

**COMPANY NUMBER (if appropriate):** 07415604

**DESCRIPTION OF PROPERTY:** 6 Lower Mill Street, Kidderminster DY11 6UU

**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:	HW153544
Class of title (of 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 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 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 Property is an eight-bedroom HMO, and each of the bedrooms is let subject to an assured shorthold tenancy agreement ("AST"). A summary of these ASTs can be found 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.
- 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 4 September 2020 prepared by John Truslove Chartered Surveyors & Valuers and confirm that: -

- i) there are no discrepancies between the report and the title documentation we have received.
- 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:**

You have had sight of the building's insurance, and have confirmed that you are satisfied that it meets your minimum requirements.

**5. PURCHASE CONTRACT:**

- i. Purchase Price: Not applicable, the Property is already owned by the Borrower. However, the title confirms that the Property was acquired by the Borrower for £145,000 on 26 April 2019
  - 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. Debenture                              The Debenture will be dated upon completion.
- c. 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 refinancing of the Property by the Borrower.

We confirm we hold an irrevocable undertaking from a firm of solicitors that following completion they will assist with the registration of Proplend's Legal Charge and Debenture, and provide any supporting documentation.

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: AZC.113022.89**

## SCHEDULE

### **RESTRICTIVE COVENANTS**

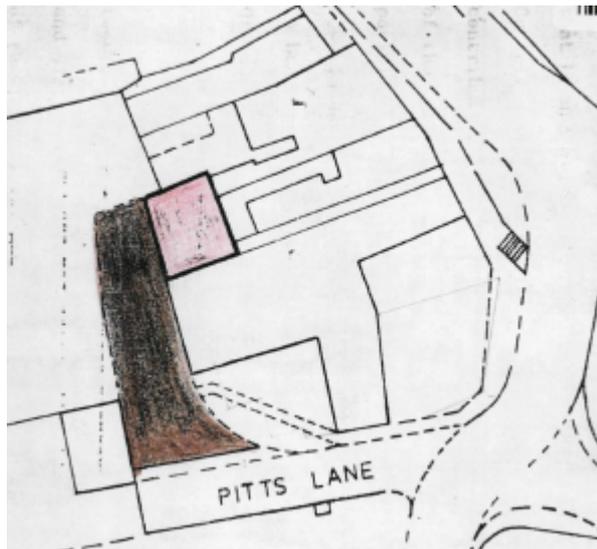
(please confirm whether or not the restrictive Covenants are onerous)

1. The Property is not subject to any restrictive covenants.

### **ADVERSE INTERESTS**

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

2. The Property has the benefit of the rights granted by but is subject to the rights reserved by a Conveyance dated 22 February 1995. The rights granted and reserved are as follows:
  - A right of way at all times and for all purposes over and along the land shown coloured brown on the plan (extract below), which leads to and from Pitts Lane.



This right of way can be varied by Wyre Forest District Council or the Local Highway Authority upon them giving 2 weeks notice.

We have asked the Borrowers solicitor to confirm that the right of way is exercised without obstruction or cost to the Borrower, and they have said that it is. Further the Borrower has advised that they believe the access has now been adopted, however, as we are not reviewing the results of a local authority search we cannot confirm this.

3. The Property was purchased by the Borrower on 26 April 2019 for £145,000 but is now valued at £565,000.
4. Upon completion a No Search (Lender Only) Indemnity Policy will be put on risk. The Limit of Indemnity i.e. the maximum amount that the insurer will pay under each policy will be £565,000.

The Indemnity Policy cover adverse entries which would have been revealed in: -

- a search of the local land charges register of the relevant local authority in accordance with Form LLC1
- an enquiry of the local authority in accordance with form CON 29 Enquiries of Local Authority (2016) and CON29O Enquiries of Local Authority (2016)
- an enquiry of the water and/or sewerage undertaker for the area in which the Property is situated, in accordance with Form CON29DW
- a coal mining report in accordance with Form CON29M or any other mining report

- a Cheshire Salt Search
- a search of the records of ascertainment and/or further records held by the National Archives establishing a specific liability against a Property to pay all or part of the cost of repair to a church chancel.
- a Highways Search with the relevant Local Authority

You will note that the policy does not cover an Environmental Search. For this reason, separate Environmental Desktop Searches have been obtained and are referred to below.

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 (dated: 26 September 2020) has identified that there is a low-moderate risk in respect of potential contamination, but notwithstanding this the Property has been certified as an "Acceptable Risk," meaning that in the professional opinion of Groundsure the level of risk associated with the information disclosed in the report:

- is unlikely to have an adverse effect on the value of the building, and
- is not such that the building would be designated "Contaminated Land" within the meaning of Part IIA of the Environmental Protection Act 1990.

Notwithstanding the above the report does state that:

- The Property is at a moderate-high risk from groundwater flooding. The Borrower has confirmed that the Property has not flooded its ownership (since 26 April 2019]. Please note that while flood risk is covered by the insurance the excess for flood claims is £2,500 per claim.
  - The Property is in an area at a moderate-high risk from natural ground subsidence. As with the flood risk, referred to above, subsidence is covered by the insurance, but the excess for subsidence claims is £1,000 per claim.
6. The Property is an eight-bedroom HMO, and each of the bedrooms is let under the terms of a separate assured shorthold tenancy agreement ("AST"). A summary of the terms of the ASTs is set out below: -

#### Bedroom 3

Tenant: Chloe Yeomans  
 Term: rolling monthly tenancy  
 Rent: £525 per month (payable on the 8<sup>th</sup> of each month)

#### Bedroom 4

Tenant: N Adams  
 Term: rolling monthly tenancy  
 Rent: £525 per month (payable on the 10<sup>th</sup> of each month)

#### Bedroom 5

Tenant: Jason Hennessy  
 Term: rolling monthly tenancy

Rent: £525 per month (payable on the 31<sup>st</sup> of each month)

Bedroom 6

Tenant: Manorathan  
Term: rolling monthly tenancy  
Rent: £650 per month (payable on the 1<sup>st</sup> of each month)

Bedroom 7

Tenant: Katie Whitburn  
Term: rolling monthly tenancy  
Rent: £525 per month (payable on the 25<sup>th</sup> of each month)

Bedroom 8

Tenant: Corey Wyatt Jukes  
Term: rolling monthly tenancy  
Rent: £525 per month (payable on the 13<sup>th</sup> of each month)

Bedroom 9

Tenant: Robert Kirby  
Term: rolling monthly tenancy  
Rent: £480 per month (payable on the 20<sup>th</sup> of each month)

Bedroom 10

Tenant: Keiron Warren  
Term: rolling monthly tenancy  
Rent: £565 per month (payable on the 1<sup>st</sup> of each month)

Monthly Total: £4,320

Annual Total: £51,864

In relation to each of these tenancies the Borrower's solicitor has confirmed: (1) that all rent is paid up to date, (2) that none of the tenants are in breach of the terms of their AST, and (3) that not notices have been served on or by any of the tenants.

In addition to the ASTs we have also been provided with the following certificates:

- An installation and commissioning of a first detection and alarm system certificate which was issued on 9 January 2020.
- A fire sprinkler test certificate which was issued on 15 February 2020
- An electrical installation certificate which was issued on 27 February 2020 in relation to the new wiring to the first and second floors of the Property including the installation of the fire alarm and intercom system.
- Further we have been provided with copies of the current landlord's gas safety and electrical safety certificates, and the Borrower's solicitor has confirmed that the Property is fitted with working fire/smoke and CO<sub>2</sub> detectors/alarms

7. Although we haven't reviewed the results of a local authority search we have been provided with the following planning documents:

- Planning Permission (Ref: 18/3084/PNRES) which was granted on 16 July 2019 and permitted the change of use from offices (B1a) to residential (C3)
- GasSafe Certificate (Ref: 20252937) which was issued on 13 December 2019 in relation to the installation of a new gas-fired boiler.
- Building Regulation Certificate (Ref: RH/TS/P19-0378) which was issued by Stroma Building Control on 10 March 2020. This certificate was issued in relation to the conversion of the existing

first and second floor office in to residential (C3) units with a view to a further conversion to an 8 bedroom HMO.

- Planning Permission (Ref: 20/0140/FUL) which was granted on 16 October 2020 and permitted the change of use from offices (B1) on the first and second floors to a large HMO (Sui Generis) with 8x1 bed apartments with shared kitchen facilities.

In relation to the most recent planning permission (Ref: 20/0140/FUL) the Borrower's solicitor has confirmed that the local authority are aware that the Property is currently occupied, and Borrower is in the process of dealing with the conditions attached to the planning permission.

8. The Borrower's solicitor has confirmed that following the granting of the aforementioned planning permission an application for an HMO Licence has been submitted to the local authority.
9. The EPC (dated 17 July 2018) gives the Property an Asset Rating of D (90).

Signed by:



Signature:

Name: Nick Vaughan

Position: Senior LLP Partner

authorised to sign for and on behalf of Paris Smith LLP

Date: 22 October 2020

Title Plan – HW153544

H.M. LAND REGISTRY		TITLE NUMBER	
		HW153544	
ORDNANCE SURVEY PLAN REFERENCE	SO 8376	SECTION C	Scale 1/1250
COUNTY <del>HEREFORD</del> <del>AND WORCESTER</del>		DISTRICT WYRE FOREST	© Crown copyright 1986

ADMINISTRATIVE AREA WORCESTERSHIRE

