

REPORT ON TITLE



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REFINANCE – SEPARATE REPRESENTATION

To	Proplend Security Limited (“PSL”)
From	Paris Smith LLP
Borrowers	Russell Michael Chopp & Dawn Elizabeth Chopp
Company Number	Not applicable
Property	42 Hoxton Square, London N1 6PB <i>Please note that the Property only includes the ground and lower ground floor of the building</i>
Is the Borrower the same as the Owner?	Yes
Advance Amount	Gross Loan: £884,500 Amount to be released to Valemus Law on completion: Not applicable. There is a shortfall of £4,689.27 (inc. legal fees and disbursements) which needs to be paid by the Borrower in order to redeem the existing PSL loan.
PG Required	Not applicable

1 **TITLE**

We certify that the Property is:

Tenure:	Leasehold
Title Number:	EGL520994

Class of Title:	Title Absolute
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- 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 is registered in the name of the Borrower.
- d. We confirm that the only material **Restrictive Covenants** which affect the Property are set out in the attached 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 has 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 20 April 2023 prepared by Bellevue Mortlakes (“**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 and

4 **SECURITY DOCUMENTATION:**

The following security documentation has been properly executed and witnessed and the original is held by the Borrowers Solicitor, and prior to completion we will have an undertaking from the Borrowers Solicitor which requires them to provide the original post 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 Borrower's conveyancer.

As agreed, we shall deduct our fees and disbursements from the Advance Amount before forwarding the balance to the Borrower's conveyancer 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 9 June 2023
Reference:	AZC.113022.189

SCHEDULE

RESTRICTIVE COVENANTS/ADVERSE INTERESTS/RIGHTS

The Borrower has confirmed in replies 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 upon completion:**

Title No	Lender	Charge Date
EGL520994	Proplend Security Limited	21 July 2020

(b) **Price Paid**

The price stated to have been paid on:

Title No	Price Paid	Date
EGL520994	£672,000 <i>This was the premium paid for the grant of the long lease of the Property.</i>	12 February 2007

(c) **Property Address:**

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

Title Matters affecting EGL520994		
Date	Document	Comments
12 February 2007	Lease	The Property is leasehold and details of the headlease are set out below.
20 December 2021	Lease	The Property is subject to a lease of whole, details of which are set out in the occupation lease report set out in section 2, below.
Headlease Report		
Premises	42 Hoxton Square, London N1 6PB	
Premises	(1) Rosenport Limited (2) Russell Chopp & Dawn Chopp	
Date	12 February 2007	
Current landlord	Hoxton Square Limited (company number: 10924459) of 42 Hoxton Square, London, England N1 6PB	
Current tenant	Russell Michael Chopp and Dawn Elizabeth Chopp both of Hempton Lodge Monks Horton Ashford Kent TA25 6DF	
Term commencement date and expiry date	999 years from 22 January 2007 to and including 21 January 3006 (unexpired term of 982 years)	
Rent Provisions	Rent: A peppercorn per annum Premium: £672,000 (paid on the grant of the lease) Rent Review: Not applicable.	

<p>Forfeiture</p>	<ul style="list-style-type: none"> • Rent unpaid for 21 days; and • Tenant in breach of covenants or conditions <p>The Lease provides that insolvency is also a ground for forfeiture. However, this was amended by a Deed of Variation in 2017 which excluded this provision and included further arrangements that before the Landlord could take forfeiture, it had to give notice to the mortgagee. The mortgagee then has 14 days in which to say that it wishes to remedy the breach and a further 28 days in which to effect that remedy.</p> <p>Please note that this deed of variation has never been registered, we hold a certified copy of the deed of variation so would be able to produce this should you ever need to sell the Property.</p> <p>To avoid any delays with our application to register your security, the Borrowers' Solicitor has agreed to register the Deed of Variation once the Land Registry have completed our application.</p>
<p>Use and any restrictions on use</p>	<p>The permitted use is defined as being any use permitted by planning, which would mean in this case commercial premises.</p>
<p>Repair and decoration</p>	<p>Repair - The Tenant is to keep the Property internally in good repair and condition and the Landlord to maintain the structure subject to receiving the service charge.</p> <p>Decoration – In every 5th year of the term (and in the last 6 months) the Tenant is required to paint the exterior shop front, doors and windows to the reasonable satisfaction of the Landlord.</p>
<p>Insurance</p>	<p>Landlord to insure the building against normal commercial risks. Rent will be suspended if the premises are destroyed.</p> <p>The Landlord is to reinstate. There is no provision for the Lease to be terminated if the Landlord cannot reinstate and also no provision that the insurance monies are to be held on trust for both the Landlord and the Tenant if reinstatement is frustrated.</p> <p>We have raised this with the Borrowers solicitor who say that that is not a difficulty as the Tenant (Borrower) is one of the owners of the freehold and if required, this can be changed in the future.</p>
<p>Alterations</p> <p>(a) External/structural</p> <p>(b) Internal, non-structural alteration</p>	<p>The Tenant shall not make or authorise or suffer to be made any structural alterations or additions to the premises, except such as have been approved in writing by the Landlord or its surveyor (such approval not to be unreasonably withheld or delayed).</p> <p>Further the Tenant shall not carry out any such alterations or additions for which such approval has been given except by a reputable contractor.</p> <p>Provided that these provisions shall not prevent the Tenant from removing or altering the position of any internal division walls or partitions or making or authorising to be made other non-structural internal alterations.</p>
<p>Alienation</p>	<p>As mentioned when the previous loan was completed the alienation provisions in the lease are slightly odd.</p> <p>Assignment: Assignment of the whole is permitted with Landlord's</p>

	<p>consent but there are no conditions attached to that.</p> <p>Assignment of part appears to be permitted.</p> <p>We queried that the assignment provisions look to be incomplete as part of the due diligence for the previous loan and were advised that as far as the Borrowers are aware the provisions are complete.</p> <p>Underletting: Underletting is permitted, and the Lease contains conditions which are all standard. However, it is not clear whether underletting of part is also permitted.</p> <p>Charging: There is no probation on charging the property, as with the previous loan the Borrowers' solicitor will serve a Notice of Charge directly upon the freeholders.</p>
Service Charge	<p>There are basic service charge provisions in the Lease which require the Tenant to contribute 40% of the costs of the Landlord in insuring the whole of the building and the maintenance and repair of the structure, roof foundations and common parts.</p> <p>The Borrowers have advised that there are no formal service charge accounts as these are undertaken on an ad-hoc basis between the other leaseholder's in the building, who all have a share in the freehold company. The Borrowers have confirmed that there are no anticipated future expenses which are unusual.</p>
Break Clause	None
Landlord Covenants	<ul style="list-style-type: none"> • Quiet enjoyment • To insure • To maintain the structure and common parts of the building.
Unusual/Onerous Provisions:	The alienation provisions appear to be incomplete. The insurance provisions do not provide for apportionment of the insurance monies if reinstatement is frustrated. We have now been provided with a deed of variation which removes the ability for the Landlord to forfeit the lease if the Tenant becomes insolvent and requires notice to be given to any mortgagee before any action is taken.
Lease registerable? (ie, granted for more than 7 years)	Yes, the Lease is registered under title number NGL520994 which you are taking security over.

2. Occupational Interests

Premises	Ground and Lower Ground Floor 42 Hoxton Square London N1 6PB, as shown edged red on the occupation lease plan attached to this report.
Date	20 December 2017
Landlord	Russell Michael Chopp & Dawn Elizabeth Chopp
Tenant	Space Station London Limited (company number: 08941053) of 249 Cranbrook Road, Ilford, England IG1 4OG

	<i>Please note that the directors and shareholders of this company are Russell Michael Chopp & Dawn Elizabeth Chopp, your borrowers.</i>
Term commencement date and expiry date	15 years from 25 March 2017 to and including 24 March 2032
Excluded Tenancy	The Lease was not contracted out.
Rent and rent payment dates	£98,000 per annum. The rent is payable quarterly in advance on the usual quarter days. We are advised that the December 2022 rent review was agreed at a nil increase.
Rent Review	The rent will be reviewed every 5 years, with the next review falling due in 2027. The rent will be reviewed on an upward only open market review basis. This review will be undertaken subject to a standard list of assumptions and disregards.
Forfeiture (a) Rent unpaid for 21 days after due. (b) Breach of condition. (c) Tenant/Guarantor insolvency	(a) Yes, whether or not the rent is formally demanded. (b) Yes (c) Yes
Use and any restrictions on use	The use of premises under class B1 of the 1987 Town and Country Planning Use Order, or such other use as the Landlord consents to.
Repair and decoration	Repair: The Tenant will keep the premises in good and substantial repair and condition. Decoration: The Tenant shall decorate the premises in every 5 th year of the term and in the last 6 months of the term. All work carried out in the last 6 months shall be carried out in colours, patterns and using such material as the Landlord may require.
Insurance	Landlord to insure the building against normal commercial risks for full reinstatement value and loss of rent. The Landlord will reinstate the building if there is damage. If the premises or means of access are damaged so to be unfit for occupation then the rent or a part will be suspended. There is no provision for distribution of the proceeds of any insurance claim if reinstatement is frustrated.
Alterations (a) External/structural (b) Internal, non-structural alteration	(a) The Tenant shall not may any internal or external alterations or additions to any part of the premises and will not interfere with or remove any structural part of the Building. (b) The Tenant may with the Landlords' prior consent (not to be unreasonably withheld or delayed) carry out internal non-structural alterations to the premises.
Alienation	Assignment or underletting of part of the premises is prohibited. Assignment for the whole is permitted with landlord's consent not to be unreasonably withheld or delayed and the landlord can require

	<p>guarantors from the assignee as well as an authorised guarantee agreement from the tenant.</p> <p>Underletting of the whole is permitted subject to the terms being similar to those of the lease and at the market rental.</p>
Service Charge	<p>There is a standard service charge provision whereby the tenant contributes the cost that the landlord incurs in respect of its obligations under the headlease relating to the service charge for maintenance of the structure, common parts etc.</p> <p>Please note that as with the service charge under the headlease we are advised that the service charge is operated on an informal ad-hoc basis.</p>
Break Clause	None
Landlord Covenants	<ul style="list-style-type: none"> • Quiet enjoyment • Insuring the premises • To maintain the structural parts of the premises, and to contribute towards the service charge of the building
Lease registerable? (ie, granted for more than 7 years)	Yes, the Lease is registered under title number AGL453699

3. Searches

Date	Search	Material Matters Revealed
31 May 2023	Local	<p>The search reveals one planning entries in respect of the Property, which is summarised below:</p> <ul style="list-style-type: none"> • Planning permission (ref: 2004/1125) dated 21 July 2004 – This permission is in respect of the whole building and GRANTED permission the change of use of the basement and ground floor to offices (class B1), and the first, second, third and new fourth floors to 3 x 2-bedroom maisonettes together with other alteration and extension to the building. • Planning permission (ref: 206/3184) dated 16 January 2007. This application sought permission to change the use of the ground floor and basement from vacant offices to mixed-use retails (A1), office (B1) and showcase/gallery (D1), but this was REFUSED. • Building Control (ref: FP2007/0652) dated 20 August 2007. This was issued following the completion of works to erect a new stud partition wall and other alterations to the lower ground floor of the building. <p>In addition to the planning entries, the search also reveals that:</p> <ul style="list-style-type: none"> • The Property is located within the South Shoreditch Conservation Area.

		<ul style="list-style-type: none"> • The Property is located within an area covered by an Article 4 Direction (dated 12 March 2018) which removes the permitted development right to convert offices to residential. • There are two CIL charging schedules in operation in Hackney. If future redevelopment of the Property is planned then the potential CIL liability should be considered. • There are no outstanding notices (planning, building control, highways, etc.) registered against the Property.
24 May 2023	Water and Drainage	<p>This search confirms that the Property is connected to a mains water supply and that foul and surface water drain into public sewers.</p> <p>The search also confirms that there are public sewers/drains within 100ft of the Property, but there are not such drains within the boundaries of the Property.</p>
24 May 2023	Chancel	<p>This search states that the property is not located in a historical parish or tithe district containing a record of Chancel Liability</p>
24 May 2023	Environmental	<p>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 "desktop" 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.</p> <p>Subject to the comments above we would point out that this report has been certified as "Passed " meaning that in the professional opinion of Landmark Information the level of risk associated with the information disclosed in the report:</p> <p>(a) could have an adverse effect on the value of this property, and</p>

		<p>(b) the land could be designated "Contaminated Land" within the meaning of Part 2A of the Environmental Protection Act 1990.</p> <p>Aside from the assessment in relation to contaminated land the search indicates that the Property is:</p> <ul style="list-style-type: none"> located within 2km of existing or proposed solar installations. in an area which could be impacted by the development of either HS2 Cross Rail 1 or Cross Rail 2. This was raised with the borrowers' solicitor as part of the due diligence for the previous loan when they confirmed that the Property was not within a safeguarding area and was not covered by the safeguarding area requirements.
Expires: 21 June 2023	Bankruptcy	Clear – against Russell Michael Chopp & Dawn Elizabeth Chopp
Expires: 12 July 2023	Land Registry Priority	EGL520994 In favour of Proplend Security Limited Clear
	SRA check	Valemus Law (SRA Number: 462361)
	Source of Funds	Not applicable, as the new loan is fully refinancing the existing loan.
	Official Copies	EGL520994 – 19 April 2023

OTHER

4. Buildings Insurance

We have not yet been provided with the building insurance, but PSL have confirmed that satisfactory buildings insurance is in place.

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

Date	Report	Contents
4 October 2017	EPC	(D)80, valid until 3 October 2027
	Fire Risk Assessment & Asbestos Management Survey	You have agreed that these can be dealt with as a condition subsequent, and the Borrower is providing an undertaking to provide this within a month of completion.

6. Identification Documents

Name	List A ID	Date/Expiry	List B	Date/Expiry
Russell Michael	Passport	20 June 2025	EDF Bill	27 March 2023

Chopp				
Dawn Elizabeth Chopp	Passport	11 April 2032	EDF Bill	27 March 2023

7. Valuation – Material Matters

Inspection Date	6 April 2023
Market Value	Market Value: £1,450,000 (vacant possession) Market Rent: £75,000 per annum
Reinstatement	£5,400,000
Property	42 Hoxton Square, London N1 6PB
Description	Ground and lower ground floor office space forming part of a mixed-use terrace building.
Tenure	Leasehold
Other / Action Points	<p>Tenancy – The lease dated 25 March 2017 granted to Space Station London Limited (a company connected to the Borrowers) is still in place and the rent is still being paid.</p> <p>Planning – As stated in section 3, above, we have not reviewed the results of a local authority search and instead PSL have agreed to accept no search in insurance in lieu of a search.</p> <p>EPC – The EPCs attached to the valuation at Appendix 1 are for Flats 2 & 3, and not the Property. Please refer to the comments about the EPC for the Property in section 5, above.</p>

Policies to be put into place on completion
None

Signed by:	
Signature Name:	Alexander Cheele
Position:	Associate
Authorised to sign for and on behalf of:	Paris Smith LLP
Date:	6 June 2023

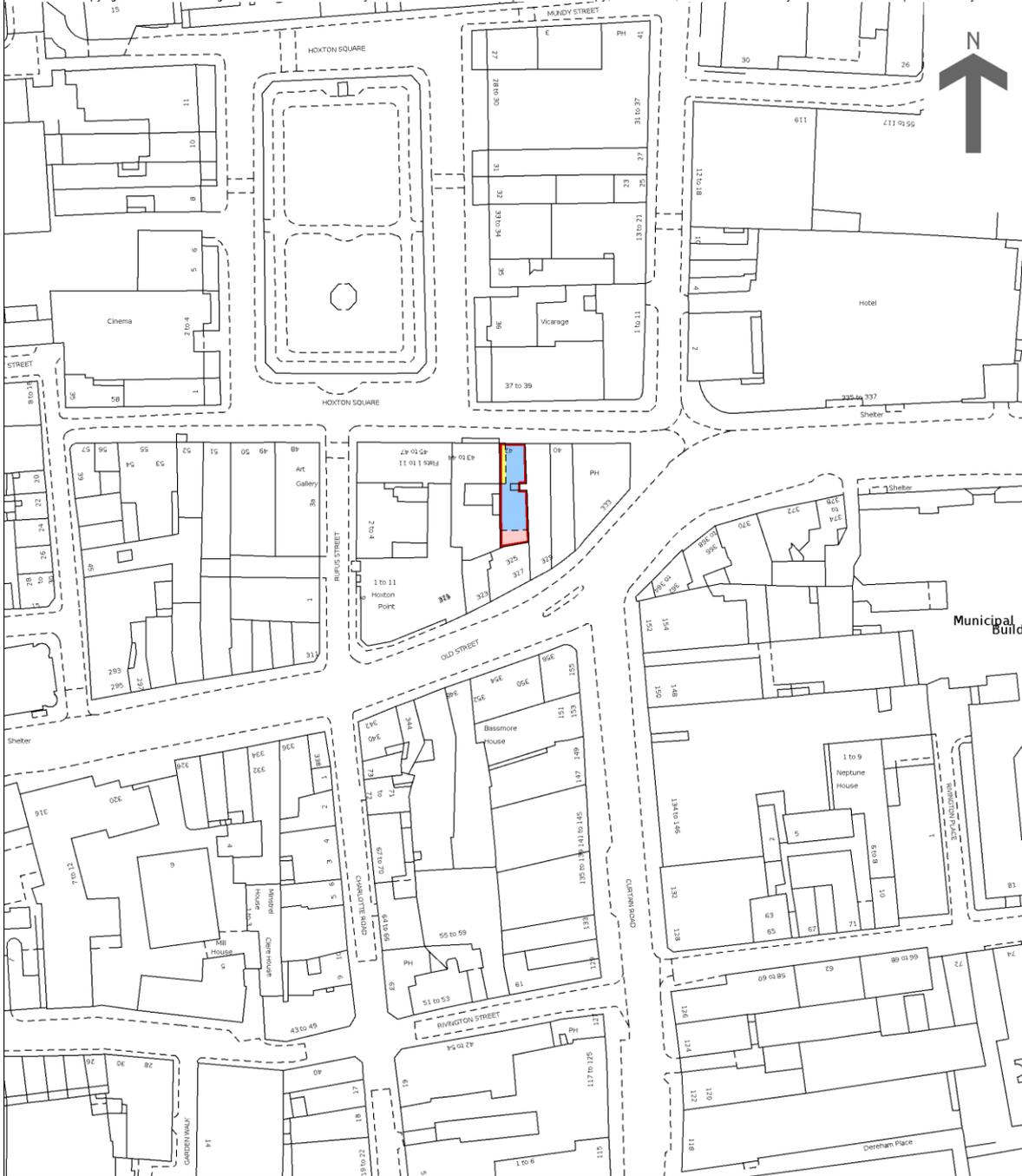
Title Plan – EGL520994

HM Land Registry
Official copy of
title plan

Title number **EGL520994**
Ordnance Survey map reference **TQ3382NW**
Scale **1:1250**
Administrative area **Hackney**



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Occupational Lease Plan

