

OFFER TO ACCEPT A RENUNCIATION



Our Ref: []

Your Ref: []

Date []

[Insert name and address of Tenant's Solicitors]

Dear [Name of Addressee]

[Insert Landlord's name]

[Insert Tenant's name]

[Insert postal address of Property]

On behalf of and as instructed by the Landlord, we offer to accept a renunciation of the Tenant's right in the Lease on the following conditions:

1. Definitions¹ and Interpretation

1.1 In the Missives:

["**Arrears**"] means [] Sterling (£[])²;

"**Business Day**" means a day on which clearing banks in [Edinburgh, Glasgow and London] are open for normal business;

"**Completion Date**" means the later of (a) the Renunciation Date and (b) the date on which [the Arrears] [and] [the Price] [the Renunciation Payment]³ [has] [have] been paid in full;

"**Conclusion Date**" means unless otherwise specified the first date on which the Missives are concluded;

["**Dilapidations Payment**"] means [] Sterling (£[]) being a sum ascribed to the release of the Tenant of all claims and courses of action which the Landlord may have against the Tenant in connection with the Tenant's obligations under the Lease relating to repair, reinstatement, redecoration and other dilapidations in connection with the Property;]

["**Guarantee**"] means the guarantee by the Guarantor in favour of the Landlord dated [] and registered in the Books of Council and Session on [];

¹ This style does not contain provisions for obtaining any advance notices. If the parties agree that in the particular circumstances advance notices are to be obtained, the appropriate wording in the PSG offers can be adapted.

² Drafting assumes that a figure that includes VAT will be added here.

³ Have regard to the content of the other definitions when completing this to ensure no duplication.



"Guarantor" means [] incorporated under the Companies Acts (Registered Number []) and having its Registered Office at [];]

"Interest" means interest on the sum in question at [4%] per annum above the base rate from time to time of [*insert name of bank*] (or any other UK clearing bank specified by the Landlord) from the date that such sum is due for payment, or if there is no date specified, the date of demand for such sum, until the sum is paid;]

"Landlord" means [], incorporated under the Companies Acts (Registered Number []) and having its Registered Office at [];

"Landlord's Bank Account" means [Bank: [], Sort Code: [], Account Number: [], Account Name: [] or] such [other] UK clearing bank account as the Landlord's Solicitors nominate by written notice to that effect at least three Business Days prior to the Renunciation Date (being a client account of the Landlord's Solicitors);]

"Landlord's Solicitors" means [] (Ref: []) or such other solicitors as the Landlord may appoint in their place from time to time and who have been notified in writing to the Tenant's Solicitors;

"LBTT" means land and buildings transaction tax as provided for in the Land and Buildings Transaction Tax (Scotland) Act 2013;

"Lease" means the lease between [] and [] dated [] and [] and registered in the Books of Council and Session [on []] [and also recorded in the Division of the General Register of Sasines for the County of [] on []] [and the Tenant's right to which is registered in the Land Register of Scotland under Title Number []];

"Missives" means the contract constituted by this offer and all duly executed letters following on it;

"Price" means [the Renunciation Payment] [and] [the Dilapidations Payment];]⁴⁵

"Property" means ALL and WHOLE the premises known as [*insert address of Property*] and being the [Premises]⁶ as more particularly described in the Lease;

"Relevant Date" means the later of (a) the Completion Date and (b) the date on which the Tenant duly executes the Renunciation;

"Renunciation" means the renunciation of the Tenant's right in the Lease of the Property to be entered into in terms of the Missives in the form of the draft renunciation contained in the Schedule subject to any amendments required to implement the terms of the Missives;

"Renunciation Costs" means the cost of registering the Renunciation in [the Land Register and] the Books of Council and Session and obtaining an electronic extract where possible, otherwise an extract for each party;

"Renunciation Date" means [[[] 20[]] [the first Business Day occurring [] Business Days after the Unconditional Date] or such other date as the Tenant and the Landlord agree in writing with specific reference to the Missives;]

"Renunciation Payment" means [] POUNDS (£[]) Sterling;]

"Schedule" means the schedule annexed to this offer;

⁴ Insert whichever payments definitions are appropriate. You may not need a definition of "Price" if it is only the Renunciation Payment, as this has a separate definition, and bear in mind that the Renunciation Payment and the Dilapidations Payment may be due by different parties. If you do not use the definition "Price" references throughout the offer will need to be amended.

⁵ Additional provisions will need to be added if there is a rent deposit and/or a turnover rent in line with the agreed terms of the transaction.

⁶ If the leased property is defined in the Lease as something other than "Premises" substitute the alternative definition here.

"Tenant" means [], incorporated under the Companies Acts (Registered Number []) and having its Registered Office at [];

["Tenant's Bank Account" means [Bank: [], Sort Code: [], Account Number: [], Account Name: [] or] such [other] UK clearing bank account as the Tenant's Solicitors nominate by written notice to that effect at least 3 Business Days prior to the Renunciation Date (being a client account of the Tenant's Solicitors);]

"Tenant's Solicitors" means [] (Ref: []) or such other solicitors as the Tenant may appoint in their place from time to time and who have been notified in writing to the Landlord's Solicitors; [and]

["Unconditional Date" means the date on which [all of] the condition[s] set out in Clause 2.1 [has][have] been satisfied or waived in accordance with the terms of Clause 2]; [and]

["VAT" means value added tax as provided for in the Value Added Tax Act 1994 and any tax similar or equivalent to value added tax or performing a similar fiscal function.]

1.2 In the Missives, unless otherwise specified or the context otherwise requires:

- 1.2.1 any reference to one gender includes all other genders;
- 1.2.2 words in the singular only include the plural and *vice versa*;
- 1.2.3 any reference to the whole is to be treated as including reference to any part of the whole;
- 1.2.4 any reference to a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and words importing individuals include corporations and *vice versa*;
- 1.2.5 any reference to a Clause or the Schedule is to the relevant Clause or the Schedule of this offer;
- 1.2.6 any reference to a statute or statutory provision includes any subordinate legislation which is in force from time to time under that statute or statutory provision;
- 1.2.7 any reference to any statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time taking account of any amendment or re-enactment;
- 1.2.8 any phrase introduced by the words "including", "include", "in particular" or any similar expression is to be construed as illustrative only and is not to be construed as limiting the generality of any preceding words;
- 1.2.9 a document will be duly executed only if it is executed in such manner as meets the requirements of Section 3 or Sections 9B and 9C of the Requirements of Writing (Scotland) Act 1995;
- 1.2.10 where at any one time there are two or more persons included in the expression "Tenant" or "Landlord" [or "Guarantor"] obligations contained in the Missives which are expressed to be made by the Tenant and/or the Landlord [and/or the Guarantor] are binding jointly and severally on them and their respective executors and representatives whomsoever without the necessity of discussing them in their order;
- 1.2.11 [any reference to funds being cleared means that the funds are immediately available for withdrawal from the holder's bank account;]
- 1.2.12 [where a Clause provides that Interest is payable and that the sum will be paid within a specified period, no Interest will accrue on the sum provided it is paid within that period;] [and]

- 1.2.13 [any reference to "reasonable consent" means the prior written consent of the party in question, such consent not to be unreasonably withheld or delayed; and]
- 1.2.14 where something is to be done "as soon as reasonably practicable" it is to be done without undue delay.

1.3 The headings in the Missives are included for convenience only and are to be ignored in construing the Missives.

1.4 The Schedule forms part of the Missives.

2. [Suspensive Condition[s]]

2.1 Conditions

The Missives are suspensively conditional on the Landlord giving written notice to the Tenant before 5.00pm on [] that it has received in terms satisfactory to it (of which the Landlord is the sole judge):

2.1.1 any necessary consents to the acceptance of the Renunciation from its heritable creditors; [and

2.1.2 *insert details of any other suspensive conditions here.*]

2.2 Rights to Resile

2.2.1 The suspensive condition contained in Clause 2.1.1 is for the benefit of the Landlord and the Tenant and neither party may unilaterally waive it.

2.2.2 [The suspensive condition[s] contained in Clause 2.1.2 [and Clause []] [is][are] for the benefit of [the Landlord][the Tenant] and [the Landlord][the Tenant] may waive [it][them] in whole or in part at any time before the valid service of a notice resiling as mentioned in Clause 2.2.3.]

2.2.3 If the suspensive condition[s] contained in Clause 2.1 [is] [are] not purified within the time limit, or waived, either party may resile from the Missives, without penalty (except in respect of any prior breach), by giving written notice from it or its solicitors to the other [party][parties] or [its][their] solicitors to take effect on the earlier of actual receipt and deemed receipt by the other [party][parties] or [its][their] solicitors.

2.3 [Reasonable Assistance]

Each party will assist the other to enable the suspensive condition[s] contained in Clause 2.1 to be purified. As soon as reasonably practicable after the Conclusion Date, the Tenant [and the Guarantor] will exhibit to the Landlord *[Insert details of information the Landlord needs to see to satisfy the suspensive conditions].]*

3. Renunciation

3.1 [Arrears and Price]

If the Price is being paid by the Tenant to the Landlord insert clauses 3.1.1 to 3.1.3. If the Renunciation Payment is being paid by the Landlord to the Tenant use clauses 3.1.4 to 3.1.6 and retain and adjust clauses 3.1.1 to 3.1.3 if the Tenant is still to pay Arrears. Otherwise delete as Renunciation Costs are dealt with separately. Include clause 3.1.7 in all cases.

3.1.1 It is an essential condition of the Missives that on or before the Renunciation Date the Tenant pays the [Arrears,] [the Price] [and the Renunciation Costs] to the Landlord (time being of the essence).

- 3.1.2 The [Arrears,] [the Price] [and the Renunciation Costs] will be paid either:
- (a) directly to the Landlord by the Tenant; or
 - (b) to the Landlord's Bank Account from the Tenant's Bank Account,
- in each case by instantaneous bank transfer of cleared funds. Payment of [the Arrears,] [the Price] [and the Renunciation Costs] in cash or from the Tenant direct to the Landlord's Solicitors is not permitted.
- 3.1.3 If the Tenant fails to pay the [Arrears,] [the Price] [and the Renunciation Costs] on time the Tenant will pay Interest on the outstanding sum from the [Renunciation Date] until the sum is paid unless the delay in payment by the Tenant is due to any failure or breach by or on behalf of the Landlord to implement its obligations or duties under the Missives on time.

[OR]

- 3.1.4 It is an essential condition of the Missives that on or before the Renunciation Date the Landlord pays the Renunciation Payment to the Tenant (time being of the essence).
- 3.1.5 The Renunciation Payment will be paid either:
- (a) directly to the Tenant by the Landlord; or
 - (b) to the Tenant's Bank Account from the Landlord's Bank Account,
- in each case by instantaneous bank transfer of cleared funds. Payment of the Renunciation Payment in cash or from the Landlord direct to the Tenant's Solicitors is not permitted.
- 3.1.6 If the Landlord fails to pay the Renunciation Payment on time the Landlord will pay Interest on the outstanding sum from the Renunciation Date until the sum is paid unless the delay in payment by the Landlord is due to any failure or breach by or on behalf of the Tenant to implement its obligations or duties under the Missives on time.
- 3.1.7 If the [Arrears] [and] the Price [and] the Renunciation Payment [has] [have] not been paid in full by [], [either party] [the Landlord] [the Tenant] may rescind the Missives, without penalty (except in respect of any prior breach), by giving written notice from it or its solicitors to the other [party][parties] or [its][their] solicitors to take effect on the earlier of actual receipt and deemed receipt by the other [party][parties] or [its][their] solicitors, but without prejudice to the right of the party not in breach to exercise any other remedies available to [it][them].

3.2 [Apportionments]

- 3.2.1 The Landlord will refund any rent and insurance paid in advance by the Tenant in accordance with the Lease in relation to the period falling after the [Completion Date] within [10] Business Days after the [Completion Date].
- 3.2.2 The Renunciation Date will not affect the Tenant's obligation to pay or the Landlord's right to recover service charge after the Renunciation Date where this has not been calculated and demanded before the Renunciation Date. Once the service charge for the [Accounting Period] (as defined in the Lease) in which the Renunciation Date occurs has been calculated:
- (a) if there is a balance due by the Tenant to the Landlord, the Tenant will pay any amount due to the Landlord within [10] Business Days of demand; or
 - (b) if there is a balance due by the Landlord to the Tenant, the Landlord will repay the balance to the Tenant within one month of calculation.

- 3.2.3 All other outgoings for the Property (other than rates) will be apportioned as at the Completion Date on an equitable basis.
- 3.2.4 Within [five] Business Days after the Completion Date, the Tenant or the Tenant's Solicitor will advise the local authority of the grant of the Renunciation so that any apportionment of rates can be carried out by the local authority.]

3.3 VAT

- 3.3.1 All sums payable, or consideration given, or the value of any supplies made by either party are exclusive of VAT (unless otherwise stated), which, if properly chargeable, will be payable by the recipient of the supply for VAT purposes in addition, on production of a valid VAT invoice addressed to the recipient of the supply.
- 3.3.2 If HMRC gives either party a written ruling that VAT is payable on any sums payable, or consideration given, or the value of any supplies made by either party, then the relevant party agrees to pay an amount equal to VAT at the standard rate on such sum, consideration or supply (or the proportion of it that HMRC determines is subject to VAT). Such payment will be made on the later of the due date for payment and [20] Business Days after the relevant party receives a copy of that determination and a valid VAT invoice.

3.4 Terms

- 3.4.1 Entry and vacant possession [free of the Tenant's occupation and the occupation of any other occupier and without any continuing subleases] will be given to the Landlord on the Renunciation Date.
- 3.4.2 If the Renunciation Date and the Completion Date are different dates as a result of the act or default of the Tenant, the Tenant will pay to the Landlord:
- (a) on the Completion Date, the rent, insurance premiums, [service charge] and other monetary sums for such additional period, as an essential condition of the Missives; and
 - (b) on demand, any other occupational costs (including rates and utilities) properly incurred by the Landlord for such additional period.

If the Tenant fails to pay such payments on time the Tenant will pay Interest on the outstanding sums from the Completion Date or the date of demand (as the case may be) until the sum is paid unless the delay in payment by the Tenant is due to any failure or breach by or on behalf of the Landlord to implement its obligations or duties under the Missives on time.

3.5 LBTT Requirements⁷

If the Price is being paid by the Tenant to the Landlord insert Clauses 3.5.1 and 3.5.2. Although this is a reverse premium which does not attract LBTT, there is still a requirement to make an LBTT return on termination. If the Price is being paid by the Landlord to the Tenant, insert Clauses 3.5.3 and 3.5.4 as well.

- 3.5.1 The Tenant will submit an LBTT return on the grant of the Renunciation to Revenue Scotland within [five] Business Days of the effective date of the Renunciation for LBTT purposes. The Tenant will provide the Landlord's Solicitor with a copy of the electronic submission receipt for the LBTT return and confirm that any LBTT has been paid (or arrangements satisfactory to Revenue Scotland initiated) as soon as reasonably practicable.

⁷ This clause assumes the lease is a *notifiable* lease for LBTT purposes. If the lease is not notifiable, there may still be LBTT implications depending on the circumstances. If in doubt specialist tax advice should be sought.

- 3.5.2 If the Tenant breaches its obligations in Clause 3.5.1, it will indemnify the Landlord against any loss suffered by the Landlord.

AND/OR

- 3.5.3 [The Landlord will submit an LBTT return and pay to Revenue Scotland any LBTT due on the grant of the Renunciation within [five] Business Days of the effective date of the Renunciation for LBTT purposes. The Landlord will provide the Tenant's Solicitor with a copy of the electronic submission receipt for the LBTT return and confirm that any LBTT has been paid (or arrangements satisfactory to Revenue Scotland initiated) as soon as reasonably practicable.
- 3.5.4 If the Landlord breaches its obligations in Clause 3.5.3, it will indemnify the Tenant against any loss suffered by the Tenant.]

3.6 Signing and Registering the Renunciation

- 3.6.1 [As soon as reasonably practicable] [Within [five] Business Days] after the [Conclusion Date] [Unconditional Date]] the Landlord will instruct the Landlord's Solicitors to complete the Renunciation by inserting any relevant information required (including any modifications required to reflect the terms of the Missives) and engross it for signing.
- 3.6.2 Within [five] Business Days after the Renunciation has been engrossed the Landlord's Solicitor will send the Renunciation to the Tenant's Solicitor.
- 3.6.3 Within [10] Business Days after receipt of the engrossed Renunciation by the Tenant's Solicitors the Tenant will duly execute the Renunciation [and procure that the Guarantor duly executes it] and return it to the Landlord's Solicitor together with:
- (a) evidence that Renunciation has been duly executed by the Tenant [and the Guarantor, as appropriate]; [and
 - (b) payment of the Renunciation Costs (if not already paid)].

If the Renunciation does NOT require to be registered in the Land Register, insert clauses 3.6.4 and 3.6.5 and delete clauses 3.6.6 and 3.6.7.

- 3.6.4 Within [10] Business Days of the later of receipt from the Tenant of:
- (a) the duly executed Renunciation in terms of Clause 3.6.3; and
 - (b) a copy of the electronic submission receipt for the LBTT return,
- the Landlord will duly execute the Renunciation and submit it to the Books of Council and Session for registration for preservation and execution and obtain an electronic extract of it where possible, otherwise an extract of it for each party.
- 3.6.5 Within [five] Business Days of receiving the extract of the Renunciation, the Landlord will send the electronic extract or if that is not possible to obtain, an extract of it to the Tenant.]

If the Renunciation requires to be registered in the Land Register insert clauses 3.6.6 and 3.6.7 and delete clauses 3.6.4 and 3.6.5.

- 3.6.6 Within [10] Business Days of the later of receipt from the Tenant of:
- (a) the duly executed Renunciation in terms of Clause 3.6.3; and
 - (b) a copy of the electronic submission receipt for the LBTT return,

the Landlord will:

- (c) duly execute the Renunciation;
- (d) submit the Renunciation to the Land Register of Scotland for registration and simultaneously to the Books of Council and Session for registration for preservation and execution and obtain an electronic extract of it where possible, otherwise an extract of it for each party.

3.6.7 Within [five] Business Days after receipt the Landlord will send the electronic extract or if that is not possible to obtain, an extract of the Renunciation to the Tenant.

3.7 **[Guarantee**

3.7.1 It is an essential condition of this offer that the Tenant's Solicitor accepts it on behalf of the Tenant and the Guarantor.

3.7.2 The Guarantor will procure that the Tenant complies with the Tenant's obligations under the Missives.]

3.8 **Terms Binding from the Completion Date**

If the engrossed Renunciation has not been duly executed by the Completion Date, the terms of the Renunciation bind the Landlord and the Tenant from the Completion Date as if it had been duly executed.

4. **Title**

4.1 **Landlord Reports and Searches**

4.1.1 The Landlord will deliver on the Renunciation Date a legal report (including a search in the register of inhibitions and a search in the register of insolvencies against the Landlord) against the Landlord's title brought down to a date as near as practicable to the Renunciation Date which report will show no entries adverse to the Landlord's ability to accept the Renunciation; the cost of the legal report and any legal continuation report being the responsibility of the Landlord.

4.1.2 The Landlord will exhibit on the Renunciation Date searches in the Register of Charges and Company File of the Landlord from the date of its incorporation or the date of inception of the Register (whichever is the later) brought down as near as practicable to the Renunciation Date and disclosing no entry prejudicial to the Landlord's ability to accept the Renunciation. The Landlord's Solicitors will not provide updated searches in the Register of Charges and Company File.

4.1.3 [On the Renunciation Date the Landlord will:

- (a) [exhibit the letter of consent from the heritable creditor of the Landlord having security over the Property; [and]]
- (b) [exhibit a letter of non-crystallisation (and, if necessary, a letter of consent to the Renunciation) from the holders of any floating charges over the Landlord's assets in the holder's usual form.]]

4.2 **[Land Register Requirements**

If the application for registration of the Renunciation is rejected by the Keeper the Landlord and the Tenant will each co-operate with the other and, at the Tenant's expense, do such acts and things, execute such deeds and documents and deliver such documents and evidence as may be required to enable the Keeper to close the Lease title sheet and remove the Lease from the Property title sheet.]

4.3 Tenant Reports and Searches

4.3.1 [[The Tenant will deliver on the Completion Date a legal report (including a search in the register of inhibitions and a search in the register of insolvencies against the Landlord) against their leasehold title brought down to a date as near as practicable to the Completion Date and if the Relevant Date occurs later than the Completion Date, deliver (at the same time as sending the Renunciation to the Landlord's Solicitor in accordance with Clause 3.6.3) a legal continuation report brought down to the Relevant Date which reports will show:

- (a) no entries adverse to the Tenant's ability to grant the Renunciation; and
- (b) nothing prejudicial to the Tenant's right to the Lease,

the cost of the legal report and any legal continuation report being the responsibility of the Tenant.]⁸

4.3.2 The Tenant will exhibit on the Completion Date (and, if the Relevant Date occurs later than the Completion Date, within five Business Days of the Relevant Date) searches in the Register of Charges and Company File of the Tenant from the date of its incorporation or the date of inception of the Register (whichever is the later) brought down:

- (a) as near as practicable to the Completion Date or to the Relevant Date as appropriate; and
- (b) within three months following the Relevant Date, to a date at least 36 days after the Relevant Date,

in each case disclosing no entry prejudicial to the grant of the Renunciation. The Tenant's Solicitors will not provide a letter of obligation in respect of the updated search in the Register of Charges and Company File.

4.3.3 [The Tenant will exhibit on the Completion Date (and, if the Relevant Date occurs later than the Completion Date, within five Business Days of the Relevant Date) searches in the register of inhibitions and a search in the register of insolvencies against the Tenant from the date of its incorporation or the date of inception of the Register (whichever is the later) brought down:

- (a) as near as practicable to the Completion Date or to the Relevant Date as appropriate; and
- (b) within three months following the Relevant Date, to a date at least 36 days after the Relevant Date,

in each case disclosing no entry prejudicial to the grant of the Renunciation. The Tenant's Solicitors will not provide a letter of obligation in respect of the updated search in the Personal Register.]⁹

4.4 Items to be delivered

On the Completion Date the Tenant will:

- 4.4.1 deliver the [keys] [security cards] [security fobs] [other] for the Property;
- 4.4.2 deliver any registers or records maintained by the Tenant pursuant to any statutory duty that relate to the Property including any health and safety file and any Energy Performance Certificate and Recommendation Report (as defined in the Energy

⁸ Only needed if the Lease is registered or recorded.

⁹ Use this option if the Lease is not registered or recorded and personal searches are required.

Performance of Buildings (Scotland) Regulations 2008) already commissioned by the Tenant; [and]

4.4.3 [deliver a discharge/deed of restriction duly executed by the heritable creditor over the Tenant's right to the Lease;] [and]

4.4.4 [add details of anything else to be delivered].

5. Tenant's Lease Obligations

5.1 The Tenant confirms that there is not presently in existence and that there will not be in existence at the Completion Date any assignation of the Lease vested in any third party or any sub-lease or other tenant's rights or other rights of possession flowing from the Tenant in respect of the Property.

5.2 The Tenant will implement and perform the whole obligations incumbent on it in terms of the Lease for the whole period up to the Completion Date.¹⁰

6. Statutory Repairs Notice

6.1 The Tenant confirms that it has not received local authority statutory repairs notices affecting the Property that are outstanding or subsisting.

6.2 The Tenant will notify the Landlord of any local authority statutory repairs notices affecting the Property served after the date of the offer [and any local authority statutory repairs notices affecting the Property which are issued prior to the [Renunciation Date] will be the responsibility of the Tenant. Liability under this Clause will subsist until met and will not be avoided by the issue of a fresh notice].

7. Staff

The Tenant confirms that as at the Conclusion Date there are, and undertakes that as at the Completion Date there will be, no persons to whom the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006 apply with the effect of such person's employment (or liability for it and its termination) being deemed to transfer to the Landlord or any contractor of the Landlord at the Completion Date.

8. [Capital Allowances]¹¹

The Tenant confirms that it has not claimed or permitted any claim and that it will not claim or permit any claim for any capital allowances in respect of such plant and machinery (within the meaning of the Capital Allowances Act 2001) as constitutes a fixture or fixtures and which will remain in the Property at the Completion Date.]

9. Costs

[Each party will bear their own costs and expenses] [Within [10] Business Days of demand, the Tenant will pay to the Landlord [a contribution of [] (£[]) POUNDS STERLING (exclusive of VAT, which will be payable by the Tenant in addition) towards] [all] [the] legal and other professional fees and outlays reasonably and properly incurred by the Landlord in connection with the Missives and the Renunciation.]

10. Notices

10.1 Any notice required by this offer will be in writing and will be sent by the party or its solicitors to the other party or the other party's solicitors.

¹⁰ Amend if there are specific requirements to depart from the lease obligations for example in respect of the repairs, decoration and removal clauses if a specific agreement has been reached on dilapidations.

¹¹ In the majority of cases capital allowances will not be an issue on a renunciation but you should still consider the issue. If the Tenant incurred capital expenditure on fixed plant which will remain in the Property for the Landlord's benefit there may be capital allowances issues. Take specialist tax advice.

- 10.2 The notice will be delivered by hand or sent by pre-paid first class post or special delivery to the relevant party or its solicitors.
- 10.3 Subject to Clause 10.4, any notice will be deemed to be received:
- 10.3.1 at the time of delivery (with proof of delivery) if delivered by hand; and
- 10.3.2 two Business Days after the date of posting if sent by first class or special delivery post.
- 10.4 In the case of delivery by hand, if delivery occurs outwith normal business hours (9am to 5pm) on a Business Day or on a day which is not a Business Day, delivery will be deemed to occur at 9am on the next Business Day.

11. [Confidentiality]¹²

11.1 Before Completion Date

The Landlord and the Tenant and their agents and professional advisors will not disclose details of the Missives or the Renunciation to the press or any other person before the Completion Date except:

- 11.1.1 with the [prior written consent] [reasonable consent] of the other party;
- 11.1.2 to the Landlord and the Tenant's respective agents and professional advisers in connection with the Renunciation;
- 11.1.3 to the Landlord's bankers or other providers of finance (and their professional advisers) in connection with the Renunciation;
- 11.1.4 where required by law; and
- 11.1.5 where required to comply with the requirements of the Stock Exchange or any other regulatory or government authority.

11.2 After Completion Date

Any press release after the Completion Date relating to the Renunciation is to be agreed in writing between the Landlord and the Tenant prior to its publication (both parties acting reasonably).

11.3 Agents

The Tenant and the Landlord will ensure that their respective agents and professional advisors comply with the undertakings in this Clause 10.]

12. General¹³

12.1 Formal Documentation Required

Neither the Landlord nor the Tenant will be bound by any acceptance of this offer or any other letter purporting to form part of the Missives or any amendment or variation of the Missives unless it is duly executed.

¹² This clause provides for the transaction and other details to be kept confidential prior to the Completion Date and, if the parties require it, for the terms of any post-Completion Date press release to be agreed. Where confidentiality is required this should extend to agents and professional advisers as well.

¹³ Consider if a damage / destruction clause is appropriate for the transaction.

12.2 Complete Agreement

The Missives (including the annexations) will represent and express the full and complete agreement between the Landlord and the Tenant [and the Guarantor] relating to the renunciation of the Tenant's interest in the Lease at the Conclusion Date and will supersede any previous agreements between the Landlord and the Tenant relating to it. Neither the Landlord nor the Tenant [nor the Guarantor] has been induced to enter into the Missives on account of any prior warranties or representations.

12.3 Exclusion of Third Party Rights

The Missives do 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 the Missives.

13. [Supersession]

The provisions of the Missives (other than Clause[s] [], which will remain in full force and effect until implemented) in so far as not implemented by the granting and delivery of the Renunciation and others, will remain in full force and effect until the earlier of:

13.1 the date when such provisions have been implemented; and

13.2 [two years] after the Renunciation Date except in so far as they are founded on in any court proceedings which have commenced within such [two year] period.]

14. Exclusion of Personal Liability

14.1 No personal liability will attach to the Tenant's Solicitors by virtue of their entering into the Missives in their capacity as agents for the Tenant [and the Guarantor].

14.2 No personal liability will attach to the Landlord's Solicitors by virtue of their entering into the Missives in their capacity as agents for the Landlord.

14.3 The Landlord and the Tenant [and the Guarantor] will be solely liable to each other for compliance with, and fulfilment of, their respective obligations under the Missives.

15. Proper Law and Prorogation

The Missives and the rights and obligations of the Landlord [and] the Tenant [and the Guarantor] will be governed by and construed in accordance with the law of Scotland and the Landlord [and] the Tenant [and the Guarantor] will be deemed to have agreed to submit to the exclusive jurisdiction of the Scottish courts.

16. [Consent to Registration]

The parties consent to registration of the Missives in the Books of Council and Session for preservation and execution.]

17. Time Limit

This offer, if not previously withdrawn, will fall unless a binding written acceptance has been received by us by 5 pm on [] 20[].

Yours faithfully

..... **Witness Signature:**

Witness Name:

Witness Address:

.....

.....

This is the Schedule referred to in the foregoing offer by [] (on behalf of [])
to [] (on behalf of []) in respect of []

Renunciation