REPORT ON TITLE

NB The image extracted is for illustrative purposes only

REFINANCE – SEPARATE REPRESENTATION

To	Proplend Security Limited ("**PSL**")
From	Paris Smith LLP
Borrowers	Laxmanbhai Dahyabhai Patel, Sumitra Laxmanbhai Patel & Udaikumar Laxmanbhai Patel
Company Number	Not applicable
Property	58 Blackstock Road, London N4 2DW
Are the Borrowers the same as the Owner?	Yes, they will be upon completion
Advance Amount	Gross Loan: £247,000 **Amount to be released to Colman Coyle on completion: £227,819.90**
PG Required	Not applicable

1 **TITLE**

We certify that the Property is:

Tenure:	Freehold
Title Number:	279930
Class of Title:	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 annex hereto a copy of the plan 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 will be registered in the name of the Borrowers.

d. We confirm that the Property is not subject to any **Restrictive Covenants**..

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 Borrowers have an equitable or overriding interest in the Property save as disclosed in their report.

g. PSL 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 **SEARCHES:**

We confirm we hold:-

a. Clear Land Registry Priority Search giving PSL priority beyond the date of completion.

b. "No Search" Indemnity Policy will be instigated on completion in lieu of Local Authority, Water and Drainage and Chancel Repair Searches.

c. Clear Bankruptcy Search(es) giving 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 PSL's security.

3 **VALUATION:**

We have read the Valuation Survey Report dated 17 February 2023 prepared by Terracotta Limited (the "**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.

b. we are satisfied that PSL will obtain a legal mortgage over the whole of the land shown edged red on the Title Plan.

4 **SECURITY DOCUMENTATION:**

The following security documentation has been properly executed by the Borrowers and their signature properly witnessed and the original will be held by us prior to completion.

a. Legal Mortgage To be dated on completion

5 **COMPLETION ARRANGEMENTS**

We now request to 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 Borrowers Solicitors.

As agreed, we shall deduct our fees and disbursements from the Advance Amount before forwarding the balance to the Borrowers Solicitors to complete the refinance.

Our banking details are:

Account Name	Paris Smith LLP Client Account
Account Number	3755 9583
Bank	National Westminster Bank
Branch	High Street, Southampton
Sorting Code No	56-00-68
Completion Date	Friday 23 March 2023
Reference:	AZC.113022.186

SCHEDULE

RESTRICTIVE COVENANTS/ADVERSE INTERESTS/RIGHTS

1. **Title Matters**

(a) Charges to be redeemed by the Borrowers Solicitors:

Title No	Lender	Charge Date
279930	KSEYE Capital Holdings Limited	31 March 2021
We have been provided with a redemption statement which confirms that the sum needed to redeem the aforementioned charge is £210,682.		

(b) Price Paid

The price stated to have been paid on:

Title No	Price Paid	Date
279930	On completion, the property will be transferred to also include Udaikumar Laxmanbhai Patel as owner of the property for nil consideration. The Transfer will be supported by an indemnity policy to cover off the fact that this could be considered a transfer at an undervalue.	To be date on completion.

(c) Property Address:

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

Title Matters affecting 279930		
Date	**Document**	**Comments**
31 March 2021	Lease (entries C4 & L1)	Currently there is an entry on the title in respect of a lease of the ground floor shop at the Property dated 31 March 2021. This lease was granted for a term of 15 years from 31 March 2021 (expiring 30 March 2036) and made between (1) Laxmanbhai Dahyabhai Patel and Sumitra Laxmanbhai Patel and (2) Ferraritastic Limited We have been provided with a copy of the Deed of Surrender which was made between (1) Laxmanbhai Dahyabhai Patel and Sumitra Laxmanbhai Patel and (2) Ferraritastic Limited and completed on 26 September 2022.
	Various Leases (pending registration)	Currently there are 3 leases which are pending registration, details of which are set out below: • Lease of Ground Floor Shop dated 26 September 2022 (we understand that the deed of surrender, in respect of the 2021 lease, has been submitted as part of the application to register the new lease) . • Lease of Flat A dated 31 March 2021 • Lease of Flat B dated 31 March 2021 Details of these three leases are set out below.

2. **Occupational Interests**

The Property is subject to 3 leases, a commercial lease of the ground floor shop and long leases of the two flats.

Commercial Lease

Premises	Ground Floor Shop. 58 Blackstock Road, London N4 2DW, as shown edged red on lease plan annexed to this report.
Original parties	Landlord – Laxmanbhai Dahyabhai Patel and Sumitra Laxmanbhai Patel Tenant – Mekonen Abate Kebde and Zena Kiros Neguse
Date	26 September 2022
Tenant	Mekonen Abate Kebde of Flat 31 Lambfold House, North Road, London N7 9PX; and Zena Kiros Neguse of 43 King Edwards Road, London N9 7RN
Term commencement date and expiry date	A term of years from 26 September 2022 to and including 30 September 2038. *Unexpired term of over 15 years.*
Excluded Tenancy	The Lease will be contracted out.
Rent and rent payment dates	£24,000 per annum payable in 12 equal instalments in advance on the 1st of each month.
Rent review dates and date of last review	The rent shall be reviewed on 1 October 2026 and every 4th anniversary of that date (1 October 2030 & 1 October 2034)
Rent review	The rent will be reviewed on an upward only open market basis, subject to a standard list of assumptions and disregards.
Use and any restrictions on use	Permitted Use: use as a launderette or any other use with the Landlord's prior written consent.
Repair and decoration	**Repair** – The Tenant shall keep the Premises clean and tidy and in good and substantial repair and condition throughout the term. **Decoration** - The Tenant shall also decorate the Premises as often as reasonably necessary and in the last three months of the term. Any decoration undertaken in the last three months of the terms shall be done to the reasonable satisfaction of the Landlord using materials, designs and colours approved by the Landlord (acting reasonably).
Insurance	The Landlord shall keep the Building insured against a standard list of risk for the reinstatement cost. The Tenant shall pay the Insurance Rent (being the Tenant's Contribution (40%) of the costs incurred by the Landlord in insuring the Building, of which the Premises forms part) on demand. If the Building is destroyed or damaged by any of the risks that are covered by the Landlord's insurance so as to make the Premises unfit for occupation or use then the rent (or a fair proportion of it) shall be suspended until the Premises have been made fit for occupation and use or until the end of 3 years whichever is sooner. If following damage or destruction of the Building the Landlord (acting reasonably) considers that it is impossible or impractical to reinstate the Building then it may terminate the Lease by giving notice to the Tenant within 6 months of the damage occurring. If the Building is damaged by an uninsured risk then within 12 months of the damage occurring the Landlord must either: • Terminate the Lease by giving notice to the Tenant; or • Notify the Tenant that it intends to reinstate the Building at its own costs If the Building has not been reinstated within 3 years of the damage (by either an insured or uninsured risk) occurring then either party may terminate

	the Lease by giving notice to the other. If the Lease is determined in accordance with the insurance provisions then all insurance proceeds shall belong to the Landlord.
Alterations (a) External/structural (b) Internal, non-structural alteration	The Tenant shall not make any external alterations of additions to the Premises or any openings in the boundaries of the Premises. The Tenant may make internal non-structural alterations to the Premises or alterations or additions to the service media at the Premises with the prior consent of the Landlord (such consent not to be unreasonably withheld or delayed)
Alienation	**Assignment -** The Tenant may assign the whole of the Lease with the consent of the Landlord (such consent not to be unreasonably withheld or delayed). When giving consent the Landlord may make this conditional upon: • the Tenant providing an AGA; • a person of acceptable standing to the Landlord (acting reasonably) acting as a guarantor for the assignee; • the assignee entering into a rent deposit deed (not less than 6 months' rent). Further the Landlord may refuse consent to an assignment if: • any annual rent due under the Lease is outstanding; • there is any material breach of covenant; or • in the Landlord's reasonable opinion, the assignee is not of sufficient financial standing. **Underletting** – The Tenant may underlet the whole of the Premises with the consent of the landlord (such consent not to be unreasonably withheld or delayed). The Tenant must not underlet the whole of the Premises • with any property, or any rights over property, that are not included within the Lease; • at a fine, premium or reverse premium; • unless the underlease has first been contracted out of the security of tenure provisions of the 1954 Act; • for a term which expires later than 3 days before the end of the contractual term; • unless the undertenant has entered into a direct covenant in favour of the Landlord to observe and perform the tenant covenants in the Lease; and • unless a person of acceptable standing to the Landlord enters into a guarantee in favour of the Landlord Aside from the above restrictions any underlease of the whole must include: • the reservation of a rent which is not less than the market rent at the date which the Landlord grants consent to underlet; • provisions for the rent to be reviewed at the same times and on the same basis as the rent in this Lease; • Covenants by the undertenant restricting all forms of alienation, except that assignment of the whole of the underlease is permitted on the same terms as those in this Lease; and

	• provisions requiring the consent or approval of the landlord to be obtained in respect of any matters for which the consent or approval of the Landlord is required under this Lease. **Charging** - The Tenant may charge the whole of the Lease with the consent of the Landlord (such consent not to be unreasonably withheld or delayed).
Service Charge	There are no service charge provisions contained in the Lease. We have queried this with the Borrowers Solicitors who have confirmed that there is no service charge payable by the Tenant of this Premises so any costs associated with the maintenance or repair of the structure of the building would need to be borne by the Landlord. Although part of the overall costs would be recoverable from the tenants of the two flats, in accordance with the service charge provisions in those leases (details set out in the separate lease report).
Forfeiture (a) Rent unpaid for 14 days after due. (b) Breach of condition. (c) Tenant/Guarantor insolvency	 (a) Yes, whether or not the Rent has been formally demanded or not (b) Yes (c) Yes
Landlord Covenants	• Quiet enjoyment; • To insure the Building; and • To provide the Services, as set out above
Lease registerable? (ie, granted for more than 7 years)	Yes, the Lease is registerable as term is in excess of 7 year. The application to register the Lease is currently showing a pending with the Land Registry.

Residential Long Leases

The two long leases are granted on identical terms and therefore we have only a provided a report on the lease of Flat A

Premises	Flat A, 58 Blackstock Road, London N4 2DW, as shown edged red on lease plan annexed to this report.
Parties	Landlord – Laxmanbhai Dahyabhai Patel and Sumitra Laxmanbhai Patel Tenant – Laxmanbhai Dahyabhai Patel
Date	31 March 2021
Term commencement date and expiry date	A term of 125 years from 31 March 2021 until 2146.
Excluded Tenancy	Not applicable, this is not a business tenancy but a residential one.
Rent and rent payment dates	Initial rent of £250 which will double every 35 years of the term. The ground rent is payable on the 1st April each year.
Rent review dates and date of last review	There are no rent review provisions, instead the ground rent doubles ever 35 years, so from 31 March 2056 the ground rent will be £500 per annum.
Rent review mechanism	Not applicable
Use and any restrictions on use	Use as a single private dwelling.

Repair and decoration	**Repair** – The Tenant shall keep the Premises in good and repair and condition throughout the term. To renew and replace all the Landlords fixtures and fittings from time to time which are beyond repair. **Decoration** - The Tenant shall also decorate the Premises as often as reasonably necessary and at least every 5 years. Any decoration undertaken in the last year of the term shall be done in a good and proper manner using materials, designs and colours approved by the Landlord
Insurance	The Landlord shall keep the Building insured against a standard list of risk for the reinstatement cost. The Tenant shall pay a fair and reasonable proportion determined by the Landlord and the Tenant shall be required to pay insurance rent on demand. If the building is destroyed or damaged by any of the risks that are covered by the Landlord's insurance so as to make the Premises unfit for occupation or use then the rent (or a fair proportion of it) shall be suspended until the Premises have been made fit for occupation and use or until the end of 3 years whichever is sooner. If following damage or destruction of the Building the Landlord) considers that it is impossible or impractical to reinstate the Building then the Landlords obligation to reinstate the building shall be deemed as discharged. If the Lease is determined in accordance with the insurance provisions then all insurance proceeds shall belong to the Landlord.
Alterations (a) External/structural (b) Internal, non-structural alteration	The Tenant shall not make any external alterations of additions to the Premises or any openings in the boundaries of the Premises. The Tenant may make internal non-structural alterations to the Premises or alterations or additions to the service media at the Premises with the prior consent of the Landlord (such consent not to be unreasonably withheld or delayed)
Alienation	**Assignment -** The Tenant shall not assign the whole of the Lease without the consent of the Landlord (such consent not to be unreasonably withheld). When giving consent the Landlord may make this conditional upon providing the landlord with address for service is the assignee or transferee is not a resident in England or Wales Further the Landlord may refuse consent to an assignment if any annual rent due under the Lease is outstanding. Underletting: The Tenant shall not underlet the whole of the Premises unless: • the Underlease is for a term not exceeding 12 months and is an assured shorthold tenancy agreement (AST), or any other tenancy which does not provide the tenant with security of tenure upon the expiry or earlier termination of the term. • the Underlease contains substantially the same covenants under the Lease. • the undertenant is not permitted to do anything that may cause the Tenant to breach a covenant in the Lease. Other Dealings– other than those dealing s listed above, all other forms of alienation is prohibited.
Service Charge	The Tenant is required to pay a fair and reasonable proportion of the Service Charge Costs as determined by the Landlord. The Service Charge Costs are all costs reasonable and properly incurred for providing the Services.

	The Landlord is required to provide the following services: - • Cleaning, maintaining and decorating the retained parts • Heating the common parts • Lighting the common parts • Cleaning, repairing and maintaining the furniture, fittings and equipment on the common parts • Cleaning the outside windows of the building • Landscaping any grassed areas of the common parts • Any other service that the Landlord using reasonable discretion believes would benefit the occupiers and tenants of the building.
Forfeiture (a) Rent unpaid for 21 days after due. (b) Breach of condition. (c) Tenant/Guarantor insolvency	 (a) Yes, whether formally demanded or not (b) Yes (c) No, although we would not expect to see this in a long lease
Landlord Covenants	• Quiet enjoyment; • To insure the Building; • Rebuild following damage or destruction • To provide the services (set out in the Service Charge section of this report) • To enforce covenants against the other Tenants
Lease registerable? (ie, granted for more than 7 years)	Yes, as the Lease is being granted for 125 years it is registerable. We are advised that the application to register this lease (and the lease of Flat B) are both still pending with the Land Registry.

Although we have not provided a report on the terms of the lease of Flat B, we have annexed a copy of the lease plan to this report.

The Borrowers Solicitors have confirmed in correspondence that all rents payable under the leases are paid up to date and there have been no breaches of the terms of any of the lease and no notices have been served or received by the Landlord

Please note that the tenants of the two residential flats would have a right to first refusal under the Landlord & Tenant Act 1987 as the commercial element of the Property does not exceed 50% of the title internal floor area of the building (based on the measurement provided on the lease plans). So, if PSL wished to sell the Property they would need to serve the relevant notices on the tenants before contracting to sell the Property. The most likely notices being either a Section 5A (private sale) or a Section 5B (sale at auction) Notice. Please bear in mind that the requirement to serve these notices will increase the time it takes to sell the Property.

For a Section 5A Notice the Landlord must give the tenant no less than 2 months' notice to accept the offer to purchase the Property at a fixed price. Alternatively, if the Property was going to be offered at auction the timescales would be even longer, with the first notice needing to be served 4-6 months prior to the auction.

Another point to bear in mind is the expected changes to law surrounding collective enfranchisement. At present these laws would not apply as the commercial element of the Property takes up more than 25% of the building, but in the future, this will be increased to 50% (excluding all common parts of the building). So, based on the measurements in the lease plans, when the threshold is increased the collective enfranchisement rights would apply.

If the tenants of the two flats wished to exercise their enfranchisement rights they would have to pay market value for the freehold title, and the landlord would be entitled to take a 999 year leaseback (at a peppercorn ground rent) of the commercial part of the building. If the landlord took such a lease this would obviously reduce the market value which would be paid for the freehold title.

3. Searches

Date	Search	Material Matters Revealed

	Local	No Search Indemnity will be implemented on completion by the Borrowers Solicitors. Although we have not reviewed the results of a local authority search we have been provided with a copy decision notice (ref: P2021/2716/FUL) which was issued on 6 July 2022. This decision notice grants permission for the following development *'Erection of first floor level rear extensions and rear dormer roof extensions to nos. 56-58 Blackstock Road.'* A copy of the decision notice has been provided to PSL We have asked if the planning permission has been implemented and have been advised that it is yet to be implemented, and the Borrowers have advised that the do not plan to implement this anytime sooner. Please note that the permission was lapse after 3 year (5 July 2025).
	Water and Drainage	No Search Indemnity will be implemented on completion by the Borrowers Solicitors.
	Chancel Repair	No Search Indemnity will be implemented on completion by the Borrowers Solicitors.
	Mining	No Search Indemnity will be implemented on completion by the Borrowers Solicitors.
	Highway	No Search Indemnity will be implemented on completion by the Borrowers Solicitors.
10 March 2023	Environmental	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 "Low: Acceptable Risk" meaning that in the professional opinion of Landmark Information the level of risk associated with the information disclosed in the report: (a) is unlikely to have an adverse effect on the value of the Property, and (b) is not such that the Property would be designated "Contaminated Land" within the meaning of Part

		IIA of the Environmental Protection Act 1990. Aside from the 'passed' result in respect of contamination the search also reveals that the Property is within 250m of active railways lines, with the closest station being Station Place which is located northwest of the Property.
	Company	Not applicable
Expires: 4 April 2023	Bankruptcy	Clear – against Laxmanbhai Dahyabhai Patel, Sumitra Laxmanbhai Patel & Udaikumar Laxmanbhai Patel
Expires: **27** April 2023	Land Registry Priority	In favour of Proplend Security Limited, but please note that the priority search refers to three pending applications, details of which are set out below: • The registration of a lease of Flat A dated 31 March 2021 • The registration of the lease of Flat B dated 31 March 2021; and • The registration of the lease of the ground floor shop dated 26 September 2022 Details of the above leases have all been summarised in the occupation lease reports in section 2 of the Schedule of this report.
	SRA check	Colman Coyle (SRA Number: 596940)
	Source of Funds	Not applicable, the advance being provided by PSL will more than cover the redemption of the KSEYE facility. charge
29 April 2021	Official Copies	279930

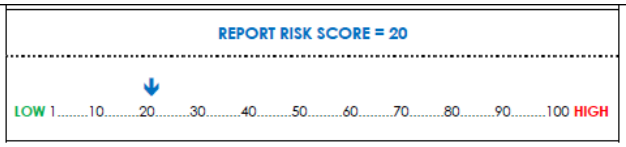
OTHER

4. **Buildings Insurance**

We have yet to be provided with a copy of the final buildings insurance, but PSL have confirmed that no funds will be released until they have received satisfactory insurance documents.

5. **Asbestos Survey / Energy Performance Certificate / Licensing**

Date	Report	Contents
Various	EPC	Commercial Unit – C(59), valid until 6 November 2028 Flat A – C(71), valid until 21 December 2025 Flat B – D(62), valid until 12 November 2028
15 February 2021	Asbestos Management Survey	The asbestos management survey was prepared by ASI Environmental Ltd following an inspection on 15 February 2021, states that "*no asbestos containing material or material strongly presumed to contain asbestos was located during the survey"*
1 March 2021	Fire Risk Assessment ("FRA")	The FRA, prepared by Sterling Blank Fire and Safety Services, gives the internal common parts of the Property a risk score of 20.

		 The Borrowers Solicitors have confirmed that all action points identified in this report have been actioned. Please note that the FRA suggest a further review be undertaken in March 2023, and we are advised that this is yet to be undertaken
	Landlord Licence	Islington Borough Council operate a selective licensing scheme in the Finsbury Park ward, where the Property is located. This requires all landlords to obtain a licence from the council in relation to any privately rented properties let to either an individual, a single family or two unrelated sharers. Although the two flats are subject to long leases, as the Tenant under these leases is Laxmanbhai Dahyabhai Patel we have asked if a valid licence is currently held in respect of the two flats, and we have been advised that the Tenant will be applying for this shortly.

6. **Identification Documents**

Please note that we have not been provided with any ID document for the Borrowers, but we assume that PSL are satisfied that all necessary checks have been undertaking. Although we have not received any ID documents we do have confirmation from the Borrowers Solicitors, in writing, that the Legal Charge has been signed by the Borrowers.

7. **Valuation – Material Matters**

Date	17 February 2023 (original inspection 4 July 2022)
Market Value	Market Value: £380,000 Market Value (vacant possession): £355,000 Market Rent: £21,779
Reinstatement	£240,000
Property	58 Blackstock Road, London N4 2DW
Use	58 Blackstock Road is a mid-terrace, Victorian building with a retail unit to the ground floor and self-contained residential flats to the first and second floors. *Please note that the residential flats were not inspected*
Tenure	Freehold
Other Comments	**Lease of Ground Floor Commercial Unit** – Please refer to the lease report in section 2 of the Schedule. **Planning** – Planning permission had been applied for the erection of first floor level rear extensions and rear dormer roof extensions to number 56-58 Blackstock Road. This had been approved with conditions in 2021. **Residential Flats** – According to the lease plans, copies attached, the flats are spread across the 1st, 2nd & 3rd floors, however, the valuation reports only refers to them being on the 1st and 2nd floors.

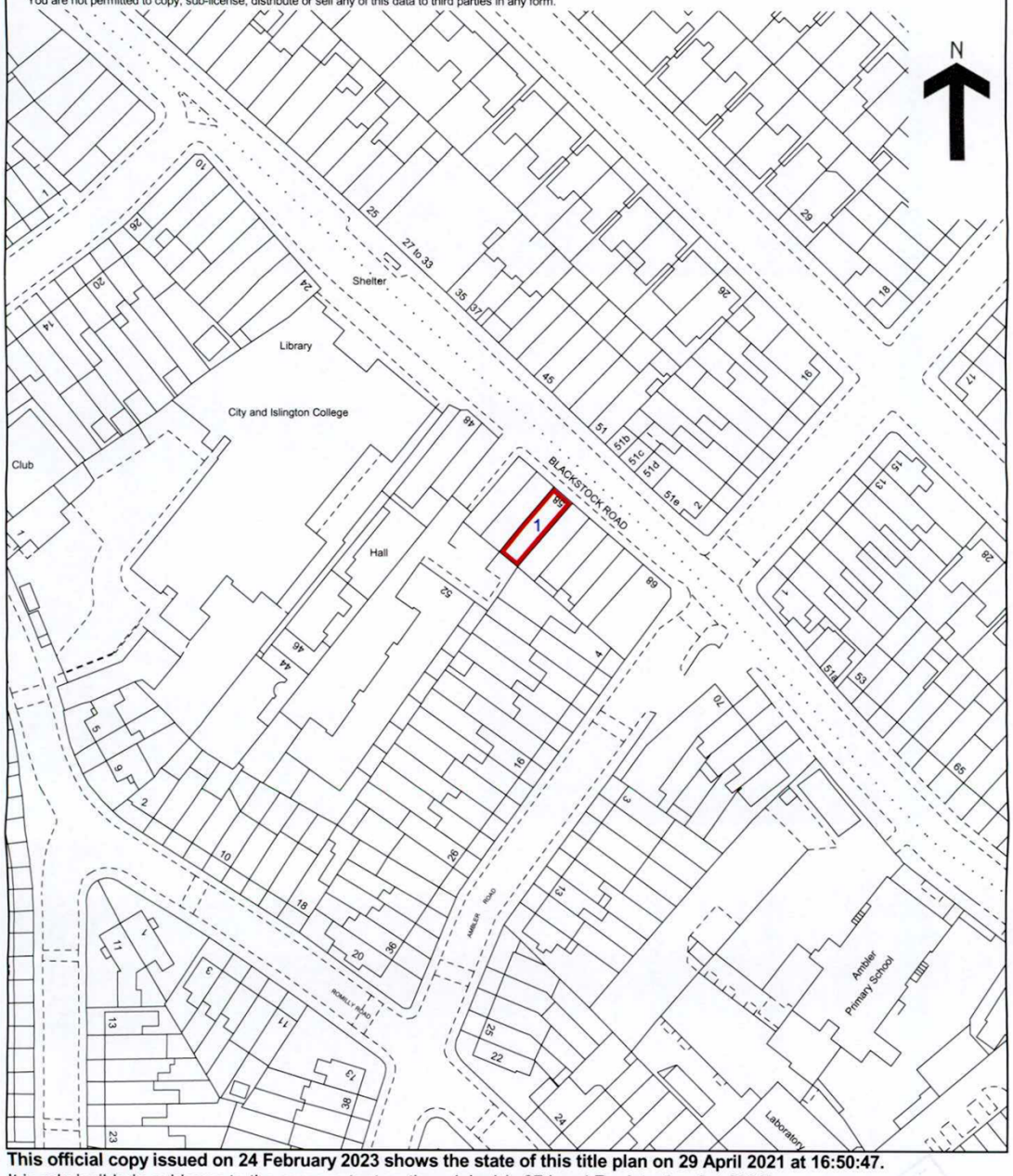
Policies to be put into place on completion
No Search Indemnity Insurance - £380,000, limit of indemnity
Transfer at an Undervalue Insurance - £380,000, limit of indemnity
Policies already in place
None

Signed by:	
Signature Name:	Alexander Cheele
Position:	Associate
Authorised to sign for and on behalf of:	Paris Smith LLP
Date:	23 March 2023

Title Plan – 279930

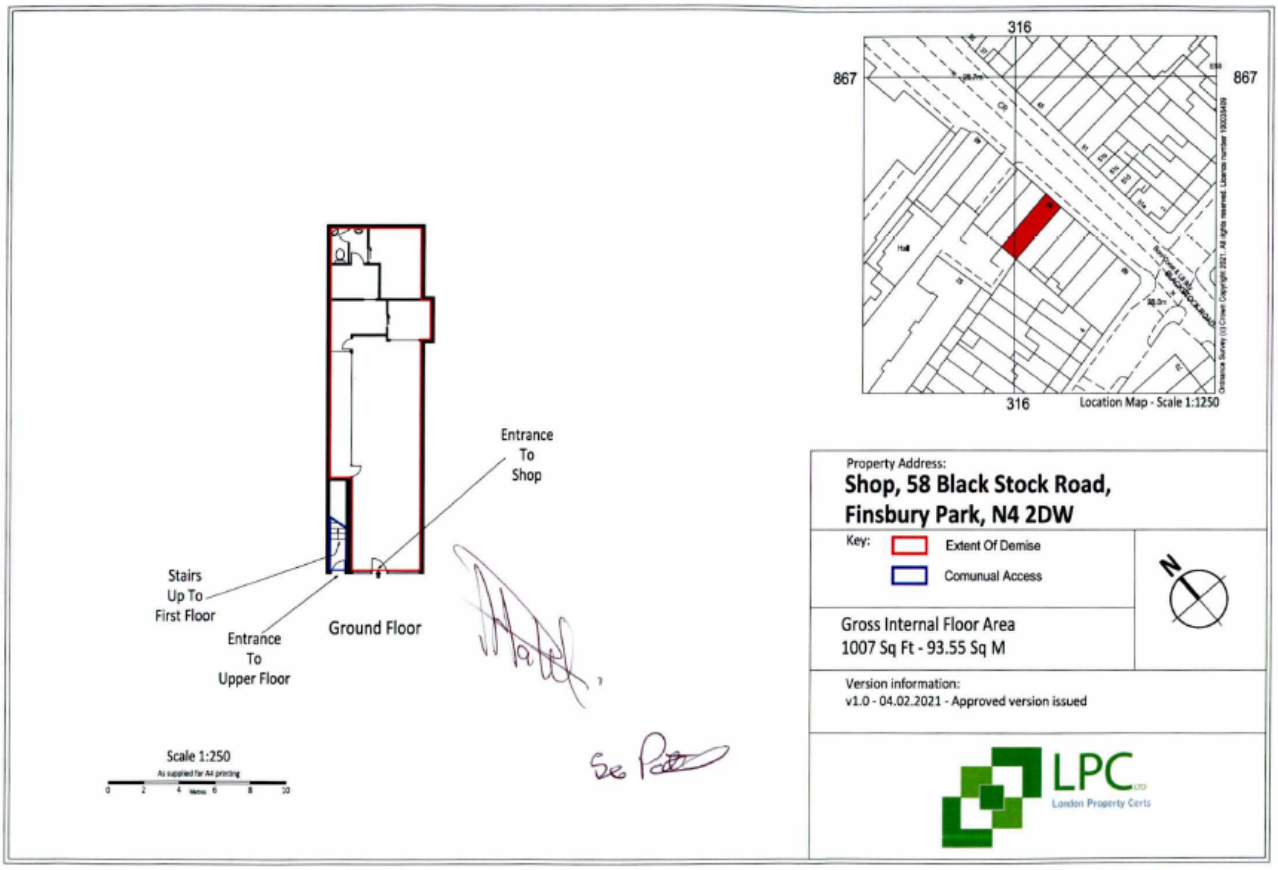
HM Land Registry
Official copy of title plan

Title number **279930**
Ordnance Survey map reference **TQ3186NE**
Scale **1:1250**
Administrative area **Islington**

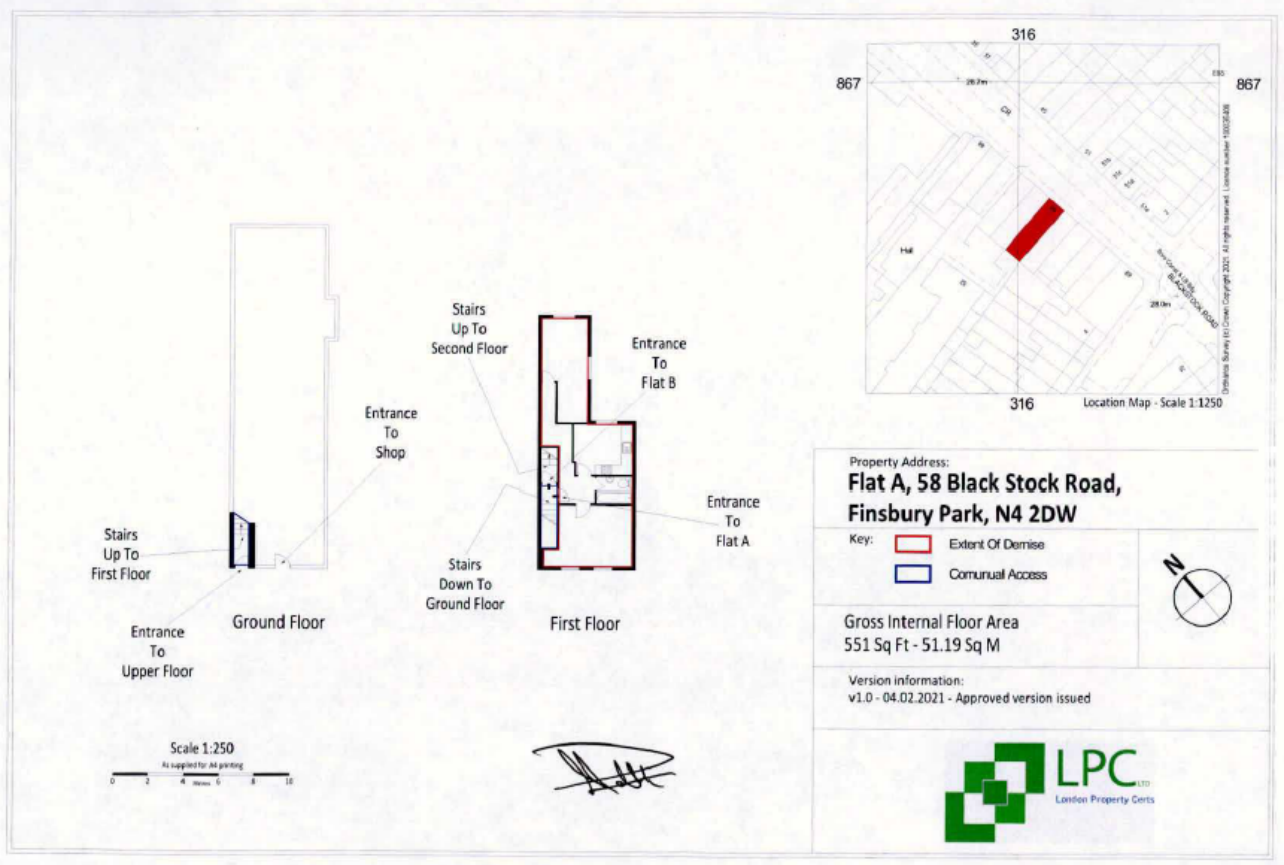


This official copy issued on 24 February 2023 shows the state of this title plan on 29 April 2021 at 16:50:47.
It is admissible in evidence to the same extent as the original (s.67 Land Registration Act 2002).
This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale.
Measurements scaled from this plan may not match measurements between the same points on the ground.
This title is dealt with by HM Land Registry, Durham Office.

Commercial Lease Plan



Flat A Lease Plan



Flat B Lease Plan