

L&T – SIDE LETTER PERMITTING TENANT TO PAY RENT MONTHLY



Our Ref: []
Your Ref: []

[Insert name of Tenant]
(Registered Number [SC][])
[Insert address of Tenant]

[Insert name of Guarantor]
(Registered Number [SC][])
[Insert address of Guarantor]

Date []

Dear [Name of addressee]

Property: []

Lease: [The lease between [] and [] dated [] and [] registered in the Books of Council & Session on [] [the tenant's right to which is registered in the Land Register of Scotland under title number []].

We act for your landlord under the Lease, [] Limited incorporated under the Companies Acts (Registered Number [SC][]) and having its Registered Office at [] ("**Landlord**").

This letter is personal to you and uses the defined terms in the Lease unless we state otherwise.

1. Monthly rent payments¹

- 1.1 You have asked the Landlord to accept payment of the [annual rent payable under the Lease ("**Rent**")]² [and provisional Service Charge] by monthly instalments instead of by quarterly payments in advance on the [quarter days under the Lease ("**Rent Days**")]³.

¹ Ensure that the Landlord has any creditor's consent and any head landlord's consent before granting this concession if necessary.

² Alternatively if the annual rent payable under the Lease is defined in the Lease use that expression (eg Annual Rent) instead of Rent throughout the letter.

³ If the quarter days are defined in the Lease use the defined term (eg Quarter Days) instead of Rent Days throughout the letter.



1.2 The Landlord agrees to accept monthly instalments on condition that:

1.2.1 from the next Rent Day you pay the Rent to the Landlord by equal monthly instalments in advance on the *[Insert the day of the month of the next Rent Day]* day of each calendar month of £*[Insert amount of monthly rent]* [and £*[Insert amount of provisional Service Charge]* being the provisional Service Charge] plus any VAT as required by the Lease ("**Monthly Payments**") and

1.2.2 you pay the Monthly Payments [by electronic transfer from a United Kingdom bank account] [banker's standing order] to reach the Landlord no later than the *[Insert the day of the month of the next Rent Day]* day of each calendar month.

2. **Termination of Concession**

2.1 This concession terminates on the earliest of:

2.1.1 *[Insert expiry date of concession]*; or

2.1.2 the date we notify you in writing that this concession has been terminated; or

2.1.3 the date you assign your right to the Lease; or

2.1.4 the date you complete a sublease [of the whole or any part] of the Property; or

2.1.5 the date the Landlord completes the sale of the Property; or

2.1.6 the date that you fail to comply with your obligations in this letter; or

2.1.7 the date on which an event occurs which would entitle the Landlord to irritate or otherwise terminate the Lease.

2.2 If this concession is terminated or expires, you must pay to the Landlord the balance of the Rent [and provisional Service Charge] that was due on the previous Rent Day with interest at the [Interest Rate]⁴ on that amount for the period from (and including) the due date to (and including) the date of payment.

3. **No Variation of the Lease**

This concession does not vary the Lease which continues in full force and effect. [This concession will be disregarded on any rent review due under the Lease].

4. **Confidentiality**

You will keep the terms of this concession confidential and will not disclose the terms of this concession except:

4.1 with the prior written consent of the Landlord;

4.2 to your agents and professional advisers in connection with the management of the Property;

4.3 to your bankers or other providers of finance (and their professional advisers) in connection with the management of the Property; and

4.4 to the extent required by law or by any legal or regulatory authority.

⁴

If Interest Rate is not defined in the Lease insert rate of interest which will apply

5. **Notices**

The Landlord may send any notice to you by email addressed to [] or [].

6. **Third Party Rights**

This concession does not create any rights in favour of third parties under the Contract (Third Party Rights) (Scotland) Act 2017 to enforce or otherwise invoke any provision of it.

7. **Acceptance**

7.1 [Your obligations under the Lease are guaranteed by *[insert name of Guarantor]*. This concession does not vary the guarantee which continues in full force and effect.]

7.2 This concession is not effective until you [and *[insert name of Guarantor]* each] sign and date a copy of this letter and return it to us [by email addressed to *[insert email address]*] to confirm you accept its terms.

7.3 If any provision or part of any provision of this letter is held to be illegal, invalid or unenforceable, that provision or part will apply with such modification as may be necessary to make it legal, valid and enforceable. If modification is not possible, that provision or part will be deemed to be deleted. The legality, validity or enforceability of the remainder of this letter will not be affected.

Yours faithfully

.....

Solicitors for the Landlord

We agree to and accept the terms of this letter.

For and on behalf of []
the tenant under the Lease

For and on behalf of []
the Guarantor of the tenant's obligations under
the Lease

.....
Dated: []

.....
Dated: []