

22 March 2017

Residential report on registered leasehold title
relating to
Flat 16 Edison Court, Warple Way, London W3 7HJ

BPW37HJ001 Limited

STRICTLY CONFIDENTIAL

This report has been prepared solely for the above. It should not be used for any other purpose. We do not accept liability to any other person other than those to whom this report is addressed.

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Report Summary

Property Address	Flat 16 Edison Court, Warple Way, London W3 7HJ
Purchase Price	£398,000.00
Term of Lease	125 years from 1 July 2016
Ground Rent	£200 per annum, doubling every 25 years.
Service charges 2016/17	£1,780.93 per annum

1. INTRODUCTION

- 1.1 This report is addressed to you in connection with your purchase of the leasehold interest in the Property from the Seller at a purchase price of 398,000.00.
- 1.2 The extent of the Property is shown outlined in red on the plan at Enclosure 1. We shall assume, unless you advise us otherwise, that this accords with the position on the ground and as viewed by you.

2. CONTRACT (AGREEMENT FOR SALE)

Seller:	The Freeholder
Buyer:	BPW37HJ001 Limited
Price:	£398,000.00
Deposit:	£38,900.00

- 2.1 You will obtain full vacant possession upon completion.
- 2.2 The Contract is made on the basis of information either provided in writing by the Seller, or obtained through our own enquiries and searches. Accordingly, you should not rely on anything mentioned orally by the selling agents or the Seller.
- 2.3 Upon the exchange of contracts, you will be required to pay the Seller the amount of the above deposit and we should be grateful if you could arrange for the transfer of funds into our client account, as follows:

Lloyds Bank Plc
102 Grey Street, Newcastle
Client Account Number: XXXXX
Sort Code: XXXXX

Please quote reference XXXXX on your payment.

- 2.4 Subject to some variations which are set out in the Contract, the Property is sold subject to the Standard Conditions of Sale Fifth Edition, which are a standard form of general conditions normally used by solicitors. We are satisfied the Contract does not contain any unusually onerous conditions, but would draw the following matters to your attention.
- 2.5 In the event of you failing to complete the purchase on the agreed date, then interest will become payable on the balance of purchase monies. The rate of such interest will be 4% above Royal Bank of Scotland Plc's base lending rate. Please note the Seller's solicitors must be in receipt of the purchase funds no later than 2:00 pm. Should the funds be received after this time then legal completion is deemed to be the next working day and interest and compensation as referred to in Clause 2.7 below will apply. To avoid any delay please ensure funds are transferred to our client account no later than the day before the contractual completion date.
- 2.6 If completion does not take place on the contractual date, the party whose total period of default is greater must pay interest at the above rate on the balance of the purchase price. The party in default may also face a claim for any loss resulting from the delay after giving credit for any interest received.
- 2.7 Additionally, if you fail to complete on the agreed date, the Seller will be entitled to serve a Notice to Complete. Upon receipt of such notice, you would then have 10 working days (excluding the day on which the notice was given) to complete and hand over the balance of purchase price, failing which the Seller would be entitled to forfeit the deposit paid on exchange and would be free to sell the Property to somebody else. Furthermore, the Seller may sue you for any loss

(including any fall in the price if the property were sold to someone else), after giving credit for the forfeited deposit.

- 2.8 For the avoidance of doubt, please note that if the Seller accepts a deposit payment of less than 10% of the purchase price upon exchange, the legal position is that the Seller will become entitled to claim a balance required to make up such 10% from you, once a Notice to Complete has been served.
- 2.9 Alternatively, the Seller may apply to Court for an order of specific performance, requiring you to comply with your contractual obligations, i.e. to complete the purchase.
- 2.10 The essential point to note is that once contracts are exchanged, you are legally bound to purchase the Property and the Seller is legally bound to sell. You cannot change or re-negotiate any terms of the contract after exchange.
- 2.11 Please note that there is a restriction under which you cannot sub-sell the property or complete in someone else's name.

3. ENERGY SUPPLY AGREEMENTS

3.1 You will be required to enter into the following additional agreements:

- 3.1.1 Heat and Hot Water Supply Agreement
- 3.1.2 Electricity Supply Agreement
- 3.1.3 Water Resale Agreement

Copies of these agreements are enclosed and they are in standard format.

4. TITLE

- 4.1 The Seller's freehold title to the property is registered at the Land Registry and, following completion, the property will be registered with its own leasehold title number.
- 4.2 The title is subject to historic restrictive covenants preventing development which date back to 1914 and 1936. The Seller has therefore supplied a title indemnity insurance policy in this respect.

5. THE LEASE

Brief details of the Lease are as follow:

Date:	To be dated upon completion
Term:	125 years from 1 July 2016.
Ground Rent:	£200 per annum, doubling every 25 years
The Demised Premises :	The full description of the Flat is set out in the Schedule 1 (at page 17 of the lease) and is shown edged red on the lease plan.
Rights of Way:	You have a right of way on foot over the main entrance, halls, landings, staircases, general common parts, with a full right of access to and from the flat.

Landlord:	The Freeholder
Service Charge Proportion:	A fair and reasonable proportion of the total service charge.

5.1 Your rights as Tenant

The lease grants you certain rights enabling you to properly enjoy the use of the flat. They are set out fully in the lease and I would suggest that that you read through the document in order to familiarise yourself with the same. However I have summarised the main points below:

- 5.1.1 Rights of way over the areas which I have stated above.
- 5.1.2 The right for you to enter any part of the building to carry out repairs which may be required to your flat, provided that you make good any damage caused to that part of the building. You must give reasonable notice to other flat owners in order to gain such access to their flats, except in the case of an emergency.
- 5.1.3 The right to the free flow of gas, water and electricity through any pipes etc which pass through any part of the rest of the building.
- 5.1.4 The right of support, shelter and protection attaching to the flat from the rest of the building.

5.2 The Landlord's Rights

In the same way that you have rights over other parts of the Building which do not belong to you, the Landlord also reserves rights over yours and other flats. More particularly, those rights include:

- 5.2.1 The right to enter the flat from time to time to inspect to check that it is in a reasonable state of repair. If not, he can carry out any reasonable repair works required and recover the cost from you.
- 5.2.2 The right to enter the flat to carry out any works which may be required to the building as a whole, provided that he makes good any damage caused to the premises as a result.
- 5.2.3 The right to carry out any works of alteration or extension or demolition to the property, or adjoining property provided that your flat is not physically affected, although this would, of course, be subject to the normal Planning consents.

5.3 Your Obligations as a Tenant

Under the terms of the Lease you are bound by a varied number of obligations concerning your conduct whilst you are responsible for the premises. Once again, I suggest that you read the Lease thoroughly for yourself, to familiarise yourself with such obligations, although I have set out below the most important points (the numbering is not necessarily the same as the numbering in the Lease):

- 5.3.1 You must pay the rent detailed above at the times stated.
- 5.3.2 Under the lease, the Landlord must insure the building and your part of the premium is included in the annual service charge.
- 5.3.3 You must pay the Council Tax and water rates and other recurring outgoings, such as electricity, gas and telephone.

- 5.3.4 You should not make any alterations to the flat, of either an external or internal nature, without obtaining the Landlord's consent in writing prior to carrying out any works. The Landlord is fully entitled to insist that Planning Consent and Building Regulation approvals are obtained in respect of any works which require the same. Furthermore, the landlord is entitled to claim that you must pay for his surveyor's and/or solicitor's costs in connection with granting approval for any alterations.
- 5.3.5 The flat should be used for private accommodation for the occupation of only one household, and not for any trade or business purposes. This also means you cannot rent out the flat to multiple tenants.
- 5.3.6 You cannot sublet **part** of the property only and if you ever wish to rent out the whole flat, I would suggest that you obtain your Lender's consent first. You cannot sublet the whole in the last 7 years of the term without the landlord's consent.
- 5.3.7 You must observe all restrictions and regulations imposed by the Landlord, either in the Lease or at some later date, which may affect the flat or the building, subject of course to the provision that such restrictions must of course be reasonable.
- 5.3.8 As part of your responsibility to keep the flat in good and substantial repair at all times, you must not carry out any activity which may invalidate the building's insurance, e.g. keeping hazardous materials on the property. If you do, and damage results, causing landlord's insurance policy to be invalidated, you would be personally responsible for making up the monies required from your own funds. Alternatively, if the insurance premium increased as a result of your activities on the premises, the landlord can require you to pay for the cost of any extra premiums.
- 5.3.9 You must maintain and keep the flat in a good state of repair, although the rest of the structure and foundations will be the responsibility of the landlord.
- 5.3.10 You must observe the Regulations set out in Schedule 2 of the lease (at pages 18-20 of the lease) . These regulations are self-explanatory and, rather than repeat them verbatim here, I would suggest that you read these yourself and let me know if there are any areas of difficulty.

5.4 The Landlord's obligations

- 5.4.1 To allow you to enjoy your occupation of the flat peacefully without disturbance or interference, provided that you continue to comply with your obligations under the lease.
- 5.4.2 To maintain and keep in good and substantial repair the common parts of the building, and the remaining structure, including the roof, foundations and joists.
- 5.4.3 To insure the building at all times in its full reinstatement value, through a reputable insurance company and the premiums may be charged to the service charge account.

In the event of any damage to the property through an insured risk as a result of which money is recovered from the insurer, then the landlord must use such monies towards the reinstatement of the building (ie making good the damage). If as a result of such damage, the flat becomes uninhabitable, then the rent (or a reasonable proportion of the rent if there is only partial damage) will cease to become payable by you until such time as the flat is habitable.

Please note, however, the landlord's insurance does not cover your contents, including items such as carpets and furnishings. You must therefore effect separate cover yourself in this regard after completion.

5.5 Landlord's Remedies

- 5.5.1 The Landlord's ultimate remedy against you if you either fail to pay the ground rent or service charge; or if you otherwise breach your covenants under the lease, is to forfeit the lease. However, this is a very draconian measure allowing the landlord to take possession of the premises. It is available rarely and then only by first applying to court; particularly in the case of residential leases, the tenant enjoys considerable rights of relief against forfeiture.
- 5.5.2 The lease also contains other provisions available for the landlord, requiring you to indemnify (i.e. to reimburse) him in the event that he incurs costs in making good, or performing, such of your covenants as you have failed yourself to observe or perform. I do not propose to list these instances in detail and I will be please to run through any particular concerns that may have over the telephone.
- 5.5.3 If you are late in paying your service charges etc then you will be liable to pay interest on the outstanding amounts at a penalty rate of usually 4% to 5% above the base rate prevailing at the time.

6. THE SERVICE CHARGE

In order for the Landlord/Managing Agent to carry out their obligations under the lease regarding the maintenance of the building, external decorations, insurance etc., a service charge fund exists and each lessee contributes a proportion towards the cost.

You will be expected to pay certain sums on account of service charge on a half yearly basis and, if at the end of an accounting period your proportion exceeds the amount you have already paid on account, you would be immediately expected to pay the balance. However, if your proportion at the end of the year is less than the amount you have paid on account, then the balance is carried forward to your credit for the following year.

The serviced charge estimate for April 2016/17 is attached and the annual amount payable is £1,780.93.

7. REPLIES TO STANDARD ENQUIRIES BEFORE CONTRACT

We enclose a copy of the Seller's replies to CPSE.1 and CPSE.3.

8. ENERGY PERFORMANCE CERTIFICATE

A copy of the certificate is enclosed and is self-explanatory.

9. LOCAL AUTHORITY SEARCH & ENQUIRIES

We are currently awaiting the results of the local authority search and we will investigate the cost of a search delay indemnity policy in the meantime.

10. WATER AND DRAINAGE SEARCH

This confirms that the property is connected to mains water & drainage.

11. ENVIRONMENTAL SEARCH

A copy of the Environmental Search is enclosed. You will see that this has been passed although I would draw your attention to those matters that have been highlighted within the search result in respect of the risk of surface water flooding, and we have therefore carried out a full flood search detailed below.

12. FLOOD SEARCH

A copy of the flood search is enclosed, which has passed, and states that the property is not considered to be at a significant risk of flooding.

13. ENERGY & INFRASTRUCTURE REPORT

A copy of this search is attached, which reveals that the property is within 2km of the safeguarding limits for the proposed High Speed 2 and Crossrail 1 railway systems. The search gives details of what rights homeowners would have if their property is affected by the scheme.

14. GENERAL

- 14.1 This Report is a summary of the legal position and is not intended to be exhaustive. The contents of this Report should not be divulged to any third party without Bond Dickinson LLP's consent and they accept no liability for any reliance placed on such report by anyone other than you.
- 14.2 You will note that throughout this Report you have been asked to check certain matters and report any discrepancies to Bond Dickinson LLP in writing. In the event that you fail to do so Bond Dickinson LLP cannot accept responsibility for losses that you may incur as a result of mistakes.
- 14.3 Please note Bond Dickinson LLP have not carried out a site inspection.
- 14.4 If you have any queries at all or if you think that there are points which have not been covered then please do let us know straight away.

Bond Dickinson LLP