

**REPORT ON TITLE**



**PURCHASE – SEPARATE REPRESENTATION**

<b>To</b>	Proplend Security Limited ("the <b>Security Trustee</b> ")
<b>From</b>	Dutton Gregory LLP
<b>Borrower</b>	Michael Pateman and Melanie Pateman
<b>Company Number</b>	N/A
<b>Property</b>	Unit 2, 16 Sketty Close, Brackmills Industrial Estate, Northampton NN4 7PL
<b>Is the Borrower the same as the Owner?</b>	No. The current owner is the Seller:
<b>FULL NAME OF THE OWNER IF DIFFERENT (where Property is being transferred state intended owner): not applicable</b>	James Hay Pension Trustees Limited
<b>Advance Amount</b>	<b>Gross Loan: £312,000</b>  <b>Amount to be released to Dutton Gregory LLP on completion: £291,554.60</b>
<b>PG REQUIRED</b>	N/A

## 1. **TITLE**

a. We certify that the Property is:

<b>Tenure:</b>	Freehold
<b>Title number:</b>	NN330405
<b>Class of title:</b>	Absolute

- a. We certify that the Title to the Property is good and marketable and can be accepted by you as security.
- b. We annex hereto a copy of the Filed Plan for the Property ("the **Title Plan**") showing the Property **edged red**. The Filed Plan accords with the plan attached to the Valuation.
- c. The Property is to be purchased in the name of the Borrower.
- d. We confirm that the only material **Restrictive Covenants** which affect the Property are set out in the Schedule.
- e. We confirm that the only material **Adverse Interests/Rights** affecting the Property are referred to in the Schedule.
- f. No person other than the Borrower will have 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 in the Schedule as revealed by the title to the Property.

## 2. **PRE-COMPLETION SEARCHES:**

We confirm we hold:-

- a. Clear Land Registry Priority Search giving the Security Trustee priority beyond the date of completion.
- b. Clear Bankruptcy Search against the Borrowers giving priority beyond the date of completion.
- c. Local Land Charges and Local Authority Search no older than four months prior to the date of completion of the Legal Charge revealing no entries which might adversely affect the Security Trustee's security.

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 Report dated 23 August 2021 prepared by Budworth Hardcastle ("**Valuation**") and confirm that:-

- a. there are no discrepancies between the Valuation, the title documentation and the results of our searches save as highlighted in this Report (and below in summary):

- 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.
- c. We are satisfied that the use confirmed in the valuation as “warehousing and industrial” if not established pursuant to the permissions revealed in the local search, it appears to be authorised by long user.
- d. The seller has provided a **FIRE RISK ASSESSMENT** report. The Borrower’s solicitor comments:  
  

“Any new FRA will be the responsibility of the tenant and will be carried out following completion once the tenant is in occupation.”

A copy of the report has been provided for the valuer to review. An undertaking has been obtained from the Borrower to carry out the recommendations and provide to the Security Trustee satisfactory evidence of completion of the works within 3 months of receipt of that FRA. Copy attached.
- e. the seller has supplied a copy of an **Asbestos Re-inspection Report** dated 8 May 2012 which we attach for review by the valuer.
- f. the Highways Search obtained by the Borrower’s solicitor confirms that Sketty Close and Creswell Road are public highways.

**A copy of this Report was sent to the valuer for confirmation that the contents do not have an adverse impact on the Valuation.**

**4. PURCHASE CONTRACT**

- Purchase price: £480,000
- Property: £(as above)
- Fixtures and fittings: £0

**5. SECURITY DOCUMENTATION:**

The following security documentation has been properly executed and witnessed (where required) and copies are held by ourselves. The originals are held by the Borrower’s solicitor.

- a. Legal Mortgage                      To be dated on completion

**6. COMPLETION ARRANGEMENTS**

We now request you to pay to us the Advance Amount and undertake that if you pay to us the said sum we shall use the same only to forward funds to the Borrower’s solicitor to effect the purchase of the Property by the Borrower.

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 purchase.

We will hold an irrevocable undertaking from the Borrower’s solicitor confirming that following completion they will send all necessary supporting documentation, and 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:**

<b>Account Name</b>	Dutton Gregory Client Account
<b>Account Number</b>	10332186
<b>Bank</b>	Barclays Bank plc
<b>Branch</b>	50 Jewry Street, Winchester

<b>Sorting Code No</b>	20-97-19
<b>Completion date</b>	15 September 2021

## **SCHEDULE**

### **RESTRICTIVE COVENANTS/ ADVERSE INTERESTS/RIGHTS**

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

**1. Sighting Paper**

**(a) Borrower Strategy**

To maximise profits of the tenant business. It has secured a new client (Avon Joinery) and are very confident about the income from them which will enhance the profits significantly.

**(b) Exit Strategy**

Once the tenants deliver forecast income, the Borrowers intends to refinance with a long term commercial mortgage lender.

**2. Title Matters**

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

None

**(b) Price Paid**

The price stated to have been paid on 4 April 2017 - £250,000

Current Market Value - £480,000

Purchase Price - £480,000

**(c) Property Address:**

Unit 2, Sketty Close, Brackmills Industrial Estate, Northampton NN4 7PL

**Title Matters affecting NN330405**

Date	Document	Comments
7 March 1994	Transfer	<p>This transfer grants to the Transferee a right with or without vehicles to pass over the land now shown coloured brown on the Filed Plan:</p>  <p>This Transfer also reserves the same right of way for the benefit of the retained land (which lies to the east of the Property) as well as a right to pass over the part of the Property now shown coloured blue on the plan above.</p> <p>There is also a general right reserved for the seller in this transfer and other persons authorised by it, the regional water authority and any other appropriate undertakers for the supply of water, gas, electricity and communications services, their employees and contractors, to enter the property on reasonable notice to install, inspect, repair, maintain, replace, relay, enlarge and remove any service media and place additional media and any building, enclosure or housing of such media and to connect to the service media.</p> <p>This Transfer also contains covenants that bind the Property for the benefit of the retained land:</p> <ul style="list-style-type: none"> <li>- To pay a contribution towards maintenance and repair</li> <li>- Not to obstruct the land coloured brown on the plan above, and not to obstruct the vendor or its contractors or authorised persons to carry out or complete any works permitted in terms of the reservations contained in this transfer.</li> <li>- Not to use the Property for any purpose which could cause nuisance or annoyance to the owners or occupiers of the retained land.</li> <li>- To perform and observe the covenants on the part of the Landlord contained in the Leases referred to in the Transfer as far as they relate to the Property and to indemnify the vendor against any claims of future non-observance and to pay a fair proportion of any expenditure incurred by the then vendor in providing the services referred to in those leases.</li> <li>- To observe the restrictive covenants contained in the Transfer of 19 January 1988 (detailed below) and to indemnify the vendor against any claims made for breach of them.</li> <li>- Not to transfer the Property without first obtaining a covenant from the buyer to observe and perform these covenants.</li> </ul> <p>The title goes on to say that the leases are to Courtaulds Coatings (Holdings) Limited and are dated 5 December 1988 and 7 June 1993.</p> <p>We asked the Borrower's solicitor to obtain further information in this regard from the seller, such as, how do they affect the Property and what amounts have been demanded (if any), and they comment: "<i>The seller has confirmed that so far as it is aware these leases are no longer in existence.</i>"</p>

19 January 1988	Transfer	<p><b>RISK:</b> This Transfer contains restrictive covenants not to:</p> <ul style="list-style-type: none"> <li>- carry on any offensive, noisy or dangerous trade or business nor permit the property to be used for any illegal or immoral purpose or so that it causes any nuisance, annoyance or inconvenience to the adjoining owners or the neighbourhood.</li> <li>- Erect any buildings or make any alterations or additional to the buildings erected on the Property which will unreasonably interfere with the access of light and air to the windows and openings of any adjoining or neighbouring property of the lessees of the properties existing at that date.</li> <li>- Permit the use of the Property or any part other than for the uses referred to in Classes B1, B2 and B8 of the Use Classes Order and not to permit the Property to be used for retain trade or sale.</li> </ul> <p><b>SOLUTION:</b> The first restrictive covenant is quite subjective and covers a potentially wide area. We asked the Borrower's solicitor to enquire of the seller whether they have received any notice of breach of any of these restrictive covenants. The seller has replied that, no, they have not received notice of any breach of these covenants and there are no subsisting disputes in this respect.</p>
4 July 1988	Deed	<p>The Property is subject to rights granted by this Deed to East Midlands Electricity Board to enter onto the land of which this Property forms part and to excavate under it in the position marked by a broken blue line on the Filed Plan shown above as far as it relates to the Property, to lay, place, use, inspect, repair, maintain, renew, replace, remove or render unusable the electric lines that run along the broken blue line.</p> <p>The Deed also contains covenants by the owners of the Property now and in the future:</p> <ul style="list-style-type: none"> <li>- Not to build over the route of the electric line</li> <li>- Not to alter the level of the underground cable which must remain at the level as exists at the date of the deed</li> <li>- Not to do or permit anything to be done on the underground cable route anything that might cause damage or injury to the electric cable and to take reasonable precautions to prevent such damage or injury.</li> </ul>
16 February 2015	Transfer	<p>This Transfer is a transfer of part being the subject Property out of a larger title being Unit 3 registered with Title Number NN165174. It records that the property was sold by Starleen Investments Limited to Dragon Infrastructure Solutions Limited for £330,000.</p> <p>It grants to the Transferee the usual rights to connect to and use service media on the Transferor's Retained Land (Unit 3), support and protection from Unit 3 and to enter Unit 3 to carry out any works to the Property, in accordance with the conditions for entry provided.</p> <p>It also grants a right to use the Property however the Transferee thinks fit and to carry out any development provided it does not interfere with Unit 3. The Transferor also reserves the same rights in favour of Unit 3.</p> <p>The Transfer also reserves for itself a right of access over the forecourt of the Property provided they contribute towards the repair and maintenance of it. The seller has commented that they have never been asked to make any such contribution.</p> <p>This Transfer also imposes restrictive covenants on Unit 2 similar to those above as well as a covenant not to obstruct the forecourt at the front</p>

### 3. Occupational Interests

None. The Property will be sold to the Borrower with vacant possession on completion.

An operating lease will be granted by the Borrower to their company following completion on the following terms:

<b>Premises</b>	Whole of Unit 2
<b>Date</b>	TBA
<b>Parties</b>	Michael Donal Pateman and Melanie Lee Pateman (1) Willow Joinery Suppliers of Excellent Limited (2)
<b>Guarantor</b>	N/A
<b>Term, commencement date and expiry date</b>	15 years from date of the lease
<b>Is the Letting Document a new tenancy for the purposes of the LTCA 1995?</b>	Yes
<b>Excluded Tenancy</b>	Yes
<b>Rent and rent payment dates</b>	£33,000 pa payable in advance on the 1 <sup>st</sup> day of each month.
<b>Rent review dates and date of last review</b>	Every 3 years.
<b>Rent review</b>	Upwards only, open market basis Usual assumptions and disregards Hypothetical lease term – 10 years or unexpired residue. Determined by surveyor acting as an expert Time not of the essence.
<b>Forfeiture</b> (a) Rent unpaid 21 days after due.  (b) Breach of condition.  (c) Tenant/guarantor insolvency.	(a) 21 days ( <i>whether demanded or not</i> )  (b) Yes  (c) Yes
<b>Use and any restrictions on use</b>	B1, B2 or B8 only
<b>Repair and decoration</b>	Tenant shall keep the Property in good and substantial repair and condition, clean tidy and clear of rubbish, and decorate the interior as often as necessary.
<b>Insurance</b>	Landlord responsibility
<b>Alterations</b> <b>(a) External/structural:</b>  <b>(b) Internal, non-structural alteration:</b>	No structural alterations permitted.  Subject to Landlord's consent.
<b>Alienation</b>	<b>Assignment</b> <b>Whole:</b> Subject to landlords consent

	<p><b>Part:</b> No</p> <p><b><u>Underletting</u></b></p> <p><b>Whole:</b> Permitted subject to:</p> <ol style="list-style-type: none"> <li>1. Unqualified covenant on part of underlessee that the underlessee will not assign partonly of the premises thereby demised.</li> <li>2. Covenant on part of underlessee will not assign whole or part demised withoutconsent of the landlord</li> <li>3. Not to underlet otherwise than at the full market rent.</li> <li>4. Exclude L&amp;TA 1954.</li> </ol> <p><b>Part:</b> No</p> <p><b><u>Group Company Sharing</u></b> Within same group.</p> <p><b><u>Charging</u></b></p> <p><b>Whole:</b> Not Permitted</p> <p><b>Part:</b> Not Permitted.</p>
<b>Service charge</b>	None
<b>Lease registerable? (i.e.granted for more than 7 years)</b>	Yes
<b>Other matters</b>	Rolling mutual break option, on six months' notice.

#### 4. Searches

Date	Search	Material Matters Revealed
30.6.2021	Local Authority	<p><b><u>Planning Permissions</u></b> Erection of 3 industrial units at Corner of Caswell Road and Sketty Close App. No: 87/1242 Approved subject to conditions – 20/01/1988</p> <p><b><u>Building Regulations approval</u></b> None</p> <p><b><u>Building regulation completion certificate</u></b> None</p> <p><b><u>Building regulations certificate or notice issued in respect of work carried out under a competent person self-certification scheme</u></b> No relevant entries</p> <p><b><u>Building Control Applications</u></b> BR/88/1159-BR – Internal 2 storey office – 14/16 Sketty Close  FP/88/193-FP – Industrial Unit – 12-16 Sketty Close  FP/89/109-FP – Internal Alterations – 12-16 Sketty Close</p> <p><b><u>Planning designations and proposals</u></b> The adopted Northampton Local Plan indicates the following land use designation for the area in which the property is located:- Existing Business Area Policy</p>

		<p><b><u>Highways maintainable at public expense</u></b> Sketty Close</p> <p><b><u>Nearby road schemes</u></b> Is the property within 200m of any of the following:- - <b><u>The centre line of a new trunk road or special road specified in any order, draft order or scheme</u></b> Northamptonshire Highways on behalf of West Northamptonshire Council Land Searches is not aware of any proposed new trunk road or special road within 200m of the search site. The centre line of the proposed route of a new road under proposals published for public consultation: The West Northamptonshire Joint Core Strategy Local Plan Part 1 adopted December 2014 identifies the locations of growth of the towns of Northampton, Daventry, Towcester and Brackley (known as Sustainable Urban Extensions) as well as associated infrastructure including the potential construction of new roads. The limits of the growth and the associated infrastructure may be within 200m of this property and therefore you are advised to view the document from this page: <a href="http://www.westnorthamptonshirejpu.org/connect.ti/website/view?objectId=513032#5130832">www.westnorthamptonshirejpu.org/connect.ti/website/view?objectId=513032#5130832</a></p> <p><b><u>NB: the Environmental Search did not reveal these infrastructure proposals would have any adverse impact on the Property.</u></b></p> <p><b><u>Radon Gas</u></b> Do records indicate that the property is in a "Radon Affected Area" as identified by Public Health England: Yes</p> <p><b><u>NB: The environmental search confirms the property is considered to be within a low probability radon affected area and no further action is considered necessary.</u></b></p>
25.06.2021	Highways	Northamptonshire Highways confirm that the extent of the adopted highway is shown shaded green on the plan provided.
29.06.2021	Water Drainage	<p>The Property drains foul water to the public sewer. The Property drains surface water to the public sewer. The Property is subject to a surface water drainage charge.</p> <p>The Property is connected to a mains water supply and has a water meter.</p>
24.06.2021	Environmental Desktop	<p><b><u>Contaminated Land:</u></b>                      <b>NONE IDENTIFIED</b></p> <p>The Local Authority Search reveals that the local authority has no plans to investigate contamination at the Property under the Environment Protection Act 1990 Part 2A.</p> <p><b><u>Flood Risk:</u></b>                                      <b>NONE IDENTIFIED</b></p> <p><b><u>Ground Stability:</u></b>                              <b>NOT SEARCHED</b></p> <p><b><u>Radon:</u></b>    <b>NONE IDENTIFIED</b></p>

		<p><b><u>Energy &amp; Infrastructure:</u> IDENTIFIED</b></p> <p>The Property is within 4km of existing or proposed wind turbines and within 2km of other existing or proposed renewable power plants.</p> <p><b><u>Environmental Constraints:</u> NONE IDENTIFIED-</b></p>
26.06.2021	SIMR	Title NN330405 – Freehold – no other registered estate, caution against first registration, application for first registration or application for caution against first registration is shown on the index map in relation to the Property.
24.06.2021	Chancel Repair Liability	<p>The Property is within the historical boundary of a tithe or district within a parish which continues to have a potential chancel repair liability.</p> <p><b>SOLUTION:</b> Borrower’s solicitor will incept a chancel repair liability indemnity insurance policy on completion of the purchase. A draft policy has been obtained and approved.</p>
	Coal Mining	None carried out
Expires: 30.09.2021	Bankruptcy	Michael Pateman – no entries Melanie Pateman – no entries
Expires: 20.10.2021	Priority	NN330405 In favour of the Security Trustee taking a charge – clear
10.09.2021	Lender Exchange Check	The Borrower’s solicitors account details are registered with Lender Exchange. We will call their offices to verify the details over the phone before transmitting funds.
10.09.2021	SRA Check	Clear – Alexandra Kirkwood at Howes Percival
10.09.2021	Source of Funds	Signed and received from Borrower’s solicitor
10.06.2021	Official Copies	NN330405

## 5. Buildings Insurance

<b>Insured</b>	<b>Michael Pateman and Melanie Pateman</b>
<b>Insurer</b>	<b>Direct Line NIG</b>
<b>Sum Insured</b>	<b>£650,000</b>
<b>Reinstatement Figure – Valuation</b>	<b>£650,000</b>
<b>Policy No</b>	<b>200732675</b>
<b>Expiry</b>	<b>15 September 2022</b>
<b>Use</b>	<b>Builders Joinery Manufacturing</b>
<b>Terrorism</b>	<b>Included</b>
<b>36 Months' Rent</b>	<b>Yes</b>
<b>PSL Interest noted</b>	<b>Yes</b>
<b>Copy Policy sent to PSL</b>	<b>Copy Schedule only</b>

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

Date	Report	Contents
24.09.2016	EPC	Rating – E (101)
n/a	Access Audit	None carried out, and the valuer has commented that the Property appears to comply with the Equality Act 2010.
08.05.2012	Asbestos Re-inspection Report	Carried out by the seller. We are not qualified to comment on the contents of this Report. <b><u>NB: the valuer has been provided with a copy of the Asbestos Re-inspection Report in order to comment on whether it has an adverse impact on the valuation.</u></b>  A copy is also provided for the Security Trustee to comment.
	Survey	The Borrower's solicitor has commented:  <i>"My client will not be commissioning a professional survey, however, has inspected the property himself and is satisfied."</i>
February 2017	Fire Risk Assessment	A Fire Risk Assessment (FRA) has been supplied by the seller.  <b><u>NB: We will obtain an undertaking from the Borrower to carry out an FRA within 1 month of completion and to carry out any works or recommendations contained in the FRA within 3 months thereafter and to supply satisfactory evidence to the Security Trustee that such works have been completed.</u></b>

## 7. Identification Documents

Name	List A ID	Expiry	List B	Expiry
Michael Donald Pateman	Passport	21.03.2028	Driving Licence	14.09.2039
Melanie Lee Pateman	Passport	21.03.2028	Driving Licence	07.04.2029

## 8. Valuation – Material Matters

Date	23 August 2021
Market Value	£480,000
Market Rent	£32,000 pa
Reinstatement	£650,000
Property	Unit 2 16 Sketty Close
Use	Warehousing and Industrial
Built	1988/89
Access	Sketty Close
Tenure	Freehold
Invasive species	CPSE replies from the seller confirm no invasive plant species are present at the Property.
Planning	Established use as B1/B8
Occupational Lease	The valuer comments:  <i>"We are advised that there is a lease to be given to Willow Joinery Suppliers of Excellence Ltd at a rent of £32,000 per annum exclusive for a 5 year term on a standard full repairing and insuring basis."</i>

	<b>A copy of the draft form of lease has been provided and is summarised in Section 3 above.</b>
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**9. Material Terms of the Contract and Transfer**

**(a) Contract**

<b>Seller</b>	<b>James Hay Pension Trustees Limited</b>
<b>Buyer</b>	<b>Michael Donald Pateman and Melanie Lee Pateman</b>
<b>Property</b>	<b>Unit 2, 16 Sketty Close</b>
<b>Title</b>	<b>NN330405</b>
<b>Use</b>	<b>B1/B8</b>
<b>Purchase Price</b>	<b>£480,000</b>
<b>VAT</b>	<b>N/A</b>
<b>Exchanged</b>	<b>awaited</b>
<b>Completion date agreed</b>	<b>Awaiting confirmation</b>

**NB: final copy held**

**(b) Transfer**

<b>Seller</b>	<b>James Hay Pension Trustees Limited</b>
<b>Buyer</b>	<b>Michael Donald Pateman and Melanie Lee Pateman</b>
<b>Property</b>	<b>Unit 2 16 Sketty Close</b>
<b>Title</b>	<b>NN330405</b>
<b>Purchase Price</b>	<b>£480,000</b>

**NB: final copy held**

**10. CPSE and ADDITIONAL ENQUIRIES**

Replies to CPSE 1 were provided by the Vendor dated 23 June 2021. Notably:

- The seller has provided a copy of its asbestos survey
- The seller is VAT registered but no VAT election has been made so VAT is not payable on the purchase.
- No capital allowances claims have been made by the seller as it is a pension trust.

<b>Polices to be put into place on completion:</b>	
Chancel Repair Liability Indemnity – sum insured - £480,000	
<b>Signed by:</b>	<i>Sophie Macarthy</i>
<b>Signature Name:</b>	Sophie Macarthy
<b>Position:</b>	Associate Solicitor
<b>Authorised to sign for and on behalf of:</b>	Proplend Security Ltd
<b>Date:</b>	10 September 2021

### Title Plan

