

REPORT ON TITLE

REFINANCE – SEPARATE REPRESENTATION



To	Proplend Security Limited ("the Security Trustee ")
From	Dutton Gregory LLP
Borrower	Aliotta Holdings Limited
Company Number	04968369
Property	FREEHOLD - HD266223 – 25 Lower Kings Road, Berkhamsted; and FREEHOLD – HD439866 – 27 Lower Kings Road, Berkhamsted
Is the Borrower the same as the Owner?	Yes
Advance Amount	Gross Loan: £757,250.00 Amount to be released to Dutton Gregory LLP on completion: £707,208.64
PG REQUIRED	Yes – from Mario Aliotta

1. **TITLE**

- We certify that the Property is registered with two separate titles:

Tenure:	Freehold
Title number:	HD266223 and HD439866
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 titles for the Property ("the **Title Plans**") showing each Property **edged red**. The Title Plans accord with the plan attached to the Valuation.
- c. Both Property titles are 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 are 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 titles to the Property.

2. **SEARCHES:**

We confirm we hold:-

- Clear Land Registry Priority Search of each Property giving the Security Trustee priority beyond the date of completion.
- Clear Bankruptcy Search against the Director of the Borrower giving priority beyond the date of completion.
- "No Search" Indemnity Policy will be incepted on completion in lieu of Local Authority, Environmental and Water Drainage Searches.

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 27 August 2021 prepared by Belleveue Mortlakes (“**Valuation**”) and confirm that:-

- there are no discrepancies between the Valuation, the title documentation save as highlighted in this Report;
- we are satisfied that the Security Trustee will obtain a legal mortgage over the whole of the land shown edged red on each Title Plan for the Property;
- **In response to the Valuation Report:**
 - we are unable to verify whether the Property enjoys free and uninterrupted rights of vehicular and pedestrian access from the adopted highway as no searches are to be carried out prior to completion. The Borrower has confirmed in replies to our enquiries that he considers it does.
 - we are unable to confirm the permitted or established use as referred to in the Valuation Report given that no searches have been carried out and that no-search indemnity insurance will be incepted on completion instead. However we are confident that the Property enjoys established use as a restaurant and the Borrower has confirmed that it does.
 - The Borrower has been asked to confirm that the Property does not use R22 refrigerant in the air-conditioning plant and he states in replies to our enquiries:
“the installation is brand new and so is in line with the latest legal requirements.”
 - The Borrower has supplied a copy of a Fire Risk Assessment carried out in 2018, which recommends works to be carried out to rectify the risks revealed. It also recommends that an assessment is carried out annually but no more recent report has been provided. The Borrower has now signed an undertaking to confirm it will carry out a Fire Risk Assessment and provide evidence of such and any recommended works that are carried out within 1 month of completion.
 - We noticed in the lease dated 30 May 2013 that asbestos was identified in the tenant’s works schedule. We requested an asbestos report and asbestos management plan. However the Borrower has confirmed in replies to our enquiries that:
“this was dealt with during the first week of ownership of the property and there is no asbestos on the premises.”
 - Number 27 Lower Kings Road is occupied by I Love Food Limited, the trading company of the Borrower. The freehold of this particular property was purchased by the Borrower pursuant to the option to purchase contained in the Lease of 30 May 2013 to I Love Food Limited. This lease is now superfluous as a new lease has been granted by the Borrower to the same tenant for the whole site, dated 1 October 2018 for a term of 10 years.
 - The risk of surface water flooding is high. The Borrower’s buildings insurance policy covers this risk.

4. **SECURITY DOCUMENTATION:**

The following security documentation has been properly executed and witnessed (where required) and electronic copies are held by us. The originals will be held by the Borrower’s solicitor and will be forwarded to us following completion:

- Legal Mortgage To be dated on completion
- Debenture To be dated on completion
- Personal Guarantee signed on 15 September 2021 (copy now held by us)

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 undertaking from the Borrower's solicitor to incept the indemnity insurance policies required and forward all necessary supporting documentation on completion. Any relevant 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	24 September 2021

SCHEDULE

RESTRICTIVE COVENANTS/ ADVERSE INTERESTS/RIGHTS

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

1. Title Matters

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

HD266223 – 25 Lower Kings Road, Berkhamsted – charge dated 15 April 2016 – HSBC UK Bank plc

HD439866 – 27 Lower Kings Road, Berkhamsted – charged dated 15 April 2016 – HSBC UK Bank plc

Copies of the revised redemption figures for these charges are attached.

(b) Price Paid

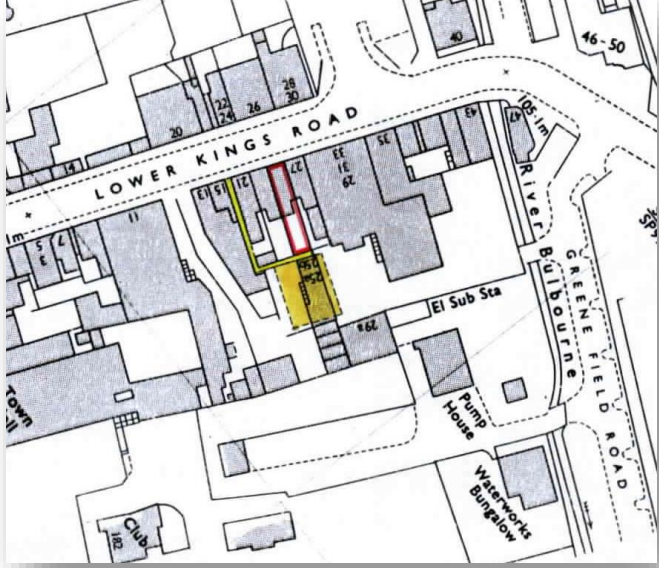
The price stated to have been paid on:

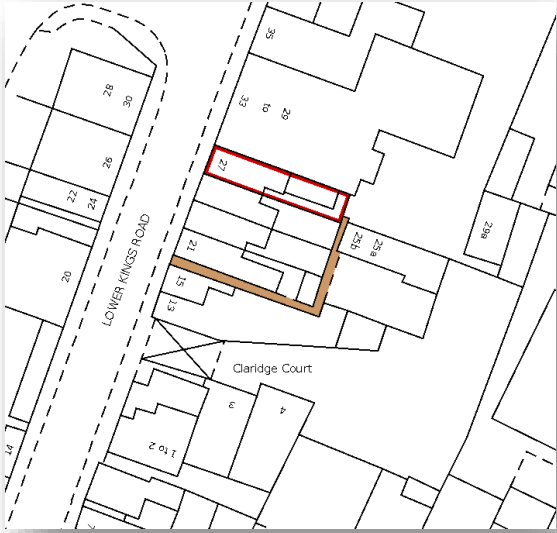
Title No.	Price Paid
HD266223	15 April 2016 – £250,000
HD439866	15 April 2016 - £250,000

(c) Property Address:

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

Title Matters affecting HD266223 – 25 Lower Kings Road

Date	Document	Comments
28 April 1969	Conveyance	<p>The Property enjoys a right of way (in common with others) over the “piece of land” shown coloured yellow on the plan attached to that Conveyance and also now shown coloured yellow on the Filed Plan. See extract below:</p>  <p>By this Conveyance the vendor also reserved a right to himself and successors in title the right to continue to “take and use for his adjoining properties electricity from the property”</p> <p>“...but not including herein any rights to light air or other easements which would in any way restrict or interfere with the free use of the Vendor’s adjoining property (now coloured brown on the plan extract above) whether for building or any other purpose.”</p> <p>It is hard to see where the brown colouring appears on the extract of the Filed Plan above.</p> <p>We have asked the Borrower to confirm that the right to take electricity is no longer exercised. However, the Property enjoys no right to light or air from the adjoining land, whatever the extent of that now remains.</p>

Title Matters affecting HD439866 – 27 Lower Kings Road		
Date	Document	Comments
21 June 1921	Conveyance	<p>This Property also enjoys “a right of way together with all others entitled, to pass at all times and for all purposes along the passageway from Lower Kings Road and so far as the same extends to the rear, and along such rear for a distance of three feet three inches approximately, which said passage is coloured blue on the plan” to that Conveyance, now shown coloured brown on the Filed Plan. Extract below:</p>  <p>The Valuer commented: <i>“Access to the rear of the property is gained via a pedestrian footpath which emanates from in between nos. 15 and 21 Lower Kings Road and along the rear of nos.21 and 23 Lower Kings Road. We assume suitable rights of way exist, but legal advisors should confirm.”</i></p>
		<p>The schedule of notices of leases in this title notes the registration of a lease over this property only dated 30 May 2014 for a term of 10 years from 30 May 2013 and registered with title number HD535171. This is overridden by the new lease granted by the Borrower to the same tenant (see the lease schedule below) and this lease entry should really now be removed from the title.</p>

2. Occupational Interests

Please refer to the Lease Schedule below.

3. Searches

Date	Search	Material Matters Revealed
N/A	Local	<p>No Search Indemnity insurance will be incepted on completion by the Borrower's solicitor.</p> <p>The Valuer commented: <i>“We believe Lower Kings Road to be an adopted highway and maintained at public expense.”</i></p>
N/A	Water	<p>No Search Indemnity will be incepted on completion by the Borrower's solicitor.</p>

N/A	Environmental	No Search Indemnity insurance will be implemented on completion by the Borrower's solicitor. The Valuer commented that the risk of surface water flooding is high.
N/A	Chancel Repair	Not carried out We have requested that a chancel repair indemnity insurance policy be incepted on completion by the Borrower's solicitor.
N/A	Coal Mining	Not carried out
03.09.2021	SIMR	25 Lower Kings Road – HP266223 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. 27 Lower Kings Road – result not received See MapSearch snapshot that reveals the title entries for this property, that match those deduced to us.
Expires: 08.10.2021	Bankruptcy	against the Director of the Borrower – Mario Aliotta – clear
Expires: 29.10.2021	Priority	HD2662223 and HD439866 Both in favour of Proplend Security Ltd taking a charge – no entries
	Lender Exchange Check	The Borrower's solicitors SA Law LLP are registered with Lender Exchange.
	SRA Check	SA Law Solicitors and John Moore are SRA Registered
	Source of Funds	Not applicable - refinance
28.07.2021 28.07.2021	Official Copies	HD266223 – 25 Lower Kings Road, Berkhamsted HD439866 – 27 Lower Kings Road, Berkhamsted

OTHER

4. Buildings Insurance

Insured	I Love Food Ltd and Aliotta Holdings Ltd
Insurer	DTW 1991 Underwriting Ltd on behalf of Syndicate DTW1991 at Lloyd's
Property	25-27 Lower Kings Road, Berkhamsted, Hertfordshire HP4 2AB
Sum Insured	£630,000 with uplift
Reinstatement Figure – Valuation	£630,000
Policy No	2020/DTW2549350
Expiry	13 April 2022
Use	Restaurant
Terrorism	Yes, separate policy from Pen - £630,000 with 20% uplift
36 Months' Rent	Yes, on both policies
PSL Interest noted	Yes, on both policies
Day one	Yes
Copy Policy sent to PSL	Yes, both policies

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

Date	Report	Contents
01.09.2021	EPC	Rating - B
10 July 2018	Fire Risk Assessment ("FRA")	The Borrower has signed an undertaking addressed to the Security Trustee to obtain a review of the FRA within 1 month of completion of drawdown and to ensure that he or the tenant carries out all works required by any recommendations within the FRA within 1 month of the date of the FRA.
None available	Asbestos Report	The Borrower has not provided an Asbestos Report. The Borrower has replied to our enquiry in this respect that: <i>"this was dealt with during the first week of ownership of the property and there is no asbestos on the premises."</i>
None Available	Access Audit	The Borrower has not provided an Access Audit.

6. Identification Documents

Name	List A ID	Expiry	List B	Date
Mario Aliotta	Passport	2 May 2028	Council Tax bill	April 2020 – March 2021

7. Valuation – Material Matters

Date	27 August 2021
Market Value	£1,165,000
Market Rent	£74,000 pa
Reinstatement	£630,000
Use	Restaurant
Tenure	Freehold
Planning	<p>The valuer commented:</p> <p><i>"We estimate the building was originally constructed circa 1900, having subsequently been altered and extended, most recently circa 2019/2020."</i></p> <p><i>"We have made informal enquiries with the Local Planning Authority responsible for this area, via their website.</i></p> <p><i>Use Class 'E' – Restaurant Premises.</i></p> <p><i>Ref. No. Description Decision & Date</i> <i>4/01153/18/FUL</i> <i>Construction of rear single storey extension with roof garden</i> <i>Granted 23.07.18</i></p> <p><i>The property has been extended to the rear and from as far as we can ascertain, would appear to comply with the planning application/decision '4/01153/18/FUL' as listed above.</i></p>

General	<p><i>The property is not listed as a building of historical or architectural importance, but is situated within the Berkhamsted Conservation Area. Therefore, special planning controls may apply."</i></p> <p><i>"At the time of inspection the tenant/owner was in occupation of the property for the operation of their business, being a Sicilian restaurant."</i></p> <p><i>"Restaurant Accommodation: Ground Floor Open plan seating area, with bar and kitchen. First Floor Open plan seating area, with separate male and female customer WC facilities. Net Internal Area 233.38 sq m (2,511 sq ft) Gross Internal Area 245.91 sq m (2,647 sq ft) ITZA 89.93 sq m (935 sq ft) External Roof terrace/patio (first floor rear – accessed first floor seating area) External Terrace Area 34.16 sq m (368 sq ft)</i></p> <p><i>There is no residential accommodation forming part of the premises."</i></p>
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OCCUPATIONAL LEASE

Premises	25 and 27 Lower Kings Road (internal repairing)
Date	1 October 2018
Parties	Aliotta Holdings Limited (1) Love Food Limited (2)
Current tenant	I Love Food Limited
Current guarantor	None
Term, commencement date and expiry date	10 years from 1 October 2018 to and including 30 September 2028
Is the Letting Document a new tenancy for the purpose of the LTCA1995?	Yes
Excluded Tenancy	Yes
Current rent and rent payment dates	£71,000 pa Payable quarterly in advance on the usual quarter days.
Rent review dates and date of last review	None
Forfeiture	
Rent unpaid after due.	14 days (whether demanded or not)
Breach of condition.	Yes, breach of any condition or covenant by tenant
Tenant insolvency.	Yes
Use and any restrictions on use	"Commercial Use"
Repair and decoration	The landlord must keep the Premises in a tenantable condition.
Insurance	Landlord responsibility Tenant pays the premium.
Service Charge	None as such. Tenant pays a fair contribution of Landlord's costs for maintaining, repairing, lighting, cleaning and renewing all service media, structures and other items at the Property used in common with others (but not the drains, roof,

	rainwater goods, chimneys, pointing, external walls or foundations).
Alterations	No alterations permitted.
Alienation	<p><u>Assignment</u></p> <p>Whole: Not permitted</p> <p>Part: Not permitted</p> <p><u>Underletting</u></p> <p>Whole: Not permitted</p> <p>Part: Not permitted</p> <p><u>Group Company Sharing</u></p> <p>Permitted within same group provided no tenancy is created.</p> <p><u>Charging</u></p> <p>Whole: Not permitted</p> <p>Part: Not permitted</p>
Lease registerable? (i.e. granted for more than 7 years)	Yes. But not registered against the titles
Lease executed correctly?	It has been electronically signed by the same entity.

Polices to be put into place on completion

Chancel Repair indemnity insurance – sum insured - £1,165,000
No-search indemnity insurance – sum insured - £1,165,000

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:	24 September 2021