

WRAPPER FOR REPORT ON TITLE FOR CERTIFICATE OF TITLE (based on the CLLS Certificate of Title (Seventh Edition 2016 Update))



To: [Insert name and address of each addressee eg the Chargee, Banks/Finance Parties/other party]

("**Addressees**" and in this Certificate "**you**" and Addressees have the same meaning).

[Insert short address or description of the Property]

1. INTRODUCTION, DEFINITIONS AND INTERPRETATION

1.1 This letter is supplemental to a report on title dated [*today*], a copy of which is annexed to this letter [, but for the purposes of this letter and disclosure to the Addressees the report is deemed to exclude all of its annexures with the exception of [SPECIFY ANY EXCEPTIONS]¹] (the "**Report on Title**"). All words and expressions defined in the Report on Title have the same meaning when used in this letter, unless otherwise indicated. If there is a conflict between this letter and the Report on Title, this letter prevails. This letter and the Report on Title are together referred to as "**this Certificate**".

1.2 In this Certificate the following expressions have the following meanings:

"Additional Disclosures" means the Schedule to this letter;
Schedule"

["Banks"/"Finance Parties"] has the meaning given to that expression in the Loan Document;]

"Company" means [];

["Creditor"] means []);

"Existing Use" means the actual use to which the Property is presently put as referred to in clause 4 of this letter;

¹

The words in square brackets are intended to deal with a report on title with annexures where the Addressees does not wish for all the annexures (or some of them) to be deemed to be disclosed to the Addressees. For example, a report on title may attach search results, enquiries or other reports which would not form part of a certificate of title. By excluding these, it means that any relevant information must be summarised in the body of the report or in this Certificate.

["Group"]	means the group of companies of which the Company is a member;]
"Lease"	means the lease by virtue of which the Company holds the Property or part of the Property (as amended or supplemented);
"Letting Document"	means any lease, sublease, tenancy, licence or other agreement or arrangement giving rise to rights of occupation and enjoyment to which the Property is subject (in each case as amended or supplemented) including any tenancy which is being continued after the contractual expiry date by tacit relocation or otherwise;
["Loan Document"]	means the loan/facility agreement [dated] [to be made] between [] and [] providing for the loan referred to in it, which loan is [to be] secured by [among other things] the Standard Security;]
"Property"	means the property described in the Report on Title, the address of which is given at the start of this Certificate;
"PSG Certificate"	means a certificate in the form of the PSG certificate of title (based on the City of London Law Society Land Law Committee Certificate of Title (Seventh Edition 2016 Update));
["Seller"]	means [];
["Standard Security"]	means the standard security over the Property to be granted in favour of the Creditor pursuant to the Loan Document];
"Transaction"	means []; and
["Valuers"]	means [].
1.3	Unless the context otherwise requires, any reference to the Property includes each and every part of it and all buildings and structures on it.
1.4	Any reference, express or implied, to a statute includes references to:

- 1.4.1 that statute as amended, extended or applied by or under any other statute or subordinate legislation at the date of this Certificate;
 - 1.4.2 any statute at the date of this Certificate which re-enacts that statute (with or without modification); and
 - 1.4.3 any subordinate legislation made at the date of this Certificate under that statute, as amended, extended or applied as described in clause 1.4.1 above or under any statute referred to in clause 1.4.2 above.
- 1.5 In this Certificate, the expression "tenant" includes licensee.
 - 1.6 The headings in this Certificate do not affect its interpretation.
 - 1.7 Unless the context otherwise requires, the singular includes the plural and *vice versa*.
 - 1.8 Any matter disclosed by this Certificate in relation to any particular clause or paragraph is to be treated as being disclosed in relation to any other relevant clause or paragraph.
 - 1.9 Where this Certificate states that the Company has "told us" or "confirmed" something (or uses words with similar meaning) ("provided information"), the Company provided information to us in writing.
2. **RELIANCE ON THIS CERTIFICATE**
 - 2.1 This Certificate is addressed to and is intended solely for the benefit of the Addressees for the purpose of the Transaction. It may not be relied on by any other person or used for any other purpose. The giving of this Certificate does not create any retainer with the Addressees.
 - 2.2 This Certificate may be disclosed to a third party but it cannot be relied on by that party.
 - 2.3 Only an Addressee may bring a claim under this Certificate (whether as principal or agent).
 - 2.4 If a claim would properly lie against any other party involved in the Transaction or this Certificate's preparation or approval, and that party has limited or excluded its liability in respect of such claim, then our liability will not be increased by that limitation or exclusion. Our liability will be calculated as if there were no such limitation or exclusion.

- 2.5 Where the Addressees constitute more than one person, the Addressees acknowledge that our aggregate liability to all the Addressees is no greater than the liability we would have had if the Addressees were a single person.
- 2.6 We acknowledge that you are entitled to rely on the statements contained in this Certificate even if any document or matter contained or referred to in a statement:
- 2.6.1 is in the public domain; or
 - 2.6.2 has been disclosed by or on behalf of the Company to the Valuers; or
 - 2.6.3 is contained in any specialist report made available by or on behalf of the Company to you or your professional team; or
 - 2.6.4 is contained or referred to in any data room to which you or your professional team have access.
- 2.7 You agree that no individual member, partner, shareholder, consultant or employee of this firm owes you any personal duty of care and that you will not bring any claim whether in contract, delict, under statute or otherwise against any such individual.

3. TITLE

On the basis of and insofar as the same is discoverable from our investigations mentioned in this Certificate, we certify that:

- 3.1 We have investigated the title of the Company to the Property in the knowledge that you are relying on this Certificate for the purpose of the Transaction.
- 3.2 We have:
- 3.2.1 examined and considered the documents of title and other documents and papers relating to the Property produced to or obtained by us; [and]
 - 3.2.2 considered the results of the searches and enquiries made by us as referred to in the Report on Title and/or the Additional Disclosures Schedule² which are those that we consider appropriate or necessary in the circumstances of the Transaction and having regard to the location and nature of the Property;

and this Certificate is given solely on the basis of:

² If the searches and enquiries referred to in the Report on Title omit searches and enquiries listed in Schedule 6 to the PSG Certificate that are relevant to the Property, or the results of the searches and enquiries referred to in the Report on Title are out of date (for example, the local authority search result is more than, perhaps, three months old), those searches and enquiries will likely have to be made or repeated as the case may be and should be listed with the date of result in the Additional Disclosures Schedule.

- (a) that examination and consideration and the results of those searches and enquiries; and
- (b) material provided to us by the Company;

which, so far as we are aware, is the documentation and information which we need in order to give this Certificate.

3.3 Subject to the matters referred to in the Report on Title and/or the Additional Disclosures Schedule:

- 3.3.1 in our opinion, [subject to due registration at the Land Register of the right of the Company in the Property created by the [disposition] [assigntion] from the Seller to the Company,] the Company has a good and marketable title to the Property and does not hold the Property in trust for any other party [and neither we nor the Company know of any reason why the Company should not be registered as proprietor of the Property without exclusion or limitation of warranty] [or the Creditor as creditor of the Standard Security without exclusion or limitation of warranty]];
- 3.3.2 [in our opinion, subject to due registration in the Land Register of the right of the Creditor in the Standard Security, neither we nor the Company know of any reason why the Creditor should not obtain a valid first ranking Standard Security over the Property and be duly registered as creditor in such Standard Security without exclusion or limitation of warranty,]
- 3.3.3 the details of the Property set out in the Report on Title are complete and accurate in all respects;
- 3.3.4 the consents of all third parties required [before the Property can be disposed to the Company] [before the tenant's right in the Property can be assigned to the Company] [and] [before the Property can be effectively charged to the Creditor by way of the Standard Security] are set out in the Report on Title and/or the Additional Disclosures Schedule and have been obtained and are not subject to onerous or unusual conditions;
- 3.3.5 if the title to the Property is registered in the Land Register, the Company is registered as proprietor of the Property without exclusion or limitation of warranty;
- 3.3.6 nothing in this Certificate will prevent the application for registration of the [[disposition][assigntion] of the Property in favour of the Company]] [Standard Security] from complying with the general application conditions

in section 22 of the 2012 Act and the particular applicable conditions in section [23][25][26][28] of the 2012 Act;

3.3.7 if the title to the Property is not registered in the Land Register or is in the process of such registration then:

- (a) where the Property is owned, the title is recorded in the Sasine Register and commences with the prescriptive foundation writ, or
- (b) where the Property is leasehold, it commences with the Lease and, where the Lease is recorded in the Sasine Register less than twenty years prior to the date of this Certificate, we have also examined the title to the landlord's interest in the Property.

3.4 The conveyancing description contained in the Report on Title is a proper and adequate conveyancing description of the Company's right in the Property for the purpose of the Standard Security and the registration of it in the Land Register or the recording of it in the Sasine Register.

4. **USE**

The Company has told us that the Property is presently used as [].

5. **MATTERS AFFECTING THE PROPERTY**

We have considered the statements set out in Part 3 of the Schedule to the PSG Certificate and certify that:

- 5.1 any matters which would have been disclosed against such statements had this Certificate been in the form of a PSG Certificate are set out in the Report on Title and/or the Additional Disclosures Schedule; and
- 5.2 such statements are complete and accurate in all respects save as disclosed.

There are no other matters disclosed by our investigations referred to in this Certificate which are not specifically referred to elsewhere in this Certificate and which, in our opinion, should be brought to your attention.

6. **LEASEHOLD TITLES**

If the Company holds the Property under the terms of a lease, the terms of the lease are fairly summarised in the Report on Title. We have considered the statements set out in Section 2 of Part 4 of the Schedule to the PSG Certificate and certify that:

- 6.1 any matters which would have been disclosed against such statements had this Certificate been in the form of a PSG Certificate are set out in the Report on Title and/or the Additional Disclosures Schedule; and
- 6.2 such statements are complete and accurate in all respects save as disclosed.

7. **LETTING DOCUMENTS**

The Letting Documents are fairly summarised in the Report on Title or (in the case of Letting Documents completed after the date of the Report on Title) in the Additional Disclosures Schedule. We have considered the statements set out in Section 2 of Part 5 of the Schedule to the PSG Certificate and certify that:

- 7.1 any matters which would have been disclosed against such statements had this Certificate been in the form of a PSG Certificate are set out in the Report on Title and/or the Additional Disclosures Schedule; and
- 7.2 such statements are complete and accurate in all respects save as disclosed.

8. **SEARCHES AND ENQUIRIES**

Except as stated in the Report on Title and/or the Additional Disclosures Schedule and subject to any general caveats or disclaimers on results of searches and/or replies to enquiries undertaken, the results of such searches and enquiries are either clear or do not disclose matters which, in our opinion, should be brought to your attention.

9. **THE VALUERS**

A copy of the final draft of this Certificate has been sent to the Valuers. They have been requested to confirm to you in writing that the Property is the property valued in their valuation report and that either they have taken the final draft of this Certificate into account in making their valuation or there is nothing in this Certificate which causes them to alter their valuation report.

10. **CONFIRMATION BY THE COMPANY**

- 10.1 A copy of the final draft of this Certificate has been sent to the Company. The Company has confirmed to us within the five working days before the date of this Certificate that:
 - 10.1.1 to the best of its knowledge, information and belief the information contained in this Certificate is complete and accurate in all respects; and
 - 10.1.2 save as disclosed in the Report on Title and/or the Additional Disclosures Schedule, it gives all of the confirmations on the part of the Company

contained in Part 3, Section 2 of Part 4 and Section 2 of Part 5 of the Schedule to the PSG Certificate as if the same were incorporated in this Certificate.

10.2 [The Company has purchased the Property from the Seller immediately prior to or as part of completion of the Transaction. That being the case:

10.2.1 the Company's knowledge of the Property and related documents and information have been acquired through:

- (a) its own investigations of the Property as part of that purchase including the searches and enquiries referred to in the Report on Title and/or the Additional Disclosures Schedule;
- (b) the replies given by the Seller's solicitors to enquiries and due diligence requests as are appropriate for the particular purchase;
- (c) the replies given by the Seller's solicitors to any additional enquiries raised by us to enable us to provide this Certificate;
- (d) other material provided by the Seller or the Seller's solicitors and other advisers or agents of the Seller;
- (e) the Company's own knowledge of the Property;
- (f) information provided by any other parties as mentioned in the Report on Title and/or Additional Disclosures Schedule; and
- (g) an inspection of the Property by the Company not more than 20 working days before the date of this Certificate.

10.2.2 Whenever this Certificate refers to the Company's knowledge, information and belief or this Certificate states that the Company has provided information (as defined in clause 1.9 of this letter), it is the case that the Seller or the Seller's solicitors and its other advisers or agents are the primary source.

10.2.3 References in this Certificate to notices given or received by the Company, or to any actions taken by the Company or expected by the Company, are references to the Company's knowledge of notices given or received by the Seller, actions taken by the Seller or expected by the Seller, as the case may be.

- 10.2.4 The Seller has confirmed to us in writing that it has provided us with copies of all documents relating to the Property of which it has knowledge, together with such other information in its possession as is material.
- 10.2.5 Where information has been provided to us by the Seller, our investigations have given us no reason to doubt the accuracy of that information, but we do not accept responsibility for it.
- 10.2.6 Where the replies given by the Seller's solicitors to our enquiries or other information provided by the Seller or the Seller's solicitors are, in our opinion, inadequate, we have disclosed such inadequacy in the Report on Title and/or the Additional Disclosures Schedule.]

11. ASSUMPTIONS AND QUALIFICATIONS

- 11.1 We have not inspected the Property nor have we made any enquiries of the occupiers of the Property (other than [the Seller and] the Company) nor, where the Property is leasehold, have we made any enquiries of any landlord or superior landlord.
- 11.2 We give no opinion as to the capital or rental value of the Property.
- 11.3 Except as disclosed in the Additional Disclosures Schedule, this Certificate does not consider:
 - 11.3.1 any environmental or flood assessments, audits, surveys or other reports on the environmental condition of the Property; or
 - 11.3.2 other technical reports or surveys relating to the Property's condition;

and the Addressees should consider what investigations they wish to make in relation to those matters.
- 11.4 We have assumed that all documents relating to the Property have been validly executed and delivered by the parties to them and that such documents are within the capacity and powers of, and have been validly authorised by, each party. There is nothing on the face of those documents which we have seen which indicates otherwise.
- 11.5 We have assumed, and the Company has confirmed to us in writing, that:
 - 11.5.1 the Company has provided us with all documents of title relating to the Property of which it has knowledge together with any other information in its possession as is material for the purpose of giving this Certificate; and
 - 11.5.2 each copy document produced to us is a true copy of the original.

- 11.6 Except as disclosed in the Report on Title and/or the Additional Disclosures Schedule, where information has been provided to us by the Company, our investigations have given us no reason to doubt the accuracy of that information but we do not accept responsibility for it.
- 11.7 Whilst we express no opinion on whether any transaction affecting the Company's title to the Property may have been at an undervalue or otherwise liable to be set aside under the provisions of the Insolvency Act 1986, the Company has told us that it is not aware of any circumstances which could render any such transaction liable to be set aside under the provisions of that Act.
- 11.8 We have not investigated whether any consents which may have been required under any standard securities or other charges or other documents which are no longer subsisting were obtained.
- 11.9 Except as disclosed in the Report on Title and/or the Additional Disclosures Schedule, we have not investigated what insurance may be in force (or the particular details of any policy) in respect of the Property.
- 11.10 We have not considered:
- 11.10.1 whether any right including a right of light or a right to air is in the process of being acquired through prescription; nor
- 11.10.2 whether any right including a right of light or a right to air has been acquired through prescription, except where a right is referred to in the Report on Title and/or the Additional Disclosures Schedule as having been acquired through prescription.

12. **CERTIFICATE**

We have considered all those matters which would have been covered by a PSG Certificate if a PSG Certificate was to be issued in respect of the Property, the Lease and the Letting Documents (subject to the same caveats, assumptions and qualifications as are contained within a PSG Certificate). We confirm that any such matters affecting or relating to the Property, the Lease or the Letting Documents which would have been revealed or disclosed by a PSG Certificate are set out in this Certificate, the Report on Title and/or the Additional Disclosures Schedule.

13. **APPLICABLE LAW**

This Certificate is limited to Scots law as applied by the Scottish courts as at the date of this Certificate and is given on the basis that it will be governed by and construed in accordance with Scots law.

Date: 201[]

Signed:

Name of law firm:

Address:

Reference:

THIS IS THE **SCHEDULE** REFERRED TO IN THE FOREGOING LETTER FROM [] TO []
DATED []

Additional Disclosures Schedule

THIS IS THE ANNEX REFERRED TO IN THE FOREGOING LETTER FROM [] TO
[] DATED []

Report on title referred to in clause 1.1 of this letter