

CERTIFICATE OF TITLE
(Based on the CLLS Certificate of Title
(Seventh Edition 2012))



Property:

Transaction:

Version V6
April 2015



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CERTIFICATE OF TITLE

To: **[Insert Name and Address of each addressee]**

[Insert short address or description of the Property]

1. RELIANCE ON THIS CERTIFICATE

- 1.1 This Certificate is addressed to you and is intended solely for your benefit [and that of [the Creditor] [and] [the Banks/Finance Parties]] in connection with the Transaction. It is not to be relied upon by any other person nor used for any other purpose.
- 1.2 Clause 1.1 does not prevent this Certificate being disclosed for information purposes only to any third party.
- 1.3 Any claim in respect of this Certificate may only be brought by or through the agency of any of the parties to whom it is addressed. Where a claim would properly lie against any other party involved in the provision of information for or otherwise involved in the preparation or approval of this Certificate and that other party has lawfully and effectively limited, excluded or restricted its liability in respect of any such claim then our liability shall not in any circumstances be increased as a consequence of any such limitation, exclusion or restriction and our liability shall be calculated on the basis that no limitation, exclusion or restriction by that other party is effective.

2. CERTIFICATE

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

2.1 Title

- 2.1.1 We have investigated the title of the Company to its interest in the Property in the knowledge that you are relying on this Certificate for the purpose of the Transaction.
- 2.1.2 We have:
 - (a) examined and considered the documents of title and other documents and papers relating to the Property produced to or obtained by us; and
 - (b) undertaken those of the searches and enquiries referred to in Part 6 of the Schedule which we consider appropriate or necessary in the circumstances of the Transaction and having regard to the nature of the Property and considered the results of the searches and replies to the enquiries

and this Certificate is given solely on the basis of that examination and consideration and the results of those searches and enquiries and from material provided to us by the Company and which, so far as we are aware, is the documentation and information which we need in order to give this Certificate.

2.1.3 Subject to any Disclosures:

- (a) in our opinion, [subject to due registration in the Land Register of the interest of the Company created by the [disposition] [assignment] in respect of the Property from the Seller to the Company,] the Company has a good and marketable title to its interest in 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 such interest without exclusion or limitation of warranty];
- (b) [in our opinion, subject to due registration in the Land Register or recording in the Sasine Register as appropriate of the interest 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;]
- (c) the details of the Property set out in Section 1 of Part 2 of the Schedule are complete and accurate in all respects;

- (d) if the Company [holds][will hold] the Property under the terms of a lease, the terms of the lease are fairly summarised in Section 1 of Part 4 of the Schedule and the statements set out in Part 4 of the Schedule are complete and accurate in all respects;
- (e) no consents are required from any third parties [before the Property can be disposed to the Company] [before the leasehold interest 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] and any consents referred to in a Disclosure have been obtained and are not subject to onerous or unusual conditions;
- (f) if the title to the Property is registered in the Land Register, the Company is [or will be] registered as proprietor of its interest in the Property without exclusion or limitation of warranty;
- (g) nothing in this Certificate will prevent the application for registration of the [[disposition][assignment] 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;
- (h) if the title to the Property is not registered in the Land Register or is in the process of such registration then:
 - (i) where the Property is owned, the title is recorded in the Sasine Register and commences with the prescriptive foundation writ, or
 - (ii) 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.

2.1.4 The conveyancing description contained in Section 1 of Part 2 of the Schedule is a proper and adequate conveyancing description of the Company's interest in the Property for the purpose of the Standard Security and the registration of the interest created by it in the Land Register or the recording of it in the Sasine Register.

2.2 Matters affecting the Property

Subject to any Disclosures:

- 2.2.1 the statements set out in Part 3 of the Schedule are complete and accurate in all respects; and
- 2.2.2 there are no other matters disclosed by our investigations referred to in this Certificate which, in our opinion, should be brought to your attention.

2.3 Letting Documents

The Letting Documents are fairly summarised in Section 1 of Part 5 of the Schedule and, save as stated in any Disclosures, the statements set out in Section 2 of Part 5 of the Schedule are complete and accurate in all respects.

2.4 Searches and Enquiries

Save as stated in any Disclosures, the results of the searches and enquiries undertaken do not disclose matters which, in our opinion, should be brought to your attention.

3. 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.

4. CONFIRMATION BY THE COMPANY

4.1 Where the 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.

4.2 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 to the best of its knowledge, information and belief the information contained in this Certificate is complete and accurate in all respects.

4.3 [The Company will purchase the Property from the Seller prior to or as part of completion of the Transaction. That being the case:

4.3.1 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 Part 6 of the Schedule;
- (b) [the replies given by the Seller's solicitors to the Due Diligence Questionnaire published by The Property Standardisation Group (www.psglegal.co.uk) 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 Disclosures; and
- (g) an inspection of the Property by the Company not more than twenty working days before the date of this Certificate.

4.3.2 Whenever the Certificate refers to the Company's knowledge, information and belief or the Certificate states that the Company has provided information (as defined in clause 4.1), it is the case that the Seller or the Seller's solicitors and its other advisers and agents are the primary source.

4.3.3 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 or to actions taken by the Seller or expected by the Seller, as the case may be.

4.3.4 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.

4.3.5 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.

4.3.6 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 relevant part of the Certificate.]

5. FORM OF CERTIFICATE

This Certificate is in the form of The Property Standardisation Group Certificate of Title (Based on the CLLS Certificate of Title (Seventh Edition)) and in particular there has been no amendment to the main text of this Certificate or to the statements in paragraphs 2 to 4 of Part 1 of the Schedule and the statements in Part 3 and Section 2 of Parts 4 and 5 respectively of the Schedule.

6. GENERAL PROVISIONS

The provisions of Part 1 of the Schedule shall apply to this Certificate.

7. SCHEDULE

The Schedule forms part of this Certificate and shall have effect as if set out in full in the body of this Certificate, and any reference to this Certificate includes the Schedule.

Disclosures:

All Disclosures made to the Schedule to this Certificate.

Note: Here make any Disclosures in respect of the main body of this Certificate and Part 1 of the Schedule e.g. any consents required under clause 2.1.3(e) or clauses 3 or 4

Note: It is recommended that all Disclosures are made in italic script and are contained in boxes as indicated in this Certificate.

Date: **(Signed):**

Name of firm:

Address:

Reference:

This is the Schedule referred to in the foregoing Certificate given by
 [to [] in respect of
]]

PART 1

DEFINITIONS, INTERPRETATION, ASSUMPTIONS, QUALIFICATIONS AND APPLICABLE LAW

1. DEFINITIONS AND INTERPRETATION

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

2012 Act means the Land Registration etc. (Scotland) Act 2012;

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

Benefit means any servitude or other right;

Burden means any real burden, servitude or other condition;

Company means [];

[Creditor means [];

Disclosure means any disclosure made against a statement in this Certificate or in the Schedule;

Encumbrances are encumbrances as set out in section 9 of the 2012 Act;

Existing Use means the actual use to which the Property is presently put as referred to in Section 4 of Part 2 of the Schedule;

Land Register means the Land Register of Scotland;

LBTT means land and buildings transaction tax under the Land and Buildings Transaction Tax (Scotland) Act 2013;

Lease means the lease by virtue of which the Company holds or will hold the Property or part thereof (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);

[Loan Document means the loan/facility agreement [dated [] [to be entered into] between [] and [] providing for the loan referred to in it, which loan is [to be] secured by [*inter alia*] the Standard Security;]

Premises means the premises let by any Lease or Letting Document as the case may be;

Property means the property described in Section 1 of Part 2 of the Schedule, [the address] [brief description] of which is given at the head of this Certificate;

Sasine Register means the General Register of Sasines;

Schedule means the schedule annexed to this Certificate;

[Seller means []];

[Standard Security means the standard security over the Company's interest in the Property to be granted in favour of the Creditor pursuant to the Loan Document];

Town and Country Planning Legislation includes the Town and Country Planning (Scotland) Act 1997, the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997, the Planning (Hazardous Substances) (Scotland) Act 1997, the Planning (Consequential Provisions) (Scotland) Act 1997 and the Planning etc (Scotland) Act 2006;

Transaction means [];

[Valuers means []].

- 1.2 Any reference to the Property or the Premises includes each and every part of it and all buildings and structures on it.
- 1.3 Any reference, express or implied, to a statute includes references to:
 - 1.3.1 that statute as amended, extended or applied by or under any other statute at the date of this Certificate;
 - 1.3.2 any statute which that statute re-enacts (with or without modification); and
 - 1.3.3 any subordinate legislation made at the date of this Certificate under that statute, as amended, extended or applied as described in paragraph 1.3.1 or under any statute referred to in paragraph 1.3.2
- 1.4 In Part 5 of the Schedule "rent" includes licence fee, "tenancy" includes licence and "tenant" includes licensee.
- 1.5 The headings in this Certificate do not affect its interpretation.
- 1.6 Unless the context otherwise requires, the singular includes the plural and vice versa.
- 1.7 Any Disclosure in 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.

2. Assumptions

- 2.1 We have assumed that all documents relating to the Property have been validly executed and delivered by the parties to them and that all documents are within the capacity and powers of, and have been validly authorised by, each party. There is nothing on the face of the documents which indicates otherwise.
- 2.2 We have assumed, and the Company has confirmed to us in writing, that:
 - 2.2.1 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
 - 2.2.2 each copy document produced to us is a true copy of the original.

3. Qualifications

- 3.1 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, of any landlord or superior landlord.
- 3.2 We give no opinion as to the capital or rental value of the Property.
- 3.3 This Certificate does not consider any environmental or flood assessments, audits, surveys or other reports on the environmental condition of the Property and the recipient of this Certificate should consider what investigations it wishes to make in relation to such matters.
- 3.4 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.
- 3.5 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 Bankruptcy (Scotland) Act 1985 or the Insolvency Act 1986 or at common law, 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 either such Act or the common law.
- 3.6 We have not investigated whether any consents which may have been required under any charges or other documents which are no longer subsisting were obtained.
- 3.7 Except to the extent of any Disclosure against paragraph 9 of Part 3 of the Schedule, we have not investigated what insurance may be in force in respect of the Property.

4. 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.

PART 2
PROPERTY DETAILS

SECTION 1
THE PROPERTY

Brief Description: Land [and buildings] known as [] shown edged red on the attached plan.

Tenure: Ownership/leasehold

Registered Title Number:

Conveyancing Description:

SECTION 2
BENEFITS

SECTION 3
BURDENS

SECTION 4
EXISTING USE

PART 3
MATTERS AFFECTING THE PROPERTY

TITLE

- 1. Documents of title and stamp duty land tax/land and buildings transaction tax**
 - 1.1 The documents of title consist of original documents or official extracts and are held by us, or will be held by us, on completion of the Transaction to the order of the Company.
 - 1.2 Where necessary, all title deeds are, as appropriate, either (a) fully stamped with *ad valorem* stamp duty and a particulars delivered stamp or (b) accompanied by a Certificate from H.M. Revenue & Customs evidencing submission of a land transaction return for the purposes of stamp duty land tax in relation to all circumstances in respect of which a land transaction return is required to be made or (c) accompanied by a confirmation of receipt from Revenue Scotland evidencing submission of a LBTT return in relation to all circumstances in respect of which a LBTT return is required to be made.
 - 1.3 The Company has told us that no further land transaction return or LBTT return or payment in relation to stamp duty land tax or land and buildings transaction tax is required in respect of any transaction involving the Property which has an effective date prior to the date of this Certificate and there is nothing on the face of the documents to suggest otherwise.

Disclosures:

2. Access

The Property abuts a roadway maintainable at public expense at each point where access is gained or has the benefit of all necessary rights of way to and from such a roadway.

Disclosures:

3. Benefits

- 3.1 The Property enjoys the Benefits set out in Section 2 of Part 2 of the Schedule. The Company has told us that those Benefits are the only Benefits necessary for the use and enjoyment of the Property for the Existing Use or (if no Benefits are so set out) that none are required.
- 3.2 Such Benefits are enjoyed freely without interruption and without restriction as to hours of use or otherwise. None of those Benefits is enjoyed on terms entitling any person to terminate or curtail it.
- 3.3 The Company has told us that none of such Benefits is in the process of being acquired through prescription.
- 3.4 Where any such Benefit requires registration in the Land Register in order to be effective, such registration has been properly effected.

Disclosures:

4. Burdens

- 4.1 The only Burdens of a material nature to which the Property is subject are those disclosed in Section 3 of Part 2 of the Schedule. The Company has told us that it has not received notice of any breach of and is not aware of any breach of those Burdens and that those Burdens do not materially adversely affect the Existing Use.
- 4.2 The Property is not affected by the provisions of Part 3 of the Land Reform (Scotland) Act 2003.

4.3 [The Property is within an area designated as "Excluded Land" in terms of section 33 of the Land Reform (Scotland) Act 2003 and The Community Right to Buy (Definition of Excluded Land) (Scotland) (Order) 2009.]

OR

[The Company has told us that it is not aware of any proposals to register a community interest in respect of the Property in terms of Part 2 of the Land Reform (Scotland) Act 2003.]

4.4 The Company has told us that it is not aware that any person is in the process of acquiring the benefit of a Burden over the Property through prescription.

4.5 Where any such Burden requires registration in the Land Register in order to be effective, that registration has been properly effected.

Disclosures:

5. Charges

There are no standard securities, fixed or floating charges or liens affecting the Property.

Disclosures:

6. Encumbrances

The Company has told us that so far as it is aware there are no Encumbrances affecting the Property which are not disclosed in Section 2 and Section 3 of Part 2, and Part 5 of the Schedule.

Disclosures:

7. Agreements

7.1 There are no agreements for sale, contracts, options, rights of pre-emption or similar matters affecting the Property the provisions of which remain to be observed or performed.

7.2 There are no obligations binding on the Property to make future payments in respect of overage, clawback, deferred consideration or other payments of a similar nature.

Disclosures:

8. Adverse rights

8.1 The Company has told us that it is [or will be on completion of the Transaction] in actual occupation on an exclusive basis of those parts of the Property as are not the subject of the Letting Documents and that, except by virtue of the Letting Documents, no person, other than the Company, has any right (actual or contingent) to possession, occupation or use of, or interest in, the Property.

8.2 The Company has told us that it has inspected the Property not more than twenty working days before the date of this Certificate and that, so far as it is aware, no one is in adverse possession of the Property or has acquired or is acquiring any rights adversely affecting the Property.

Disclosures:

- 8.3 No part of the title to the property was acquired pursuant to the provisions of section 43 (Prescriptive claimants) of the 2012 Act.
- 8.4 The Company has told us that it has not received any notification in respect of the Property pursuant to the provisions of section 45 (Notification of prescriptive applications) of the 2012 Act.
- 8.5 The Company has told us that it is currently in possession of the Property and has been in possession of the Property openly, peaceably and without judicial interruption for a continuous period of at least one year.

9. Title policies

The Company has told us that there are no insurance policies relating to any question of title or title conditions affecting the Property.

Disclosures:

10. Complaints and disputes

The Company has told us that:

- 10.1 it has not had occasion to make any claim or complaint in relation to any neighbouring property or its use or occupation; and
- 10.2 there are no disputes, claims, actions, demands or complaints in respect of the Property which are outstanding or which are expected by it.

Disclosures:

11. Notices

The Company has told us that:

- 11.1 no notices materially affecting the Property or any of the Benefits detailed in Section 2 of Part 2 of the Schedule have been given or received by the Company;
- 11.2 no common repairs have been agreed by the owners of any building or estate of which the Property forms part or are otherwise in prospect, and there are no common repairs in respect of which a notice of potential liability for costs has been, or is to be, registered whether by reference to section 10(2A) of the Title Conditions (Scotland) Act 2003 or section 12(3) of the Tenements (Scotland) Act 2004 or otherwise;
- 11.3 no notices affecting the Property have been served under the Buildings (Recovery of Expenses) (Scotland) Act 2014.

Disclosures:

12. Land Register

Where the title of the Company to the Property is not registered in the Land Register, no event has occurred in consequence of which such registration should have been effected.

Disclosures:

PLANNING

13. Lawful use

- 13.1 The Company has told us that the Property is presently used for the Existing Use.
- 13.2 The Existing Use is a lawful use under the Town and Country Planning Legislation.

Disclosures:

14. Development

- 14.1 The Company has told us that it is not aware that:
 - 14.1.1 any development which has been carried out in relation to the Property is unlawful or has been carried out without any necessary consents, warrants and permissions being obtained;
 - 14.1.2 any enforcement proceedings under the Town and Country Planning Legislation have been commenced or notices served; or
 - 14.1.3 any such proceedings or notices have been proposed.
- 14.2 The Company has told us that it is not aware of any acts, omissions or other circumstances by reason of which a planning enforcement order may be applied for or made in relation to the Property.

Disclosures:

15. Validity of permissions

The Company has told us that no planning permission affecting the Property is the subject of an existing challenge as to its validity. The local authority search referred to in Part 6 of the Schedule did not reveal that any planning permission has been issued within six months immediately before the date of that search.

Disclosures:

16. Conditions

- 16.1 The planning permissions affecting the Property are subject only to conditions which the Company has told us have either been satisfied so that nothing further remains to be done under them or, in the case of continuing conditions, are being complied with and the Company knows of no reason why those conditions should not continue to be so complied with.
- 16.2 There are no unusual or onerous conditions attaching to any planning permission affecting the Property, and no planning permission is subject to any condition or limitation making it temporary (other than the conditions referred to in sections 58 and 59 of the Town and Country Planning (Scotland) Act 1997) or personal to anyone.

Disclosures:

17. Pending applications

The Company has told us that there is no application for planning permission in respect of the Property awaiting determination and no planning decision or deemed refusal which is subject to appeal.

Disclosures:

18. Planning agreements

- 18.1 There is no agreement or planning obligation or planning contribution (together a "**Planning Agreement**") affecting the Property under the Public Health (Scotland) Acts, sections 3A, 8, 16A or 37 of the Sewerage (Scotland) Act 1968, section 50 of the Town & Country Planning (Scotland) Act 1972, sections 16 or 48 of the Roads (Scotland) Act 1984, section 75 of the Town and Country Planning (Scotland) Act 1997, section 3 of the Local Government (Development and Finance) (Scotland) Act 1964, sections 69, 70 or 73 of the Local Government (Scotland) Act 1973 (as amended by the Local Government etc. (Scotland) Act 1994) or any provision in legislation of a similar nature and the Company has told us that it is not required to enter into any such Planning Agreement.
- 18.2 Where there is any Planning Agreement, the Company has told us that, so far as it is aware, all the obligations which have fallen due as at the date of this Certificate have been observed or performed and that no notice of breach has been received, and that there are no material obligations contained in any statutory agreement which remain to be observed or performed.

Disclosures:

19. Listed buildings etc

None of the buildings or other structures or erections on the Property has been listed under sections 1 or 2 of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997 nor has the relevant local authority served or authorised the service of any building preservation notice under sections 3 or 4 of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997 or any repairs notice under sections 43 or 49 of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997 in respect of the Property.

Disclosures:

20. Ancient Monuments

The Property is not within an area of archaeological importance nor is any building or erection on the Property a scheduled monument within the meaning set out in the Ancient Monuments and Archaeological Areas Act 1979.

Disclosures:

21. Compulsory acquisition

The Company has told us that it is not aware of any resolution, proposal, order or act made or contemplated for the compulsory acquisition of the Property or any private access to it.

Disclosures:

STATUTORY MATTERS

22. Statutory requirements

The Company has told us that it is not aware of any outstanding order, notice or other requirement of any local or other authority that affects the Existing Use or involves expenditure in compliance with it nor of any other circumstances which may result in any such order or notice being made or served.

Disclosures:

23. Statutory compliance

The Company has told us that it has not received notice of any breach of and is not aware of any material breach of the requirements of any statute capable of enforcement at the date of this Certificate which affects the Property.

Disclosures:

ENVIRONMENT

24. Environmental notices and permits

24.1 The Company has told us that:

- 24.1.1 it does not hold any permits, licences, consents, authorisations, registrations or any other approvals (together an "**environmental permit**") under any legislation relating to pollution or protection of health and the environment (together "**environmental laws**") in respect of the Property;
- 24.1.2 it is not aware of the need for any environmental permit under any environmental laws in respect of the Existing Use of the Property; and
- 24.1.3 it has not received any written notices, notifications or orders under any environmental laws in respect of the Property or the Existing Use of the Property.

24.2 Where required by the Transaction, the Company has obtained an energy performance certificate for the Property.

Disclosures:

GENERAL

25. Construction work and warranties etc

The Company has told us that:

25.1 no buildings or other structures on the Property have been erected or been subject to extension or major alteration within the six years prior to the date of this Certificate; and

25.2 there are no agreements, certificates, guarantees, warranties or insurance policies relating to the construction, repair, replacement, treatment or improvement of any building or structure on the Property.

Disclosures:

26. Outgoings

The Company has told us that the Property is not subject to the payment of any outgoings other than non-domestic rates or water rates (and where the Property is leasehold sums due under the Lease) and the Company has told us that all such payments have been made to date.

Disclosures:

27. Fixtures and fittings

The Company has told us that all fixtures and fixed plant at the Property, other than (where the Property is leasehold) landlord's fixtures or (where the Property is subject to a Letting Document) tenant's fixtures, are, or will on completion of the Transaction be, the Company's property free from encumbrances.

Disclosures:

PART 4
THE LEASE

SECTION 1
DETAILS OF THE LEASE UNDER WHICH THE PROPERTY IS HELD

Note: Please include a heading for each part of the Property held under a separate lease

SECTION 1A
DETAILS OF THE LEASE

Premises the subject of the Lease:	
Date:	
Original parties:	
Length of term:	
Contractual term commencement date:	
Contractual term expiry date:	
Does the term include any continuation whether by <i>tacit relocation</i> or otherwise?	Yes/No
Summary of the rights granted to the tenant:	
Summary of the rights reserved to the landlord:	
Name and address of present landlord, provided by the Company:	
Name of any present guarantor of the tenant:	
Original annual rent including details of any premium paid:	
Current annual rent:	
Rent review frequency:	
Remaining rent review dates:	
Present permitted use (and whether personal):	
Specified insured risks:	

SECTION 1B
LICENCES AND LETTERS OF CONSENT

Date	Document Description	Parties

STATEMENTS

1. Details of the Lease

Relevant details of the Lease are fairly summarised in Section 1A of this Part of the Schedule and any licences and letters of consent are listed in Section 1B of this Part of the Schedule

Disclosures:

2. Head lease

The Lease is a head lease.

Disclosures:

3. Payment of rent

- 3.1 The annual rent is payable quarterly in advance on the usual Scottish quarter days.
- 3.2 The Company has told us that the last instalment of rent (and service charge if any) was paid to and was accepted by the landlord or its agents without qualification.

Disclosures:

4. Rent review

- 4.1 There are no provisions for rent review or other increases in the rent.
- 4.2 If there are any provisions for rent reviews, they apply on the dates set out in Section 1A of this Part of the Schedule.
- 4.3 Where there are any provisions for rent review:
 - 4.3.1 the Company has told us that no rent reviews are currently outstanding or under negotiation or the subject of a reference to an expert or arbitrator or the courts; and
 - 4.3.2 where the current annual rent is not the same as the annual rent originally payable under the Lease, evidence of its agreement or determination has been placed with the documents of title; and
 - 4.3.3 any buildings erected on the Premises, alterations and improvements in each case carried out by the tenant or any predecessor in title are to be disregarded for review purposes save where any such erection, alteration or improvement is carried out pursuant to an obligation to the landlord but the Company has told us that, so far as it is aware, no such erection, alteration or improvement has been carried out pursuant to that obligation.

Disclosures:

5. Repair

- 5.1 The tenant is responsible for keeping the whole of the Premises and (to the extent that they form part of the Premises) fittings and plant and equipment in good and substantial repair and condition and renewed, reinstated, rebuilt and replaced (including any damage by latent or inherent defects but excluding any damage by insured risks, save where insurance is vitiated by the act or default of the tenant).
- 5.2 The tenant is responsible for the decoration of the interior and exterior of the Premises.

Disclosures:**6. Restrictions on use**

6.1 There are no restrictions in the Lease or the landlord's title which prevent the Premises being used now or in the future for the Existing Use.

6.2 The tenant is permitted to change the use of the Premises only with the prior written consent of the landlord such consent not to be unreasonably withheld.

Disclosures:**7. Alterations**

7.1 The tenant is prohibited from making structural alterations or additions to, or alterations affecting the appearance of, the Premises without the prior written consent of the landlord, such consent not to be unreasonably withheld.

7.2 The tenant may carry out non-structural alterations to the Premises without the prior consent of the landlord.

7.3 The tenant is required to remove all alterations and additions made during the term on yielding up the Premises at the expiration of the term or the sooner termination of the Lease, if so required by the landlord.

Disclosures:**8. Alienation**

8.1 There are no restrictions on the tenant dealing with or sharing occupation of the Premises or conditions that the landlord might impose other than any which are fairly summarised in the Disclosures.

8.2 There is no restriction on any change of control of the tenant.

Disclosures:**9. Insurance**

9.1 The landlord is required to insure:

- 9.1.1 the Premises against damage caused by the insured risks listed in Section 1A of this Part of the Schedule, subject to standard exclusions, limitations and excesses;
- 9.1.2 for the full reinstatement cost of the Premises (including professional fees and value added tax); and
- 9.1.3 (save where the annual rent is a nominal amount) for the loss of at least three years' annual rent.

9.2 The tenant is required to pay to the landlord a sum equal to the premiums paid for insuring the Premises in accordance with its obligations in the Lease briefly described in paragraph 9.1.

9.3 There is provision for suspension of rent in the event that the Premises are damaged or destroyed or access is prevented by an insured risk for a period not less than the loss of rent period for which the landlord is obliged to insure.

- 9.4 If the Premises are damaged or destroyed by an insured risk, the landlord is obliged to reinstate the Premises once all necessary consents have been obtained and subject to the insurance not being vitiated by the act or default of the tenant. The landlord is to use reasonable endeavours to obtain such consents.
- 9.5 If the Premises are damaged or destroyed by an insured risk and reinstatement is frustrated insurance monies are to be shared between the parties by reference to the value of their respective interests in the Premises immediately prior to the damage or destruction.
- 9.6 There are no specific provisions dealing with the effect of damage or destruction of the Premises by an uninsured risk.
- 9.7 The Lease requires that the tenant is a composite insured or, if it does not, that the landlord will use reasonable endeavours to procure a waiver of subrogation rights subject to any conditions imposed by the insurer.
- 9.8 The principle of *rei interitus* is excluded in the Lease.

Disclosures:

10. Service charge

There is no provision for the payment by the tenant of a service or other similar charge.

Disclosures:

11. Rights of irritancy

- 11.1 The Lease is not expressed to be subject to a right of irritancy on any ground except non-payment of rent or breach of an obligation by the tenant.
- 11.2 The Lease contains protection provisions in favour of any holder of fixed or floating securities over the tenant's interest and which have effect before the landlord can irritate the Lease, the material terms of which are summarised in the Disclosures.

Disclosures:

12. Options and rights of first refusal

There are no options to terminate (including in respect of damage or destruction of the Premises by an insured risk) or to renew the term nor any options to purchase or right of first refusal on the part of either the landlord or the tenant.

Disclosures:

13. No Joint and several liability

No tenant has any liability under the Lease following intimation to the landlord of a permitted assignation of its interest in the Lease.

Disclosures:

14. Side letters and undertakings

The Company has told us that, so far as it is aware, no side letters, undertakings or concessions have been made by any party to the Lease.

Disclosures:

15. Consents

Any consents required for the grant of the Lease or the vesting of the Lease in each subsequent tenant or for the grant of any sublease or for any works carried out by or change of use effected by any tenant have been obtained and placed with the documents of title along with evidence that any necessary notice has been given to any third party of any such grant or vesting.

Disclosures:

16. Superior Title

If any superior title is leasehold, it is not expressed to be subject to:

- 16.1 a right of irritancy on any ground except non-payment of rent or breach of an obligation by the tenant; or
- 16.2 any contractual right of termination.

17. Breaches of obligations

The Company has told us that:

- 17.1 it is not aware of any subsisting material breach of the obligations or conditions contained in the Lease, whether on the part of the landlord or the tenant, or any other event of a material nature which could give rise to irritancy of the Lease;
- 17.2 no notice alleging any breach of the obligations or conditions contained in the Lease, whether on the part of the landlord or the tenant, remains outstanding; and
- 17.3 so far as the Company is aware, no breach of obligations has been waived or acquiesced in.

Disclosures:

18. VAT

- 18.1 For the purposes of this paragraph, "**option to tax**" shall have the meaning given in Schedule 10 to the Value Added Tax Act 1994 and shall include an option to tax which has been deemed, or treated as having been, exercised.
- 18.2 The Company has told us that a valid option to tax has been exercised over the whole Property and that such option has not been, or been deemed to be, disallowed or revoked so that value added tax is due in respect of any supply of the Property by the landlord.
- 18.3 Whether or not an option to tax over the Property is in place, there are no provisions in the Lease or the landlord's title which prevent either the landlord or a body corporate in relation to which the landlord is either a relevant associate or a relevant group member from exercising a valid option to tax in respect of the Property or from increasing the rent or other payments under the Lease by, or requiring a payment in addition of, an amount in respect of value added tax chargeable by reason of that option to tax.
- 18.4 The Company has told us that it is not aware of any reason why the landlord should be prevented from charging value added tax in relation to supplies made to the tenant (in

particular as a result of the operation of any of the disapplication provisions in Schedule 10 to the Value Added Tax Act 1994).

Disclosures:

19. Stamp Duty Land Tax/Land and Buildings Transaction Tax

The Company has told us that:

- 19.1 neither the grant of the Lease nor any agreement for the grant of the Lease was exempt from charge to stamp duty land tax by virtue of any of the provisions specified in paragraph 11(2) of Schedule 17A ("cases where assignment of lease treated as grant of lease") to the Finance Act 2003 ("FA 2003") or from charge to LBTT under paragraph 27(2) of Schedule 19 to the Land and Buildings Transaction Tax (Scotland) Act 2013;
- 19.2 nothing is, or may be, required or authorised to be done by the tenant or any successor in title in respect of the grant of the Lease or any agreement for the grant of the Lease under or by virtue of any of the provisions mentioned in paragraph 12 ("Assignment of lease: responsibility of assignee for returns etc") of Schedule 17A to the FA 2003 or under paragraph 28 of Schedule 19 to the Land and Buildings Transaction Tax (Scotland) Act 2013 other than the requirements under paragraph 28(2)(c) or paragraph 28(2)(d) to prepare future 3 yearly returns or prepare a return on the future assignation or termination of the Lease;
- 19.3 so far as it is aware, no increase in rent payable under the Lease is likely to be regarded for the purposes of paragraph 14 ("increase of rent treated as grant of new lease: abnormal increase after fifth year") of Schedule 17A to the FA 2003 as abnormal; and
- 19.4 so far as it is aware, no further sums should become payable as a result of any further returns to be submitted on the three yearly review date or on submitting a return on the assignation or termination of the Lease as required under paragraphs 10 and 11 respectively of Schedule 19 to the Land and Buildings Transaction Tax (Scotland) Act 2013.

Disclosures:

20. Real right

The Company's interest in the Lease has been registered in the Land Register where it is necessary to do so in terms either of the Land Registration (Scotland) Act 1979 or the 2012 Act in order to establish a real right or, where not so registered, the Company has a real right in the Lease by virtue of possession or the recording of the Lease in the Sasine Register.

Disclosures:

21. Registration for execution

The Lease contains a clause of consent to registration for execution.

Disclosures:

22. No other material matters

There are no other material matters that we consider ought to be brought to your attention in relation to the Lease.

Disclosures:

THE LETTING DOCUMENTS

SECTION 1 [FIRST STANDARD LETTING DOCUMENT [UNIT []]]

[Note: Please include a heading for each Letting Document. Alternatively if it is desired to certify other Letting Documents by reference to one or more standard form of Letting Document, the extent of the details to be included and the extent of recording of variations and licences etc is to be agreed between the giver and the recipient of the Certificate and included in a Supplement. The drafting in Section 3 of this Part of the Schedule is an example of information which might be included in a supplement.]

SECTION 1A DETAILS OF LETTING DOCUMENT

Note: Please include a heading for each Letting Document

Premises let by the Letting Document:	
Date of execution and registration in the Books of Council and Session for preservation and execution:	
Original parties:	
Length of term:	
Contractual term commencement date:	
Contractual term expiry date:	
Does the term include any continuation whether by <i>tacit relocation</i> or otherwise	Yes/No
Name of present tenant and any present guarantor:	
Original annual rent including details of any premium paid:	
Current annual rent and (if applicable) date from which last reviewed:	
Remaining rent review dates:	
Present permitted use (and whether personal)	
Name of every former tenant who remains jointly and severally liable with the current tenant:	
Amount of initial and current rent deposit:	
Proportion of service charge expenditure payable by the tenant and how assessed:	
Proportion of insurance payable by the tenant and how assessed:	
Summary of the rights granted to the tenant:	
Summary of the rights reserved to the landlord:	
Specified insured risks:	
Summary of the rights to terminate on damage or destruction:	
Summary of any options to terminate/renew:	

SECTION 1B
LICENCES AND LETTERS OF CONSENT

Date	Document Description	Parties

SECTION 2 STATEMENTS

1. Details of the Letting Document

Relevant details of the Letting Document are fairly summarised in Section 1A of this Part of the Schedule and any licences and letters of consent are listed in Section 1B of this Part of the Schedule.

Disclosures:

2. Occupation

The Company has told us that the Premises the subject of the Letting Document are occupied by the tenant or the person authorised pursuant to the Letting Document to be in occupation.

Disclosures:

3. Payment of rent

- 3.1 The annual rent is payable quarterly in advance on the usual Scottish quarter days without deduction or set-off.
- 3.2 The Company has told us that all rent, service charges or other payments have been paid to date and no rent or other payment has been commuted, waived or paid in advance of the due date for payment.
- 3.3 Interest is payable on all rent not paid on the due date at a rate of at least 3% above the prevailing base rate of a recognised clearing bank subject to a grace period of not more than 14 days for sums other than rent. There is no grace period for the annual rent.

Disclosures:

4. Rent review

4.1 Where there are any provisions for rent review:

- 4.1.1 time is not of the essence;
- 4.1.2 they are upwards only;
- 4.1.3 the rent is to be reviewed to the open market rent at the date of review;
- 4.1.4 they contain a procedure for resolving disputes (either by expert determination or arbitration) and which may be initiated by either the landlord or the tenant;
- 4.1.5 the reviewed rent is backdated to the relevant review date and interest is payable on the back rent;
- 4.1.6 assumptions substantially in the following form are to be made in determining the open market rent:
 - (a) the hypothetical lease is to be on the same terms as the Letting Document except for the amount of the principal rent;
 - (b) the hypothetical lease is to be between a willing landlord and a willing tenant with vacant possession and without a premium;
 - (c) the hypothetical term is to be equal to the residue of the contractual term at the review date (or ten years if longer) commencing on the review date;

- (d) if the Premises or the means of access thereto have been damaged or destroyed they have been reinstated;
- (e) the Premises are fit for immediate occupation and use;
- (f) the tenant's and the landlord's obligations in the Letting Document have been complied with; and
- (g) the open market rent is the rent that would become payable after the willing tenant has received the benefit of a rent free period, rent concession or any other inducement of such length or amount as would be negotiated in the open market for the purpose of fitting out.

4.1.7 disregards substantially in the following form are to be made in determining the open market rent:

- (a) the effect of the tenant's occupation or that of any subtenant and goodwill arising from such occupation;
- (b) any reduction in rental value attributable to works carried out to the Premises by the tenant or any subtenant whether before or during the term; and
- (c) any increase in rental value attributable to any improvements to the Premises carried out at the cost of the tenant or any subtenant in each case with the consent of the landlord where required whether before or during the term otherwise than pursuant to an obligation to the landlord.

4.1.8 there are no other material assumptions or disregards.

4.2 Where there are any provisions for rent review:

- 4.2.1 the Company has told us that all steps in current rent reviews have been duly taken and no rent reviews are currently under negotiation or the subject of a reference to an expert or arbitrator or the courts;
- 4.2.2 where the current annual rent is not the same as the annual rent originally payable, evidence of its agreement or determination has been placed with the documents of title; and
- 4.2.3 the Company has told us that no building, alteration or improvement has been carried out pursuant to an obligation to the landlord.

Disclosures:

5. Repair and yielding up

5.1 Where the whole of the Property is comprised in a single Letting Document, the tenant is responsible for keeping the whole of the Premises and (to the extent that they form part of the Premises) fittings and plant and equipment in good and substantial repair and condition and renewed, reinstated, rebuilt and replaced (damage by insured risks excepted, except where insurance is vitiated by the act or default of the tenant), and is responsible for the decoration of the interior and exterior of the Premises not less frequently than every five and three years respectively.

5.2 Where the Premises comprised in any Letting Document form part or parts only of the Property, the tenants are responsible for keeping the whole of the interior of their Premises and fittings and plant and equipment let to them in good and substantial repair and condition and renewed, reinstated, rebuilt and replaced (damage by insured risks excepted other than where insurance is vitiated by the act or default of the tenant), and are responsible for the decoration of the interior of the Premises not less frequently than every five years.

5.3 All common law presumptions imposing liabilities on the part of the landlord to repair the Property have been validly and effectively displaced and without limitation, the tenant is liable for works arising from latent or inherent defects in the Property, whether directly (if the whole

of the Property is comprised in a single Letting Document) or via service charge (if the Premises comprised in any Letting Document form part only of the Property).

5.4 On expiry or earlier determination of the term granted by the Letting Document the tenant is to yield up the Premises in a condition consistent with the performance of its repairing obligations and with vacant possession.

Disclosures:

6. Restrictions on use

6.1 The uses permitted by the Letting Document are consistent with the Existing Use.

6.2 The tenant is not permitted to change the use of the Premises from the present permitted use as set out in Section 1A of this Part of the Schedule unless the landlord in its absolute discretion agrees.

Disclosures:

7. Alterations

7.1 The tenant is prohibited from making structural alterations or additions to, or alterations affecting the external appearance of, the Premises.

7.2 The tenant may carry out:

- 7.2.1 non-structural alterations to the Premises with the prior written consent of the landlord, such consent not to be unreasonably withheld, and
- 7.2.2 the erection or dismantling of demountable partitioning without any consent from the landlord.

7.3 The tenant is required to remove all alterations and additions made during the term on yielding up the Premises at the expiration or sooner determination of the term.

Disclosures:

8. Alienation

8.1 Except as mentioned subsequently in this paragraph 8, the tenant may not:

- 8.1.1 share or part with possession of the Premises or any part;
- 8.1.2 permit another to occupy the Premises or any part;
- 8.1.3 share occupation of the Premises or any part; or
- 8.1.4 hold the Premises or any part on trust.

8.2 The tenant may not assign, sublet or charge its interest in part only of the Premises.

8.3 The tenant may assign or charge its interest in the whole of the Premises with the prior written consent of the landlord, such consent not to be unreasonably withheld, and any restrictions on the tenant dealing by way of assignation with the Premises or conditions that the landlord might impose are fairly summarised in the Disclosures.

8.4 The tenant under the Letting Document may sublet the whole of the Premises with the prior consent of the landlord, such consent not to be unreasonably withheld, but subject to conditions including those substantially in the following form:

- 8.4.1 the sublease is to be granted:
 - (a) without a fine, premium, reverse premium or other inducement;

- (b) at a rent which is no less than the open market rent and without reference to the passing rent under the Letting Document; and
- (c) on the same terms as the Letting Document with rent reviews on the same dates;

8.4.2 the subtenant is to undertake directly to the landlord to comply with its obligations in the sublease;

8.4.3 the tenant agrees with the landlord to enforce the obligations of the subtenant; and

8.4.4 the tenant is not to vary or waive its rights under the sublease or accept a surrender of the sublease without the prior written consent of the landlord, such consent not to be unreasonably withheld;

8.5 The tenant may share occupation of the Premises with another member of the same group of companies, subject to such sharing of occupation not conferring upon the group company any tenancy rights enforceable against the landlord or entitling it to occupy the Premises after it ceases to be a member of the same group of companies as the tenant.

Disclosures:

9. Insurance

9.1 The landlord is required to insure:

- 9.1.1 the Property against damage caused by the insured risks listed in Section 1A of this Part of the Schedule, subject to standard exclusions, limitations and excesses;
- 9.1.2 for the full reinstatement cost of the Property (including professional fees and value added tax); and
- 9.1.3 for loss of at least three years annual rent and (if applicable) service charge.

9.2 The tenant is required to pay to the landlord a sum equal to the premiums (or the proportion appropriate to the Premises) paid by the landlord for insuring the Property in accordance with its obligations briefly described in paragraph 9.1.

9.3 There is provision for suspension of rent if the Premises or any part of the Property are damaged or destroyed by an insured risk so as to make the Premises incapable of use and occupation or inaccessible, such suspension being limited to a period no longer than the loss of rent period for which the landlord is obliged to insure. Such suspension will not apply where the insurance has been vitiated by the act or default of the tenant.

9.4 If the Premises or any part of the Property are damaged or destroyed by an insured risk so as to make the Premises incapable of use and occupation or inaccessible:

- 9.4.1 the landlord is obliged to reinstate the Premises or such part of the Property once all necessary consents have been obtained and subject to the insurance not being vitiated by the act or default of the tenant. The landlord is to use reasonable endeavours to obtain such consents; and
- 9.4.2 both the landlord and the tenant are entitled to terminate the Letting Document if it is not possible to reinstate the Premises or such part of the Property by the end of the period of loss of rent insurance for which the landlord is obliged to insure, and the principal terms of the right to terminate are set out in Section 1A of this Part of the Schedule.

9.5 If the Premises or any part of the Property are damaged or destroyed by an insured risk so as to make the Premises incapable of use and occupation or inaccessible and reinstatement is frustrated, insurance monies are payable to the landlord.

9.6 There are no specific provisions in any Letting Document dealing with the effect of damage or destruction of the Premises by an uninsured risk.

9.7 The principle of *rei interitus* is excluded in the Letting Document.

Disclosures:**10. Service charge**

- 10.1 If the whole of the Property is comprised in a single Letting Document there is no provision in the Letting Document for the payment by the tenant of a service or other similar charge.
- 10.2 Where the Premises comprised in the Letting Document form part of the Property, there is provision for payment of a service or other similar charge which entitle the landlord to recover from the tenant the appropriate part of the cost of:
 - 10.2.1 keeping the Property and all landlord's plant, machinery and equipment in good and substantial repair and condition;
 - 10.2.2 paying outgoings;
 - 10.2.3 providing a range of services which the Company has told us are reasonable and appropriate for the type of buildings in the Property; and
 - 10.2.4 an amount for the management of the Property which either does not exceed 10% of the total service charge or is required to be reasonable.
- 10.3 The Company has told us that there are no material irrecoverable items, caps or other limitations on recovery of the costs referred to in paragraph 10.2 of this Part of the Schedule.
- 10.4 The Company has told us that there are no lettable areas of the Property that are currently unlet.

Disclosures:**11. Rights of irritancy**

The landlord is entitled to irritate the Letting Document in the cases of apparent insolvency, liquidation, whether compulsory or voluntary (except for the purpose of amalgamation or reconstruction of a solvent company), administrative receivership or the administration of the tenant, or appointment of a receiver of the tenant's property as well as for non-payment of rent (whether or not formally demanded) for 21 days or for any breach of the tenant's obligations.

Disclosures:**12. Options and rights of first refusal**

There are no:

- 12.1 options to terminate (other than any in respect of damage or destruction of the Premises by an insured risk); or
- 12.2 options to renew the term; or
- 12.3 options to purchase or rights of first refusal on the part of either the landlord or the tenant.

Disclosures:

13. Former tenants and guarantors

The details of unreleased former tenants and unreleased former guarantors (being parties who have or may have a continuing liability under the Letting Document) are set out in Section 1A of this Part of the Schedule.

Disclosures:

14. Side letters and undertakings

The Company has told us that, so far as it is aware, no side letters, undertakings or concessions have been made by any party to the Letting Document.

Disclosures:

15. Consents

- 15.1 Any consents required for the grant of the Letting Document and any dealings with it have been obtained and placed with the documents of title along with evidence of the registration of the grant or dealing where requisite.
- 15.2 Brief details of all written consents are set out in Section 1B of this Part of the Schedule.

Disclosures:

16. Use of remainder of the Property

No Letting Document contains any restriction on the use of the remainder of the Property by the landlord other than by virtue of the obligation on the landlord to grant the tenant quiet enjoyment of the Premises.

Disclosures:

17. Breaches of obligation

The Company has told us that:

- 17.1 it is not aware of any subsisting material breach of the obligations or conditions contained in the Letting Document, whether on the part of the landlord or the tenant, or any other event of a material nature which could give rise to irritancy of the Letting Document;
- 17.2 no notice alleging any breach of any obligation or condition contained in the Letting Document, whether on the part of the landlord or the tenant, remains outstanding;
- 17.3 and so far as the Company is aware, no breach of obligation has been waived or acquiesced in.

Disclosures:

18. Costs

The tenant is obliged to pay the reasonable and proper costs of the landlord in connection with:

- 18.1 the preparation and service of any schedule of dilapidations;

- 18.2 any breach of obligation of the tenant; and
- 18.3 any application for consent (unless unreasonably withheld).

Disclosures:

19. VAT

- 19.1 For the purposes of this paragraph "**option to tax**" shall have the meaning given in Schedule 10 to the Value Added Tax Act 1994 shall be read as including a reference to the corresponding provision of Schedule 10 to the Value Added Tax Act 1994 and shall include an option to tax which has been deemed, or treated as having been, exercised.
- 19.2 The Company has told us that a valid option to tax has been exercised over the whole Property and that such option has not been, or been deemed to be, disallowed or revoked so that value added tax is due in respect of any supply of the Property by it.
- 19.3 Whether or not an option to tax over the Property is in place, there are no provisions in any of the Letting Documents (or absence of any provisions) which prevent either the Company or a body corporate in relation to which it is either a relevant associate or a relevant group member from exercising a valid option to tax in respect of the Property or from increasing the rent or other payments under the Letting Document by, or requiring a payment in addition of, an amount in respect of value added tax chargeable by reason of that option to tax or which oblige the Company or other person to indemnify the tenant in respect of all or any part of that amount.
- 19.4 The Company has told us that it is not aware of any reason why it should be prevented from charging value added tax in relation to supplies made by it under any Letting Document (nor, therefore, why its recovery of input value added tax attributable to those supplies should be restricted), in particular as a result of the operation of any of the disapplication provisions in Schedule 10 to the Value Added Tax Act 1994.
- 19.5 Where there are provisions in any Letting Document entitling the landlord to be paid, indemnified or reimbursed by the tenant for any amount expended or to be expended by or on behalf of the landlord, that entitlement includes an amount in respect of the value added tax to the extent that the value added tax cannot be recovered from HM Revenue & Customs by the landlord.

Disclosures:

20. Compensation

There are provisions in the Letting Document excluding the right of the tenant to compensation on quitting the Premises to the extent permitted at law.

Disclosures:

21. Statutory Compliance

The Letting Document contains an obligation on the part of the tenant to comply with the requirements of any statute which affects the Premises.

Disclosures:

22. Possession

The Company has told us that it is not aware of any sub-letting, parting with possession or sharing of occupation by any tenant.

Disclosures:

23. Rent deposits

The amount of any rent deposit is set out in Section 1A of this Part of the Schedule.

Disclosures:

24. Guarantee Provisions

24.1 Where there is a guarantor, the guarantee provisions in the Letting Document or in a separate guarantee include the following:

- 24.1.1 the guarantee is of the tenant's obligation to pay the rents and other sums payable under the Letting Document and to perform the tenant's obligations in the Letting Document;
- 24.1.2 the guarantee is expressed to be a primary obligation on the part of the guarantor;
- 24.1.3 the guarantee contains an indemnity with regard to any loss suffered by the landlord as a result of the default of the tenant or as a result of the obligation, the subject of the guarantee, becoming unenforceable;
- 24.1.4 there is no financial limit on the guarantee;
- 24.1.5 the guarantor undertakes that, in the event that the Letting Document is irritated or disclaimed, the guarantor will, if required by the Landlord, within a period of six months after the relevant event, enter into a new Letting Document (as tenant) on essentially the same terms as the previous Letting Document; and
- 24.1.6 the guarantee contains standard protective provisions, including an acknowledgement that the guarantee is not affected by any concession or indulgence granted to the tenant, any change to the terms of the underlying Letting Document, any incapacity on the part of the tenant, or the invalidity of any of the underlying obligations.

24.2 Either the guarantee provides that any consent given by the landlord and any variation to the terms of the underlying Letting Document will not release the guarantor or to the extent required to ensure that the guarantee continues to be effective, the guarantor has consented to any licences granted relating to the Letting Document and any change to the terms of the Letting Document.

Disclosures:

25. Interposed lease

There are no leases interposed above the Letting Document.

Disclosures:

26. Tacit relocation

The Company has told us that the Property is not subject to any tenancies which are being continued after the contractual expiry date whether by tacit relocation or otherwise.

Disclosures:

27. Registration for execution

The Letting Document contains a clause of consent to registration for execution.

Disclosures:

28. No other material matters

There are no other material matters that we consider ought to be brought to your attention in relation to the Letting Document.

Disclosures:

SECTION 3 SUPPLEMENT

DETAILS OF FURTHER LETTING DOCUMENTS

Note: Disclosures of material variations between each further Letting Document and the relevant standard Letting Document are set out below the details of each further Letting Document.

Note: The parties should agree which details are required and add/delete columns as appropriate

Brief description of Premises let by the Letting Document	Dates of execution and registration of Letting Document	Present tenant and guarantor	Term and expiry date	Current annual rent (including start date, if not yet payable) and future rent review dates	Amount of initial and current rent deposit	Present Permitted Use (and whether personal)	Summary of any options to terminate / renew (other than on damage or destruction)	Type of Standard Letting Document
(e.g. Unit 1)			[] years commencing on [] and expiring on []	£ [] p.a. to be reviewed on [] and []				[First] [Second]

Disclosures:

(e.g. Unit 2)			[] years commenci ng on [] and expiring on []	£ [] p.a. to be reviewe d on [] and []				[First] [Second]
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Disclosures:

PART 6
SEARCHES AND ENQUIRIES

Search	Date of result (or state "not made")	Disclosures
Legal report or legal continuation report (incorporating search in the register of inhibitions against the Company for five years prior to the date of the legal report or legal continuation report) and the appropriate plans report, in each case issued from a Recognised Source.		
Searches in the register of inhibitions against any party owning the Property within the prescriptive period prior to its acquisition by the Company for five years to the date of disposal by such party issued from a Recognised Source.		
Where title to the Property is not registered in the Land Register, searches in the register of charges and company file against all companies owning the Property within the prescriptive period brought down to 22 days after the date of disposal by such companies issued from a Recognised Source.		
Search of the register of charges and company file against the Company disclosing in all cases the directors and secretary of the Company issued from a Recognised Source.		
Search of local authority records (including search in respect of the public maintenance of roads, footpaths, mains water and sewers and details of applications for planning permission and building warrant) issued by <u>[Note: Specify local authority or professional searchers]</u> .		

Enquiries of the Coal Authority as to past, present and future mining operations in proximity to the Property (including Special Enquiries).		
Search in the insolvency register issued from a Recognised Source.		
Where either (a) the Company is acquiring the Property, and registration of the interest of the Company will induce first registration, or (b) the title sheet following upon application for first registration has yet to be created, a level 3 plans report issued from a Recognised Source.		
Search in each part of the register of community interests in land issued from a Recognised Source.		
Advance notice, date of expiry of protected period and name of party having benefit of protected period.		
Details of other searches and enquiries we considered to be appropriate.		

Note: For the foregoing purpose, the Recognised Source is either the Keeper of the Registers or [specify professional searchers employed].