

REPORT ON TITLE

REFINANCE – SEPARATE REPRESENTATION



To	Proplend Security Limited ("the Security Trustee")
From	Dutton Gregory LLP
Borrower	KSSJ Properties Limited
Company Number	07706879
Property	Second Floor and part Ground Floor, 1 Castle Street, Hinckley LE10 1DA Leasehold - LT378734
Is the Borrower the same as the Owner?	Yes
Advance Amount	Gross Loan: £294,000 Amount to be released to Dutton Gregory LLP on completion: £278,540
PG REQUIRED	Yes – 4 directors

1. **TITLE**

a. We certify that the Property is:

Tenure:	Leasehold
Title number:	LT378734
Class of title:	Absolute

- a. We certify that the Title to the Property is good and marketable and can be accepted by you as security.
- b. We include hereto a copy of the plans to the title for the Property ("the **Title Plan**") showing the Property **edged red**. The Title Plan accords with the plan attached to the Valuation.
- c. The Property is registered in the name of the Borrower.
- d. We confirm that the only material **Restrictive Covenants** which affect the Property are set out below.
- e. We confirm that the only material **Adverse Interests/Rights** affecting the Property is referred to below.
- f. No person other than the Borrower has an equitable or overriding interest in the Property save as disclosed in this Report.
- g. The Security Trustee will obtain a **First Legal Charge** over the Property.
- h. The Property has the benefit of the material **Rights Benefitting** referred to as revealed by the title to the Property.

2. **SEARCHES:**

We confirm we now hold:-

- a. Clear Land Registry Priority Search on the Property giving the Security Trustee priority beyond the date of completion.
- b. Clear Bankruptcy Search against the Directors and Personal Guarantors giving priority beyond the date of completion.

All other appropriate searches have been carried out and, save as referred to below, reveal no entries adverse to the Security Trustee's security.

3. **VALUATION:**

We have read the Valuation Survey Report dated 10 June 2021 prepared by Harwoods (“**Valuation**”) and confirm that:-

- a. there are no discrepancies between the Valuation or the title documentation save as highlighted in this Report;
- b. we are satisfied that the Security Trustee will obtain a legal mortgage over the whole of the land shown edged red on the Title Plan for the Property;
- c. **In response to the Valuation Report:**
 - The Property comprises four office suites: Suite 5a(1), 5a(2), 5b and 4. Occupational lease details are provided below from the information provided to us by the Borrower’s solicitor.
 - The Property is leasehold held on a 999 year lease from 25 March 2005 at a peppercorn rent. We have seen a copy of the lease and title and can confirm it provides good and marketable title.
 - Out of this title there appears to be a 15 year lease of the ground floor granted by a lease dated 3 February 2009 to Coral. However, the Borrower’s solicitor has commented: “*This is not relevant as there is an intervening head lease. My Client does not have any benefit from the lease to Coral.*” A copy of this intervening head lease of the ground has now been received.
 - A Radon test is recommended although the Environmental Search does not identify any radon risk.
 - An EWS1 form for the external cladding is required stating the Fire Safety specification. On request from the Borrower’s solicitor they replied: “*Noted. This will be the freeholder’s responsibility.*”
 - We are asked to establish whether the EPC that the valuer has seen relates to the whole floor or if it includes all the office suites. The Borrower’s solicitor comments: “*They relate to My Client’s Property only.*”
 - The Borrower has supplied an **Asbestos Report** which is attached for comment by the valuer.
 - The Borrower has not provided a Fire Risk Assessment or Access Audit, stating it would be the landlord’s responsibility which we do not accept. You have therefore agreed that the Borrower may provide an undertaking to have these carried out within 3 months of completion and any recommended works carried out within 1 month from receipt of the reports.
 - With regard to air conditioning plant, the Borrower’s solicitor comments: “*There are none save for modern mobile air conditioning units fitted by occupying tenants.*”

4. **SECURITY DOCUMENTATION:**

The following security documentation has been properly executed and witnessed (where required) and an electronic copy is held by us. The originals are held by the Borrower’s solicitor.

- a. Legal Mortgage To be dated on completion
- b. Debenture To be dated on completion
- c. Personal Guarantees x 4 To be dated on completion

5. **COMPLETION ARRANGEMENTS**

We now request you to pay to us the Advance Amount and undertake that if you pay to us the saidsum we shall use the same only to forward funds to the Borrower’s solicitor.

As agreed, we shall deduct our fees and disbursements from the Advance Amount before forwarding the balance to the Borrower’s solicitor to complete the re-finance.

We will obtain an irrevocable undertaking from the Borrower’s solicitor confirming that

following completion they will send us the completed security documentation, incept the indemnity insurance policy and forward any necessary supporting documentation. Any title documents that are received from the Borrower's solicitor will be sent to you as required following completion of registration.

Our banking details are:

Account Name	Dutton Gregory Client Account
Account Number	10332186
Bank	Barclays Bank plc
Branch	50 Jewry Street, Winchester
Sorting Code No	20-97-19
Completion date	TBC

SCHEDULE

RESTRICTIVE COVENANTS/ ADVERSE INTERESTS/RIGHTS

The Borrower has confirmed in replies that in respect of the covenants, rights and use impacting theProperty they are not aware of any breach.

1. Title Matters

(a) Charge to be redeemed by the Borrower's solicitor on completion:

LT378734 – charge dated 17 November 2016 – Lloyds Bank PLC

The Borrower's solicitor states that this charge has already been redeemed and they are awaiting the DS1. If this has not been received and a copy provided to us before completion of drawdown we will obtain the usual undertaking from the Borrower's solicitor to redeem the charge and forward the DS1 to us.

(b) Price Paid

The price stated to have been paid on:

Title No.	Price Paid
LT378734	17 November 2016 – £101,000 plus VAT of £20,200

(c) Property Address:

Please refer to the "Property" on page 1 of this report.

Title Matters affecting LT378734

Date	Document	Comments
		<p>The Property is edged red on the Filed Plan (see extract below).</p> <p>NB: The land tinted green is not included in the title.</p> <p>The parts numbered 1 in blue and tinted pink only relate to the ground and second floors</p> <p>The part tinted brown only relates to the ground floor</p> <p>The parts tinted blue and mauve only relate to the second floor.</p> 
22 July 1922	Conveyance	<p>When the freehold of the land tinted mauve on the plan (above) was sold, a restriction was included that now appears on this title that prevents the Property from being used as licensed property or for the sale storage or manufacture of ale, beer, wines, spirits or intoxicating liquors of any kind or for the purposes of any club.</p>
5 January 1928	Conveyance	<p>When the freehold of the land shown tinted yellow and numbered 1 on the plan (above) was again sold the same restriction was included in the title.</p>
	Lease	<p>A lease dated 29 March 2018 of 9D Castle Street and 8 Market Place is noted on this title. The lease is not registrable as it is granted for a term of less than 7 years but this notice records the legal interest granted.</p>
	Lease	<p>The schedule of notices of leases on this title notes the registration of a lease dated 3 February 2009 for a term of 15 years from 3 February 2009 and registered with title number LT418438. This is the lease of part of the Property on the ground floor and marked "2" on the plan above. However, an intervening underlease was granted by the Borrower to Ashilford Properties Ltd, dated 17 November 2016 for a term of 988 years of this ground floor part only so that underlease has the benefit of the lease to Coral, not the Borrower.</p>

2. Occupational Interests

Please refer to the Lease Schedules below.

3. Searches

Date	Search	Material Matters Revealed
30.07.2021	Local	<p>The valuer comments:</p> <p>Town Planning: We have not made any formal enquiries with the local Planning Authority concerned, however we are of the opinion that the property has an established use which would fall within Class A2 of the Use Classes Order 1987 updated to Class E, as of the 1 September 2020.</p> <p>The Local Authority search has been made against the address "1 Castle Street" which is the whole block. It is impossible to relate each planning entry to the individual parts of the whole block. The Borrower's solicitor commented:</p> <p><i>"My Client can confirm it has consented use for offices. My Client has not applied for any planning permission or undertaken any work requiring Building Regulations approval. The Property was formerly used as offices for Woolwich/Barclays Bank."</i></p> <p>The Property is in a Conservation Area.</p> <p>There are properties that adjoin this block that are Listed (2 Church Walk and 11 Castle Street).</p>
23.07.2021	Highways	<p>The valuer comments:</p> <p>It is understood that Church Walk, Castle Street and Market Place are made-up and adopted highways.</p> <p>The Local Search confirms that Castle Street and Market Place are highways maintainable at public expense.</p>
06.07.2021	Water Drainage	<p>The search states that most of the enquiries were "not requested" so none of the most important information is revealed.</p> <p>We have asked the Borrower's solicitor to carry out the water drainage search again to reveal the replies to all these usual enquiries. They have commented instead:</p> <p><i>"That is because a generic search was carried out as this is a multi level building and there are multi units within that building with separate accounts, The Building is connected to mains drainage and mains water. It is in the middle of Hinckley Town Centre."</i></p>
06.07.2021	Environmental	<p>The Valuer commented:</p> <p>The building is in an area of Hinckley identified by the Environment Agency as being in Flood Zone 1, which has a low probability of Flooding.</p> <p>Contaminated Land: NONE IDENTIFIED</p>

		<p>Flood Risk Screen NONE IDENTIFIED</p> <p>Energy & Infrastructure IDENTIFIED</p> <p>Radon NONE IDENTIFIED</p> <p>Environmental Constraints NONE IDENTIFIED</p> <p>There are energy and infrastructure projects at or close to the Property:</p> <ul style="list-style-type: none"> - The Property is within 4km of existing or proposed wind farms or wind turbines
06.07.2021	Chancel Repair	<p>The Property is within a parish which continues to have chancel repair liability.</p> <p>We will request a chancel repair indemnity insurance policy is incepted by the Borrower's solicitor for the market value of the Property prior to drawdown and a copy of the draft policy has been provided.</p>
06.07.2021	Coal Mining	<p>The valuer commented:</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>The property is not located within a coal mining area.</p> </div> <p>The search reveals the Property is "off the coalfield".</p>
07.07.2021	SIMR	<p>The search was carried out against the address "1 Castle Street, Hinckley, Leicestershire" and the following is revealed:</p> <p>LT378434 Freehold LT378734 Leasehold – the Property LT418438 Leasehold LT456139 Leasehold LT456584 Leasehold LT474015 Leasehold LT478164 Leasehold LT478165 Leasehold</p> <p>No other registered estate, caution against first registration, application for first registration or application for a caution against first registration is shown on the index map in relation to the Property.</p>
Expires: 19.10.2021	Bankruptcy	Against the four Directors and Guarantors – no entries
Expires: 02.11.2021	Priority	LT378734 In favour of Proplend Security Ltd – Clear
	Lender Exchange Check	The Borrower's solicitors, Fishman Brand Stone Solicitors, are registered with Lender Exchange.
	SRA Check	Andrew Pickard and Fishman Brand Stone Solicitors are SRA Registered
	Source of Funds	Not applicable - refinance
06.07.2021	Official Copies	LT378734 – 1 Castle Street, Hinckley

4. Buildings Insurance

Insured	The Landlord – Sheet Anchor Evolve (London) Ltd
Insurer	Zurich Insurance plc
Property	1/9d Castle Street & Market St Hinckley LE10 1DA
Sum Insured	£4,077,996 – whole building
Reinstatement Figure – Property Valuation	£1,440,000 – the Property
Policy No	LY842188
Expiry	1 April 2022
Use	Offices
Terrorism	Yes
36 Months' Rent	Yes
PSL Interest noted	Yes
Day one	Yes
Copy Policy sent to PSL	Yes

5. Fire Risk Assessment /Asbestos Report/Access Audit/Energy Performance

Certificate

Date	Report	Contents
17.10.2012	EPC	Rating – 122 (E)
None available	Fire Risk Assessment (“FRA”)	The Borrower has not provided an FRA. The Borrower has signed a written undertaking addressed to the Security Trustee to provide an FRA by 1 December 2021 and to carry out all works required by any recommendations within the FRA within 1 month of the date of the report.
4 May 2012	Asbestos Report	The Borrower has provided an Asbestos Report, copy attached. <u>We are not qualified to comment on the contents of such a report. It is recommended that a copy of provided to the valuer to comment on whether this affects the valuation of the Property.</u>
None Available	Access Audit	The Borrower has commented that there is no Access Audit. The Borrower has not provided an AA. The Borrower has signed a written undertaking addressed to the Security Trustee to provide an AA by 1 December 2021 and to carry out all works required by any recommendations within the AA within 1 month of the date of the report.

6. Identification Documents

Name	List A ID	Expiry	List B	Date of Issue
Shoyeb Hussain Miah	Passport	15/4/2029	Driving Licence	26/2/2020
Abul Kalam Shofraz-UI Musa Miah	Passport	15/11/2022	Driving Licence	18/4/2021
Abul Kashem Moniul Reza Miah	Passport	7/2/2025	Driving Licence	17/3/2015
Abul Khowser Shoyez-UI Issa Miah	Passport	22/3/2026	Driving Licence	1/6/2017

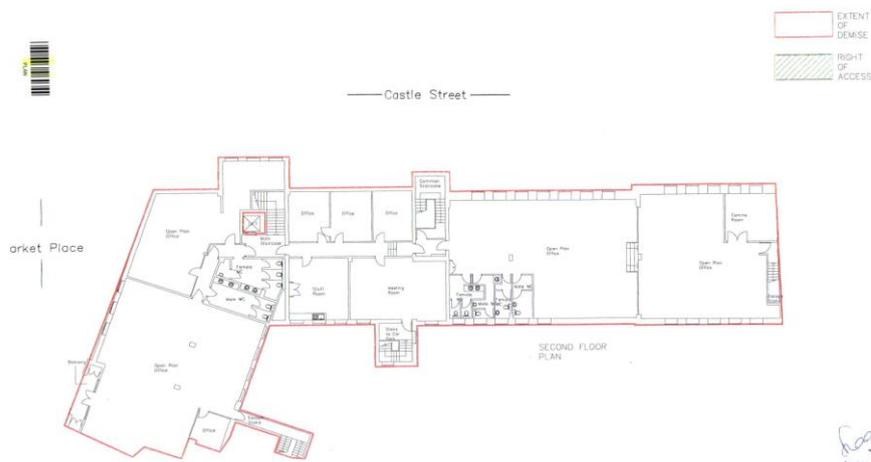
7. Valuation – Material Matters

Date	10 June 2021
Market Value	£490,000
Market Rent	Suite 5A – £19,500 Suite 5B - £10,500 Suite 4 - £18,500
Reinstatement	£1,440,000
Use	A2 or E - Offices
Tenure	Leasehold and subject to occupational leases
General	<p>The valuer commented:</p> <p><i>“The building comprises a 3 storey mixed use with retail shops on the ground floor, offices to the first and second floors and residential flats to the third storey of the section fronting Market Place.</i></p> <p><i>The Property is office suites which comprise the second floor of the whole building and are split into 4 separate suites accessed via Castle Street or via the rear car park with ground floor access by staircase or lift.</i></p> <p><i>The building itself fronts both Castle Street and Market Place with rear access to the private car park on Church Walk.</i></p> <p><i>To the rear there is private parking for residents with 10 spaces available as follows:</i></p> <p><i>Suite 5a – 2 & 2 – 5 spaces</i></p> <p><i>Suite 5b – 2 spaces</i></p> <p><i>Suite 4 – 3 spaces</i></p> <p><i>Built in the 1970s, the site occupies a plot of approximately 0.15 hectare.</i></p> <p>The valuer commented on various leaks and water damage at the Property and the Borrower’s solicitor has commented: <i>“These have been repaired as and when they have occurred.”</i></p>

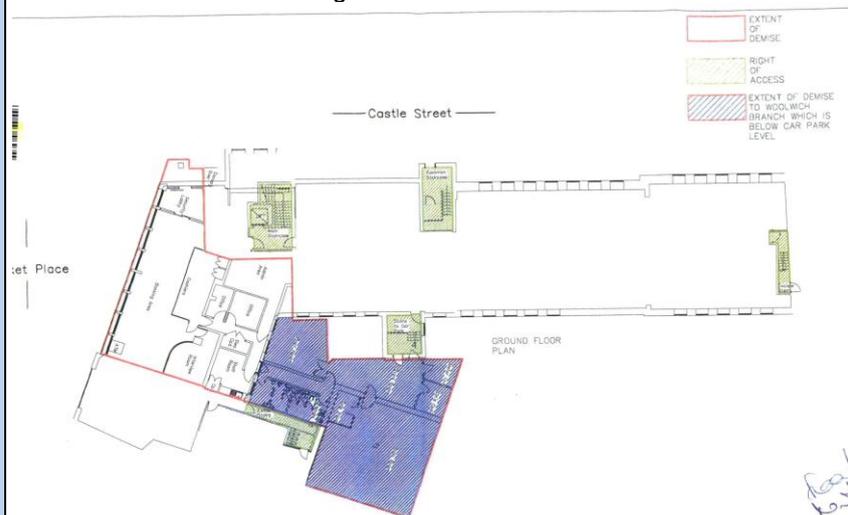
LEASE SCHEDULE

Second Floor, 1 Castle Street, Hinckley

Premises	Whole of Second Floor: edged red
----------	----------------------------------



Ground floor:
Points of access shaded green:



"Premises": part of the Building being all those premises on the ground and second floors of 1 Castle Street which premises are shown edged in red on plan number 4 and plan number 5 attached to this Lease and shall:-

- (a) extend vertically from and include the floor surface of the part demised up to and shall include the underside of the structure of the ceiling over the part demised and
- (b) horizontally shall extend from and include the plaster on the walls of the part demised
- (c) include all Landlords' fixtures and fittings and other plant (including water tanks and boilers) in or forming part of the Premises and all additions to the Premises and all Conduits now or hereafter in or about the same and exclusively serving the same and
- (d) include the frontage windows and fascia

Date	16 June 2005
Parties	Tiger Estates LLP (1) and Woolwich Limited (2)
Current tenant	KSSJ Properties Limited
Current guarantor	None
Term, commencement date and expiry date	999 years from 25 March 2005

Is the Letting Document a new tenancy for the purpose of the LTCA1995?	Yes
Excluded Tenancy	No, included
Current rent and rent payment dates	A peppercorn
Forfeiture Rent unpaid after due. Breach of condition. Tenant insolvency.	21 days (whether demanded or not) Yes, breach of any condition or covenant by tenant Yes
Use and any restrictions on use	
Repair and decoration	Tenant shall keep the Property in good and substantial repair and decorative condition and keep them clean.
Insurance	Landlord responsibility Tenant pays a fair and reasonable proportion of the premium.
Service Charge	Tenant pays a fair proportion attributable to the Property of the cost to the Landlord of carrying out the Services: <div style="border: 2px solid black; padding: 10px; margin: 10px 0;"> <p style="text-align: center;">THE SCHEDULE – the Services</p> <p>repairing maintaining cleaning decorating and where necessary and within the meaning of repair replacing and renewing the exterior foundations walls roof and structure of the Building;</p> <p>maintaining repairing cleansing and where necessary and within the meaning of repair replacing and renewing any Conduits which serve the Premises and the remainder of the Building;</p> <p>if applicable, maintaining cleaning heating lighting decorating repairing and where necessary and within the meaning of repair replacing and renewing any parts of the Building the use of which is common both to the Landlord and to the Tenant</p> <p>such other services in respect of the Building as the Landlord and the Tenant shall agree to in writing</p> </div>
Alterations (a) External/structural: (b) Internal, non-structural:	No structural alterations without Landlord's consent. Internal alterations – lease is silent
Alienation	<u>Assignment and Underletting</u> Whole: Permitted, subject to providing the Landlord or its solicitor with notice of any underlease, transfer, assent, charge, mortgage or other disposition within 28 days of completion. Part: not permitted
Tenant's Rights	Includes: <ul style="list-style-type: none"> • a right of way with or without motor vehicles to and from the adopted highway known as Church Walk • a right to park 14 motor vehicles in the car parking spaces in the car park within the Common Parts (designated from time to time by the Landlord)

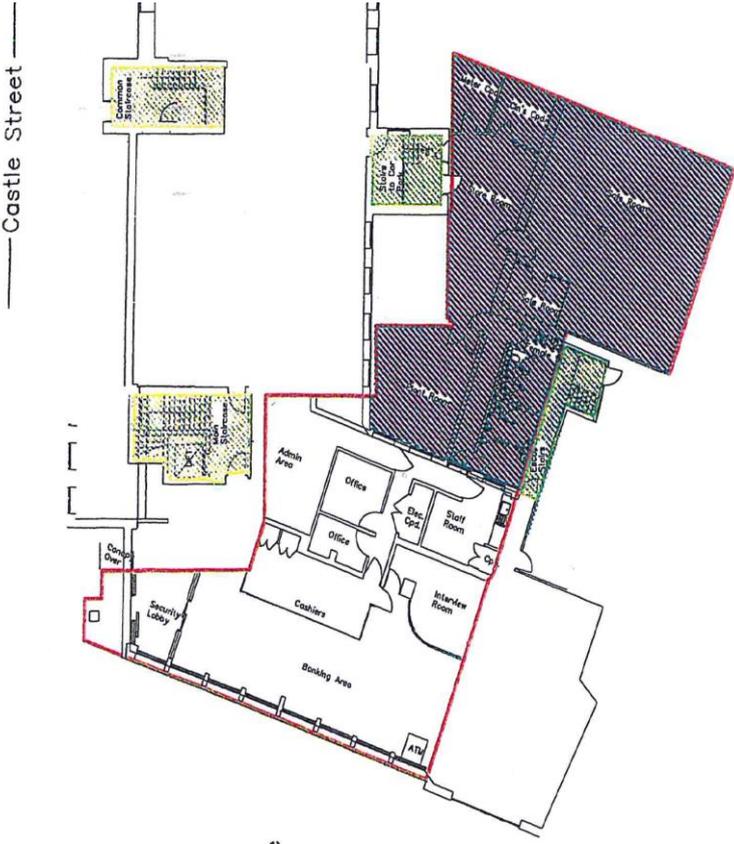
Landlord's Rights	Set out in clause 4 of the Lease
Lease registerable? (i.e. granted for more than 7 years)	Yes. The lease is registered with title number LT378734
Lease executed correctly?	Yes

OCCUPATIONAL LEASE SCHEDULE

The Borrower's solicitors confirm the current occupational tenants are:

"Suite 5a(ii)- Chawston Developments Ltd; Suite 5a (i) Kennacott Management Limited, Suite 5b Hard Drive Construction Ltd, Suite 4 Acorn Training Limited."

No copies of the tenancy agreements have been provided by the Borrower's solicitors, but the Borrower has provided CPSE 2 replies for each tenancy.

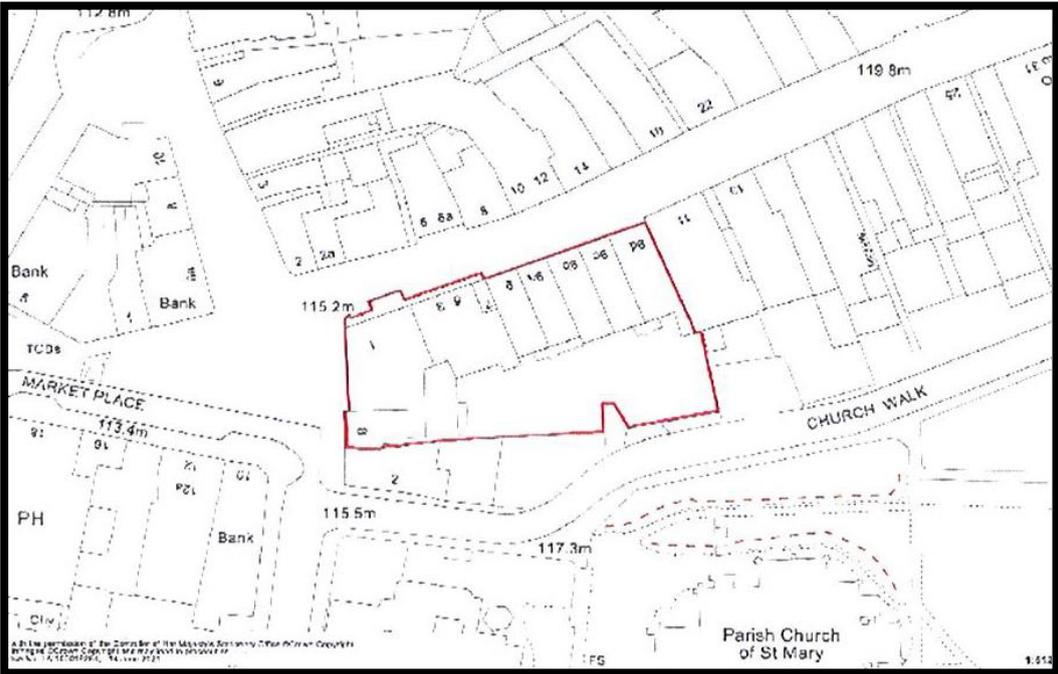
Premises	<p>Ground Floor, 1 Castle Street (edged red on the lease plan below) The intervening underlease of the ground floor, further sublet to Coral Racing:</p> 
Date	17 November 2016
Parties	KSSJ Properties Ltd (1) Ashilford Properties Ltd (2)
Current tenant	Ashilford Properties Ltd
Current guarantor	None
Term, commencement date and expiry date	Approximately 988 years from 17 November 2016 Expiring on 23 March 3004
Is the Letting Document a new tenancy for the purpose of the LTCA1995?	Yes

Excluded Tenancy	No
Current rent and rent payment dates	a peppercorn, if demanded
Rent review	None
Forfeiture Rent unpaid afterdue. Breach of condition. Tenant insolvency.	10 working days (whether demanded or not) Yes, breach of any condition or covenant by tenant Yes
Use and any restrictions on use	A betting office and ancillary uses thereto falling within Use Class A2, or any other use within Use Class A1, A2/A3 or A5 with Landlord's consent.
Repair and decoration	Tenant shall keep the Property in good repair and decorative condition
Insurance	Landlord shall insure or procure that the Superior Landlord insures the Premises in accordance with the terms of the Superior Lease Tenant pays a fair proportion of the insurance premium demanded by the Superior Landlord.
Service Charge	Tenant pays a fair proportion attributable to the Premises of the cost to the Superior Landlord of carrying out the services (the same as those contained in the Superior Lease.
Alterations	No structural or additions without Landlord's consent.
Alienation	<u>Assignment</u> Whole: Permitted, with Landlord's consent and subject to:
	Part: No <u>Underletting</u> Whole: Permitted with Landlord's consent subject to: <u>Charging</u> Whole: Permitted with Landlord's consent
Tenant's Rights	Set out in Schedule 2 of the Lease
Landlord's Rights	Set out in clause 3 of the Lease
Lease registerable? (i.e. granted for more than 7 years)	Yes We have not seen a copy of the title

Polices to be put into place on completion
Chancel Repair indemnity insurance – insured sum - £490,000

Signed by:	<i>Sophie Macarthy</i>
Signature Name:	Sophie Macarthy
Position:	Associate Solicitor
Authorised to sign for and on behalf of:	Proplend Security Limited
Date:	1 October 2021

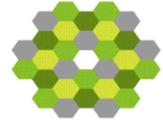
LOCATION PLAN



TITLE PLAN

HM Land Registry
Official copy of
title plan

Title number **LT378734**
Ordnance Survey map reference **SP4293NE**
Scale **1:1250**
Administrative area **Leicestershire :**
Hinckley and Bosworth



© Crown Copyright. Produced by HM Land Registry. Reproduction in whole or in part is prohibited without the prior written permission of Ordnance Survey. Licence Number 100026316
The land tinted green is not included in this title.

