

23rd October 2006

REPORT ON TITLE

GUY RITCHIE

Relating to:

24 Tottenham Street London W1

1 Introduction

1.1 This report is prepared for Guy Ritchie in connection with the proposed purchase of a residential property known as 24 Tottenham Street London W1 .

1.2 This report is not intended to be relied upon by any third party.

1.3 In this report we have used the following definitions:

“the Vendor” means Robert Putz

“the Property” means 24 Tottenham Street London W1

“the Price” is One Million Three Hundred Thousand Pounds (£1,300,000)

1.4 We believe that it is important that you should consider (with our help) how this transaction will affect your other financial affairs. For example, have you made a will? If so, will its provisions still accurately reflect your wishes after you have completed your purchase? If the answer to either of these questions is “No” you should discuss with us the preparation of a will. Also, you may need advice about the various taxation implications of the transaction. Will you be liable to capital gains tax on any profit when you come to sell? Are you entitled to tax relief on your mortgage payments? Again, we can help.

2 The Contract

2.1 The contract provides that you will purchase the Property from the Vendor.

2.2 The purchase price is One Million Three Hundred Thousand Pounds (£1,300,000).

2.3 The contract provides that at exchange of contracts, you will pay to the Vendor's solicitors a deposit of £130,000.00.

2.4 The contract provides that in the event of a deposit of less than 10% being paid on exchange the balance of the full ten percent shall always remain due to the Vendor and in the event of rescission or failure to complete through no fault of the Vendor the balance shall become immediately payable to the Vendor as a contractual debt.

2.5 The contract provides that the deposit will be paid to the Vendor's solicitors as stakeholders. This means that the deposit will be held by the solicitors until either completion of the transaction or the default of one or other party. This means that your deposit will be safe even if the Vendor becomes insolvent before completion.

2.6 If either party fails to complete on the contractual completion date the other party is entitled to serve a notice requiring completion to take place within 10 working days. If the party in default does not complete within that time, the other party is

entitled to treat that as a breach of contract. If you are in default, this may involve the Vendor either forfeiting your deposit and/or claiming damages from you. Alternatively, the Vendor may bring proceedings against you to compel you to perform the contract. If the Vendor is in breach, you may treat the contract as at an end and recover your deposit with interest. Alternatively, you may bring proceedings to compel the Vendor to complete the sale. The contract also specifically states that the defaulting party will meet the other party's solicitors costs of £100.00 plus VAT in respect of serving the notice to complete.

- 2.7 The date for completion has not yet been agreed. This will be finally agreed before exchange and the date inserted in the contract. If you have not already done so please would you let us know on what date you would prefer to complete. Please note that completion must be on normal working days. It is usual for there to be a period of four weeks between exchange and completion, although this may be extended or shortened if both parties agree.
- 2.8 The contract provides that the Vendor is selling the Property as "full title guarantee". The effect of this is to imply a number of technical legal promises by the Vendor about the title to the Property.
- 2.9 The contract provides that if completion is delayed because of any reason attributable to you, then you will be liable to pay interest on the outstanding balance of the purchase price from the date for completion written in the contract until completion actually occurs at a rate of 4% above bank base rate of Allied Irish Bank (GB) at the date of exchange of contracts or the date of completion whichever is the highest.
- 2.10 The contract provides that you will be entitled to vacant possession of the Property on completion of this transaction. If from your own inspection of the Property there are other adults in residence please let us know as soon as possible.
- 2.11 The Property is sold subject to and with the benefit of various legal rights. These are dealt with in section 5 of this report.
- 2.12 The contract expressly stipulates that you may not rely upon any statement or representation made to you by or on behalf of the Vendor unless they have been given in writing by the Vendor's solicitors. If there are any such statements upon which you are relying you should let us know straight away so that we can try and get the Vendor's solicitors to confirm them in writing.
- 2.13 The contract provides that the risk of the property will pass from the Vendor onto you upon exchange of contracts. It is therefore important that you arrange adequate buildings insurance cover to take effect from exchange of contracts.
- 2.14 A copy of the contract is attached at appendix 1.
- 3 Preliminary Enquiries
- 3.1 A number of preliminary enquiries have been raised with the Vendor's solicitors but I am awaiting copies of these and will report to you on these items

separately.

- 3.2 Broadly speaking, there is no duty on the part of the Seller to disclose defects in the physical condition of the Property. For all practical purposes you must therefore rely on your own surveyor or valuer.

4 The Local Authority Search

- 4.1 I am awaiting the results of the Local Authority Search and will report to you on this once the results have been received.

- 4.2 We are not able to tell from the plan whether there is a risk of flooding to the property and surrounding land. If the property is on flat land not far from a river and stands only a few feet above river level then the property may be at risk. Similarly if the property is at the foot of a steep hill or in a valley then it is possible for rainwater collecting off the hills to pass by the property. An Environmental Search (see later in the report) will, amongst other things, identify whether the property is considered to be in an area with a history of flood risk. You should check with your surveyor from the local knowledge of the area.

If you have access to the internet you may wish to check directly with the Environmental Agency on their web site www.environment-agency.gov.uk whereby inputting the purchase property post code you will be able to check whether their records suggest that the property sits within a known flood plain.

- 4.3 The Council do not provide environmental information on properties within their borough and I have therefore carried out an Environmental Search the results of which are attached at appendix 2. You may wish to send a copy to your surveyor to comment on.

The search is designed to bring to your attention information which may be useful ahead of the purchase and help you decide whether or not you need to seek further specialist advice. The report contains information on contaminating and polluting processes past and present, landfill, waste, treatment sites, nearby toxic or explosive substances, areas of that may have been filled in the past, the probability of radon gas and the risk of subsidence and flooding. The search covers an area of up to 500 meters from the property.

5 Title to the Property

- 5.1 Title to the Property is registered at HM Land Registry under Title Number NGL812282 with title absolute. This is the best form of registered title. Since title to the Property is registered you will be liable to pay Land Registry fees on completion amounting to £700.00. A copy of the title is attached at appendix 3. You will note that you have the benefit of a right of way over the land coloured brown on the title plan at appendix 4 to maintain the land as required.

- 5.2 The extent of the Property is shown edged red on the plan which appears at Appendix 4. The plan has been obtained from the title documents. You should check it carefully to ensure that it does show correctly the boundaries of the

Property. Please let us know immediately if they do not.

6 Financial Arrangements

I look forward to hearing from you further regarding your financial arrangements. I am in contact with Mr Alan Leslie who I understand is dealing with these arrangements.

7 Conclusion

7.1 We do not consider that there are any excessively onerous or unreasonable provisions in the purchase contract.

7.2 Subject to the normal searches which will be required shortly before completion, we consider that at completion, you will obtain a good and marketable title to the Property.

7.3 Do not sign the purchase contract until you have read and understood this report. If you have any queries please contact us. Once you have signed and returned the purchase contract to us we shall presume that you are happy to proceed.

This Report is for information only and is not to be substituted for reading the copy documents provided including the mortgage offer. It is a summary only of all the main terms and conditions of the copy documents provided to you and must be read in conjunction with those documents. If you have any queries or are unclear about any aspect of this transaction please telephone

This Report is intended to cover in a comprehensive fashion all the issues relating to legal matters surrounding your proposed purchase of the Property. Necessarily, we have to set the limits as to the extent that this report may be relied upon. The limitations of this report are in accordance with our normal practice when acting on purchases of property of a similar kind to the property we have not inspected the property.

We have made the following assumptions:

- (I) That you are proposing to buy the property for use solely as a residence for yourself
- (II) That you are happy with the physical condition of the property;
- (III) That if you propose carrying out substantial works to the property you are aware of the requirement for planning permission and for various other consents that may be required in relation to those works; and
- (IV) That you have understood and are happy with those matters stated in this report to be matters of which you should be aware.

APPENDIX ONE

APPENDIX TWO

APPENDIX THREE

APPENDIX FOUR