CERTIFICATE OF TITLE

(Based on the CLLS Certificate of Title

(Eighth Edition 2023))

Property: [ ]

Transaction: [ ]

Version 1
June 2023

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CERTIFICATE OF TITLE

(Based on the CLLS Certificate of Title (Eighth Edition 2023))

To: [Insert name and address of each addressee eg the Creditor, the Banks/Finance Parties/other party] ("Addressees" and in this Certificate "you" and Addressees have the same meaning).

[Insert short address or description of the Property]

RELIANCE ON THIS CERTIFICATE

0.1 This Certificate is addressed to and is intended solely for the benefit of the Addressees for the purpose of the Transaction. It may not be relied on by any other person nor used for any other purpose.

0.2 The giving of this Certificate does not create any retainer with the Addressees.

0.3 This Certificate may be disclosed to a third party but it cannot be relied on by that party.

0.4 Only an Addressee may bring a claim under this Certificate (whether as principal or agent).

0.5 If a claim would properly lie against any other party involved in the Transaction or this Certificate's preparation or approval, and that party has limited or excluded its liability in respect of such claim, then our liability will not be increased by that limitation or exclusion and will be calculated as if there were no such limitation or exclusion.

0.6 Where the Addressees constitute more than one person, the Addressees acknowledge that our aggregate liability to all the Addressees is no greater than the liability we would have had if the Addressees were a single person.

0.7 We acknowledge that you are entitled to rely on the statements contained in this Certificate even if any document or matter contained or referred to in a statement:

0.7.1 is in the public domain;

0.7.2 has been disclosed by or on behalf of the Company to any valuers;

0.7.3 is contained in any specialist report relating to the Transaction made available by or on behalf of the Company to you or your professional team; or

0.7.4 is contained or referred to in any data room to which you or your professional team have access or has otherwise been provided to you or your professional team (in either case by or on behalf of the Company relating to the Transaction).

0.8 You agree that no individual member, partner, shareholder, consultant or employee of this firm owes you any personal duty of care and that you will not bring any claim whether in contract, delict, under statute or otherwise against any such individual, but such agreement is not intended to relieve this firm, whether it is a partnership or otherwise, from any duty of care or liability in relation to the giving of this Certificate.

0.9 The total aggregate liability of this firm (including, without prejudice to clause 1.8, its members, partners, shareholders, consultants and/or employees) for any damage, loss, cost, claim or expense arising out of, or in connection with this Certificate [and all other certificates of title issued by this firm in connection with the Transaction], whether such liability arises in contract, delict, negligence or as a result of a claim for misrepresentation or breach of statutory duty or otherwise, will not exceed the total sum of £[ ]. [***NB The cap is a matter of negotiation which may be linked to the value of the deal, property or loan, but there are no absolutes here and the particular circumstances will dictate what is agreed. For example, if the property is of a high value, the parties will need to agree a sensible cap, which may be lower than***

the value of the loan or property. The certifying firm should check its internal procedures as to its policy on whether to limit its liability and, if so, the level of the cap.]

0.10 Any legal proceedings arising from or in connection with this Certificate must be properly issued and validly served not later than [ ] years after the date of this Certificate.

0.11 Any liability for fraud or dishonesty will not be excluded or limited to the extent that it cannot by law be so excluded or limited.

CERTIFICATION

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

1.1 **Title**

1.1.1 We have investigated the title of the Company to the Property in the knowledge that you are relying on this Certificate for the purpose of the Transaction.

1.1.2 We have:

(a) examined and considered:

(i) the documents of title; and

(ii) 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 location and 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:

(i) that examination and consideration and the results of those searches and enquiries; and

(ii) material provided to us by the Company

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

1.1.3 Subject to any Disclosures:

(a) in our opinion, [subject to due registration in the Land Register of the right of the Company in the Property created by the [disposition] [assignation] from the Seller to the Company,] the Company has a good and marketable title to the Property and does not hold the Property in trust for any other party, [and] [neither we nor the Company know of any reason why the Company should not be registered as proprietor of the Property without exclusion or limitation of warranty[1]];

(b) [in our opinion, subject to due registration in the Land Register of the right of the Creditor in the Standard Security, neither we nor the Company know of

[1] Bear in mind the potential impact of the Economic Crime (Transparency and Enforcement) Act 2012 (see PSG note on the Register of Overseas Entities) and how this may prevent the Company being registered as proprietor or the Creditor obtaining a valid first ranking security if the Seller or the Company is not a registered overseas entity. For example registration will be prevented if: (a) the Seller is an overseas entity and is not registered in the ROE unless an exemption applies; or (b) the Company is an overseas entity and is acquiring the Property and granting a standard security and is not registered in the ROE.

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[2];]

(c) the details of the Property, the registered proprietor and where relevant the Company set out in Section 1 of Part 2 of the Schedule are true and accurate in all respects;

(d) if the Company holds the Property under the terms of a lease, the terms of the lease are fairly and accurately summarised in Section 1 of Part 4 of the Schedule and the statements set out in Part 4 of the Schedule are true and accurate in all respects;

(e) no consents are required from any third parties [before the Property can be disponed to the Company] [before the tenant's right in the Property can be assigned to the Company] [and] [before the Property can be effectively charged to the Creditor by way of the Standard Security] 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 registered as proprietor of the Property without exclusion or limitation of warranty;

(g) nothing in this Certificate will prevent the application for registration of the [[disposition][assignation] 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 (*Transfer of unregistered plot*)] [25 (*Certain deeds relating to unregistered plots*)] [26 (*Deeds relating to registered plots*)] [28 (*Voluntary registration*)] of the 2012 Act; and

(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 right in the Property.

1.1.4 The conveyancing description contained in Section 1 of Part 2 of the Schedule is a proper and adequate conveyancing description of the Company's right in the Property for the purpose of the Standard Security and the registration of it in the Land Register.

1.2 **Matters affecting the Property**

Subject to any Disclosures:

1.2.1 the statements set out in Part 3 of the Schedule are true and accurate in all respects; and

1.2.2 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] See note above

1.3 **Letting Documents**

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

1.4 **Searches and Enquiries**

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

CONFIRMATION OF STATEMENTS

2.1 Where this Certificate states that the Company has "told us" or "confirmed" something (or uses words with similar meaning) ("provided information"), the Company has provided information to us in writing.

2.2 A copy of the final draft of this Certificate has been sent to [the purchaser of[3]] the Company. The [purchaser of the] Company has confirmed to us [in writing] 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 true and accurate in all respects.

2.3 [[The Company is purchasing the Property from the Seller] [The shares in the Company that owns the Property are being purchased from the Seller] as part of completion of the Transaction. That being the case:

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

(a) the 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) and/or such other enquiries 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 [purchaser of 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 [purchaser of the] Company or its agent or representative not more than 20 working days before the date of this Certificate.

2.3.2 Whenever this Certificate refers to the Company's knowledge, information and belief or this Certificate states that the Company has provided information (as defined in clause 3.1), it is the case that the Seller or the Seller's solicitors and its other advisers or agents are the primary source.

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[3] The additional wording in square brackets in clauses 3.2, 3.3, 3.3.1(e) and 3.3.1(g) should be used if the Certificate is given in connection with an acquisition of the Company owning the Property.

2.3.3 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, include 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.

2.3.4 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.

2.3.5 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.

2.3.6 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.]

FORM OF CERTIFICATE

Subject to any Disclosures referred to in the box below clause 5, this Certificate is in the form of The Property Standardisation Group Certificate of Title (Based on the CLLS Certificate of Title (Eighth Edition 2023)).

STATUS OF SCHEDULE

The Schedule forms part of this Certificate and has 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.

[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)]

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

[The contents of the [Planning Report] [and the][Construction Report] form part of this Certificate and include any disclosures against the relevant paragraphs of Part 3 of the Schedule.][4]

[Construction Report means the report on construction matters affecting the Property issued to the Addressees by us [today] and which is attached to this Certificate as Annexure [ ].]

[Planning Report means the report on planning matters affecting the Property issued to the Addressees by us [today] and which is attached to this Certificate as Annexure [ ].]

[[Construction] [and] [Planning] matters are beyond the scope of this Certificate and the Addressees should rely on the separate [construction][planning] report(s) provided by [ ] and dated [ ].][5]

Date: …….. **(Signed):** ..……..

Name of firm: ..……..

[4] Only use this wording if the firm that provides this Certificate also provides the relevant report.

[5] Use this wording if there is a separate construction or planning report that is not prepared by the firm that provides this Certificate.

Address: ……..……..

Reference: ..……..

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

Part 1

DEFINITIONS, INTERPRETATION, ASSUMPTIONS, QUALIFICATIONS, THIRD PARTY RIGHTS AND JURISDICTION

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 given to that expression in the Loan Document;]

Benefit means (in each case whether or not registered) any servitude or other right (including any acquired through prescription);

Burden means any real burden, servitude or other title condition;

Company means [ ];

[**Creditor** means [ ];]

Disclosure means:

(a) any disclosure made against a statement in this Certificate;

(b) any information in Sections 2, 3 or 4 of Part 2 of the Schedule, or in Sections A or B of Part 4 of the Schedule, or in Sections A or B of Part 5 of the Schedule, or in Section 3 of Part 5 of the Schedule; or

(c) any disclosure in Part 6 of 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 the Property or part of it (as amended or supplemented);

Letting Document means:

(a) any lease, sublease or tenancy; or

(b) any licence or other agreement or arrangement giving rise to rights of occupation and enjoyment which binds the Property, or in respect of which the Company is obliged to comply either generally or by way of indemnity

(in each case as amended or supplemented)

and including any tenancy which is being continued after the contractual expiry date by tacit relocation or otherwise;

[**Loan Document** means the loan/facility agreement [dated] [to be entered into] between [ ] and [ ] providing for the loan referred to in it, which loan is [to be] secured by [among other things] 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 start 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 right in the Property to be granted in favour of the Creditor pursuant to the Loan Document;]

Town and Country Planning Legislation means any statute relating to town and country planning, which is in force at the date of this Certificate; and

Transaction means [ ].

1.2 unless the context otherwise requires, any reference to the Property or the Premises includes each and every part of it or them and all buildings and structures on it or them;

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 or subordinate legislation at the date of this Certificate;

1.3.2 any statute at the date of this Certificate which re-enacts that statute (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 the expression "option to tax" has the meaning given in Schedule 10 to the Value Added Tax Act 1994 and includes an option to tax which has been deemed, or treated as having been, exercised;

1.5 in Part 5 of the Schedule "rent" includes licence fee, "tenancy" includes licence, "tenant" includes licensee and "to let" includes "to license";

1.6 the headings do not affect its interpretation;

1.7 unless the context otherwise requires, the singular includes the plural and vice versa; and

1.8 any Disclosure 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 such documents are within the capacity and powers of, and have been validly authorised by, each party. There is nothing on the face of those documents which we have seen which indicates otherwise.

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, have we made any enquiries of any landlord or superior landlord.

3.2 We give no opinion as to the capital or rental value of the Property.

3.3 Except as disclosed by the results of the searches listed in Part 6 of the Schedule, this Certificate does not consider:

3.3.1 any environmental or flood assessments, audits, surveys or other reports on the environmental condition of the Property;

3.3.2 any climate change risks to the Property; or

3.3.3 other technical reports or surveys relating to the Property's condition

and the recipient of this Certificate should consider what investigations it wishes to make in relation to those 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, the Bankruptcy (Scotland) Act 2016 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 there is an intention that the terms of any relevant document should be enforceable by third parties. Except as stated in any Disclosures, none of the documents relating to the Property expressly provides that a third party can enforce any of its terms in accordance with the Contract (Third Party Rights) (Scotland) Act 2017.

3.7 We express no opinion on whether the National Security and Investment Act 2021 applies to any transaction and have not investigated any related aspects.

3.8 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.

3.9 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 (or the particular details of any policy) in respect of the Property.

3.10 We have not considered:

3.10.1 whether any right including a right to light or a right to air is in the process of being acquired through prescription; nor

3.10.2 whether any right including a right to light or a right to air has been acquired through prescription, except where a right is set out in Section 2 of Part 2 of the Schedule as having been acquired through prescription.

4. Third Party Rights

Nothing in this Certificate confers on any third party any rights arising pursuant to the Contract (Third Party Rights) (Scotland) Act 2017.

5. **Jurisdiction**

This Certificate is limited to the law of Scotland as applied by the Scottish courts as at the date of this Certificate and is given on the basis that it and any rights or obligations arising out of or in connection with its subject matter will be governed by and construed in accordance with the law of Scotland. Any dispute which may arise under or in connection with this Certificate or its subject matter will be irrevocably submitted to the exclusive jurisdiction of the Scottish courts.

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:	[[ ]/Not applicable]
Any exclusion or limitation of indemnity or warranty:	[Yes – [*insert detail*]/No/Not applicable]
Conveyancing Description:	
Name of proprietor:	
If the registered proprietor is an overseas entity as defined in section 2 of the Economic Crime (Transparency and Enforcement) Act 2022 ("ECTEA") is the entity registered in the register of overseas entities established under section 3 of ECTEA?	[Yes/No/Not applicable]
If so, include the overseas entity ID for the registered proprietor and the date of registration in the register	Overseas entity ID: [ ] Date of registration (or most recent update to the register): [ ]
If the Company (if different from the registered proprietor) is an overseas entity as defined in section 2 ECTEA is the entity registered in the register of overseas entities established under section 3 of ECTEA?	[Yes/No/Not applicable]
If so, include the overseas entity ID for the Company and the date of registration in the register	Overseas entity ID: [ ] Date of registration (or most recent update to the register): [ ]

Section 2

BENEFITS

[The rights granted to the tenant specified in Part A of Section 1 of Part 4 of the Schedule.]

Section 3

BURDENS

[The rights reserved to the landlord specified in Part A of Section 1 of Part 4 of the Schedule.]

Section 4
EXISTING USE

The Company has confirmed that the Existing Use of the Property is [ ].

Part 3
MATTERS AFFECTING THE PROPERTY

TITLE

6. **Title documents, land and buildings transaction tax and value added tax**

6.1 The documents of title referred to in clause 2.1.2(a) consist of a title sheet and title plan from the Land Register or in the case of a Property not registered in the Land Register original documents or official extracts.

6.2 Where at the date of this Certificate such title documents have not been registered at the Land Register, or any relevant document of title referred to in clause 2.1.2(a) is not registered in the Land Register, either:

1.1.1 we have seen a related certificate from HM 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 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; or

1.1.2 where necessary, all such title documents are fully stamped with ad valorem stamp duty and a particulars delivered stamp.

6.3 The Company has told us that no further land transaction return or LBTT return or payment in relation to stamp duty land tax or LBTT 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.

6.4 The Company has told us that:

6.4.1 an option to tax has been exercised by the Company or a body corporate in relation to which the Company is either a relevant associate or a relevant group member over the whole Property;

6.4.2 such option is valid;

6.4.3 notice of such option was given to HM Revenue & Customs; and

6.4.4 such option has not been, or been deemed to be, disapplied or revoked in whole or in part, so that value added tax is due in respect of any supply of the Property by it.

6.5 We have been provided with either a copy of the option to tax referred to in paragraph 1.4.1 or a copy of an acknowledgment from HM Revenue & Customs in relation to the option.

Disclosures

7. **Access**

7.1 The Company has told us the location of each point where access is gained to the Property and that, so far as the Company is aware, there has been no challenge or objection to accessing the Property via each such point.

7.2 We have reviewed the title plan for the Property and a plan from the relevant local authority showing the boundaries of publicly maintainable highways and we have where appropriate consulted the Company and on that basis we confirm that the Property appears to abut a roadway maintainable at public expense at each point where access is gained or to have the benefit of all necessary rights of way to and from such a roadway.

Disclosures

8. **Benefits**

8.1 The Property enjoys the Benefits set out in Section 2 of Part 2 of the Schedule. The Company has told us that, so far as it is aware, 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.

8.2 Such Benefits are enjoyed freely without interruption and without payment or restriction as to hours of use or otherwise. None of those Benefits is enjoyed on terms entitling any person to terminate or curtail it.

Disclosures

9. **Burdens**

9.1 The only Burdens of a material nature to which the Property is subject are those set out 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.

9.2 The Company has told us that it has not received any copy application, invitation to make representations or notice under the Land Reform (Scotland) Act 2003 or the Land Reform (Scotland) Act 2016 and has not been approached by any community body seeking to purchase all or part of the Property under the community right to buy legislation.

9.3 [The Property is "Excluded Land" in terms of section 33 of the Land Reform (Scotland) Act 2003.]

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.]

9.4 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 other than rights to light or rights to air.

Disclosures

10. **Charges**

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

Disclosures

11. **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

12. **Agreements**

12.1 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.

12.2 There are no:

12.2.1 obligations to make future payments in respect of overage, clawback, deferred consideration or other payments of a similar nature; or

12.2.2 other material positive obligations

pursuant to the matters referred to in paragraph 7.1 which are binding on the Property, or on the Company (either generally or by way of indemnity) in relation to the Property.

Disclosures

13. **Adverse rights**

13.1 The Company has told us that it is or is entitled to be 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.

1.2 The Company has told us that it, or, on its behalf, its agent or representative, has inspected the Property not more than 20 working days before the date of this Certificate and that, so far as the Company is aware, no one is in adverse possession of the Property or has acquired or is acquiring any rights adversely affecting the Property other than rights to light or rights to air.

1.3 No part of the title to the Property was acquired pursuant to the provisions of section 43 (Prescriptive claimants) of the 2012 Act.

13.2 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.

13.3 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.

Disclosures

14. **Title policies**

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

Disclosures

15. **Complaints and disputes**

The Company has told us that:

15.1 it has not made and not had occasion to make any claim or complaint in relation to any neighbouring property or its use or occupation; and

15.2 there are no disputes, claims, actions, demands or complaints in respect of the Property which are outstanding or which are expected by it.

Disclosures

16. **Notices**

The Company has told us that:

16.1 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;

16.2 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; and

16.3 no notices affecting the Property have been served under the Buildings (Recovery of Expenses) (Scotland) Act 2014.

Disclosures

17. **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

18. **Existing use**

18.1 The Company has told us that the Property is presently used for the Existing Use.

18.2 The Existing Use is a use permitted under a subsisting planning permission (which the Company has told us has been implemented) or otherwise permitted under the Town and Country Planning Legislation.

Disclosures

19. **Development**

19.1 The Company has told us that it is not aware that:

19.1.1 any development which has been carried out in relation to the Property is unlawful or has been carried out without any necessary consents or permissions being obtained;

19.1.2 any enforcement proceedings under the Town and Country Planning Legislation have been commenced or notices served; or

19.1.3 any such proceedings or notices have been proposed.

19.2 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

20. **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 the twelve weeks immediately before the date of that search.

Disclosures

21. **Conditions**

21.1 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.

21.2 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

22. **Pending applications**

The Company has told us that there is no application for planning permission, non-material amendment to a planning permission, or listed buildings consent in respect of the Property awaiting determination and no planning, non-material amendment or listed buildings decision or deemed refusal which is subject to appeal.

Disclosures

23. **Planning agreements, obligations or contributions**

23.1 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.

23.2 Where there is any Planning Agreement, the Company has told us that, so far as it is aware:

23.2.1 all of the obligations which have fallen due as at the date of this Certificate have been observed or performed and no notice of breach has been received; and

23.2.2 there are no material obligations which remain to be observed or performed.

Disclosures

24. **Listed buildings etc**

24.1 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 ("Listed") 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, nor is the Property located within a conservation area.

24.2 Where there are any buildings or structures or erections on the Property that are Listed, the Company has told us that it is not aware that:

24.2.1 any demolition, works or alterations which have been carried out to those parts of the Property that are Listed are unauthorised or have been carried out without any necessary consents being obtained;

24.2.2 any enforcement proceedings under the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997 (or any other relevant Town and Country Planning Legislation) have been commenced or notices served; and

24.2.3 any such proceedings or notices have been proposed.

24.3 Where there are any buildings or structures or erections on the Property that are Listed:

24.3.1 the listed building consents 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; and

24.3.2 there are no unusual or onerous conditions attaching to any listed building consents affecting the Property.

Disclosures

25. **Ancient Monuments**

There are no buildings or erections on the Property which are a scheduled monument within the meaning set out in the Ancient Monuments and Archaeological Areas Act 1979.

Disclosures

26. **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 or rights over it.

Disclosures

STATUTORY MATTERS

27. **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 pursuant to statute that affects the Existing Use or involves expenditure in compliance with it, nor of any other circumstances which may result in any such order, notice or requirement being made or served.

Disclosures

28. **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 affecting the Property that are capable of enforcement at the date of this Certificate.

Disclosures

ENVIRONMENT

29. **Environmental notices and permits and energy performance certificate**

29.1 The Company has told us that:

29.1.1 it holds all necessary 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 Existing Use of the Property; and

29.1.2 it has not received any written notices, notifications or orders under any environmental laws in respect of the Property or the Existing Use and it is not aware of any circumstances which may result in any such notices, notifications or orders being made or served.

29.2 The Company holds an energy performance certificate and an action plan for the Property which:

29.2.1 the Company confirms covers the whole of the Property and is registered on the relevant statutory register;

29.2.2 is stated to be valid until the date set out in the Disclosures; and

29.2.3 expresses the energy efficiency rating for the Property as is set out in the Disclosures.

Disclosures

[Specify the stated "valid until" date and the rating from the energy performance certificate.

If there is more than one energy performance certificate, provide the relevant information for each certificate including the part of the Property covered by the certificate]

GENERAL

30. **Construction work and warranties**

Except for any tenant's alterations referred to in Part 5 of the Schedule, the Company has told us that:

30.1 no buildings or other structures on the Property have been erected or been subject to extension or material alteration within the 12 years prior to the date of this Certificate; and

30.2 there are no subsisting agreements, certificates, guarantees, warranties, rights arising pursuant to the Contract (Third Party Rights) (Scotland) Act 2017 or insurance policies relating to the construction, repair, alteration, replacement, treatment or improvement of any building or structure on the Property.

Disclosures

31. **Outgoings**

The Company has told us that the Property is not subject to the payment of any outgoings other than non-domestic rates and water rates and other utility charges (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

32. **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

Residential and mixed use buildings

33. The Company has told us that no part of the Property is used for residential purposes.

Disclosures

No Other Material MaTters

2. There are no other material matters affecting the Property that we consider ought to be brought to your attention.

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

Part A
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 description of the term expressly include any continuation whether by tacit relocation or otherwise?	Yes/No
Name and address of the present landlord, provided by the Company:	
Name and address of any present guarantor of the tenant:	
Original annual rent including start date, if not yet payable and 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):	
Summary of the rights granted to the tenant:	
Summary of the rights reserved to the landlord:	

Part B
LICENCES, LETTERS OF CONSENT AND OTHER SUPPLEMENTAL DOCUMENTS

Date	Document description	Parties	Other information

Section 2
STATEMENTS

34. **Details of the Lease**

Details of the Lease are fairly summarised in Part A of Section 1 of this Part of the Schedule and any licences, letters of consent and other supplemental documents entered into are listed in Part B of Section 1 of this Part of the Schedule.

Disclosures

35. **Head lease**

The Lease is a head lease.

Disclosures

36. **Payment of rent**

36.1 The annual rent is payable quarterly in advance on the usual Scottish quarter days.

36.2 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

37. **Rent review**

37.1 There are no provisions for rent review or other increases in the rent.

37.2 If there are any provisions for rent review, they apply on the dates set out in Part A of Section 1 of this Part of the Schedule and are summarised in the Disclosures.

37.3 Where there are any provisions for rent review:

37.3.1 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

37.3.2 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.

Disclosures

38. **Repair**

38.1 The tenant is responsible for keeping the whole of the Premises and (to the extent 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).

38.2 The tenant is responsible for the decoration of the interior and exterior of the Premises.

Disclosures

39. **Restrictions on use**

39.1 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.

39.2 The tenant is only permitted to change the use of the Premises from the present permitted use specified in Part A of Section 1 of this Part of the Schedule with the prior written consent of the landlord such consent not to be unreasonably withheld.

Disclosures

40. **Alterations**

40.1 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.

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

40.3 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, unless the landlord requires otherwise.

Disclosures

41. **Alienation**

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

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

Disclosures

42. **Insurance**

42.1 Where indicated in the Disclosures to this paragraph 9:

42.1.1 the landlord is required to insure with a reputable insurer:

(a) the Premises against damage caused by the risk(s) of fire, lightning, explosion, storm, flood, subsidence, landslip, heave, earthquake, burst or overflowing water pipes, tanks or apparatus, impact by aircraft or other aerial devices and any articles dropped from them, impact by vehicles, terrorism, riot, civil commotion and malicious damage and any other risks against which the landlord reasonably insures from time to time, to the extent that insurance is generally available on normal commercial terms in the United Kingdom insurance market, and subject to any exclusions, limitations and excesses imposed by the insurer;

(b) for the full reinstatement cost of the Premises (including professional fees and value added tax); and

(c) (unless the annual rent is a nominal amount) for the loss of at least three years' annual rent;

42.1.2 the tenant is required to pay to the landlord a sum equal to the premiums paid by the landlord for insuring the Premises and (if applicable) loss of rent in accordance with the landlord's obligations in the Lease briefly described in paragraph 9.1.1.

42.1.3 If applicable, there is provision for suspension of rent if the Premises are damaged or destroyed by an insured risk so as to make the Premises unfit for occupation and use or inaccessible, for a period not less than the loss of rent period that the landlord is required to insure;

42.1.4 if the Premises are damaged or destroyed by an insured risk, the landlord is required to reinstate the Premises once all necessary consents have been obtained and subject to payment of any insurance monies not being refused because of the act or default of the tenant or any person under the tenant's control or with the tenant's authority, unless the tenant has paid the landlord a sum equal to the amount which the insurer has refused to pay. The landlord is to use at least reasonable endeavours to obtain such consents;

42.1.5 there are no options to terminate the Lease in respect of damage or destruction of the Premises;

42.1.6 if the Premises are damaged or destroyed by an insured risk and reinstatement is frustrated insurance monies are to be shared between the parties in proportion to the value of their respective interests in the Premises immediately prior to the damage or destruction; and

1.1.1 the Lease requires that the tenant is a composite insured or, if it does not, provides that the landlord will use reasonable endeavours to procure a waiver of insurer's subrogation rights in relation to the tenant, subject to any conditions imposed by the insurer.

1.2 Where indicated in the Disclosures to this paragraph 9:

1.2.1 the tenant is required to insure with a reputable insurer:

(a) the Premises against damage caused by the risk(s) of fire, lightning, explosion, storm, flood, subsidence, landslip, heave, earthquake, burst or overflowing water pipes, tanks or apparatus, impact by aircraft or other aerial devices and any articles dropped from them, impact by vehicles, terrorism, riot, civil commotion and malicious damage and any other risk against which the tenant reasonably insures from time to time, to the extent that insurance is generally available on normal commercial terms in the United Kingdom

insurance market, and subject to any exclusions, limitations and excesses imposed by the insurer; and

(b) for the full reinstatement cost of the Premises (including professional fees and value added tax);

1.2.2 the Lease requires that the landlord is a composite insured;

1.2.3 if the tenant fails to insure in accordance with its obligations in the Lease briefly described in paragraphs 9.2.1 and 9.2.2:

(a) the landlord may insure the Premises on equivalent terms and may also insure for the loss of at least three years' annual rent (unless the annual rent is a nominal amount);

(b) the tenant is required to pay to the landlord a sum equal to the premiums paid by the landlord for so insuring the Premises and (if applicable) loss of rent; and

(c) if the Premises are damaged or destroyed by an insured risk, the landlord will pay to the tenant any insurance monies (except for loss of rent), which will be used by the tenant in reinstating the Premises;

1.2.4 there are no options to terminate the Lease in respect of damage or destruction of the Premises; and

1.2.5 if the Premises are damaged or destroyed by an insured risk and reinstatement is frustrated insurance monies are to be shared between the parties in proportion to the value of their respective interests in the Premises immediately prior to the damage or destruction.

42.2 The principle of *rei interitus* is excluded in the Lease.

Disclosures

[The landlord is required to insure and paragraph 9.1 applies, subject to the following disclosures.] OR

[The tenant is required to insure and paragraph 9.2 applies, subject to the following disclosures.] OR

[Neither the landlord nor the tenant is required to insure, neither paragraph 9.1 nor 9.2 applies and there are no options to terminate the Lease in respect of damage or destruction of the Premises, subject to the following disclosures.]

43. **Service charge**

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

Disclosures

44. **Rights of irritancy**

44.1 The landlord is entitled to irritate the Lease in the cases of non-payment of rent or breach of an obligation by the tenant, but not in the case of insolvency or on any other ground.

44.2 The Lease contains protection provisions in favour of any holder of fixed or floating securities over the tenant's right and which have effect before the landlord can irritate the Lease, the material terms of which are summarised in the Disclosures.

Disclosures

45. **Options and rights of first refusal**

45.1 There are no options to terminate the Lease (excluding in respect of damage or destruction of the Premises) or to renew the term, nor any options to purchase or rights of first refusal in favour of either the landlord or the tenant.

45.2 If there is such an option or right, the Company has confirmed that it has not been exercised.

Disclosures

46. **No Joint and several liability**

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

Disclosures

47. **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

48. **Consents**

48.1 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 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.

48.2 Any consents required for any works carried out by or change of use effected by any tenant, revealed by the documents reviewed by us or by our enquiries of the Company, have been obtained and placed with the documents of title. The Company has confirmed that, so far as it is aware, there are no other works carried out or change of use effected.

Disclosures

49. **Superior title**

49.1 If any superior title is leasehold:

49.1.1 the landlord is entitled to re-enter in cases of non-payment of rent or breach of an obligation by the tenant, but not in the case of insolvency or on any other ground.

49.1.2 it is not subject to any contractual right of termination.

49.2 No superior lease lets property other than the Property.

Disclosures

50. **Breaches of obligations**

The Company has told us that:

50.1 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 of any other event which could give rise to irritancy of the Lease;

50.2 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

50.3 so far as the Company is aware, no breach of obligations has been waived or acquiesced in.

Disclosures

51. **VAT**

51.1 The Company has told us that a valid option to tax has been exercised by the landlord or a body corporate in relation to which the landlord is either a relevant associate or a relevant group member over the whole Property and that such option has not been, or been deemed to be, disapplied or revoked (in whole or in part) so that value added tax is due in respect of any supply of the Property by the landlord.

51.2 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 Premises 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.

51.3 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

52. **Stamp Duty Land Tax/Land and Buildings Transaction Tax**

The Company has told us that:

52.1 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;

52.2 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; and

52.3 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

53. **Real right**

The Company's right 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

2. **Outstanding obligations under agreement for lease following grant of the Lease**

There are no material obligations under any agreement for lease relating to the Premises that are binding on the Company and which remain outstanding following the grant of the Lease pursuant to the agreement.

Disclosures

54. **Registration for execution**

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

Disclosures

55. **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

(A)

Part 5
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 forms 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.]

Part A
DETAILS OF LETTING DOCUMENT

Note: Details of Letting Document

Premises let by the Letting Document (indicating whether there is an internal demise):	
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 description of the term expressly include any continuation whether by tacit relocation or otherwise:	Yes/No
Name and address (and if applicable company registration number) of present tenant and any present guarantor:	
Original annual rent including start date, if not yet payable and 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:	
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:	
Summary of any options to terminate (other than on damage or destruction), or renew, or purchase, or rights of first refusal:	

Part B
LICENCES, LETTERS OF CONSENT AND OTHER SUPPLEMENTAL DOCUMENTS

Date	**Document description**	**Parties**	**Other information** – for example, for rent deposit deed, include amount of initial and current rent deposit

Section 2
STATEMENTS

56. **Details of the Letting Document**

Details of the Letting Document are fairly summarised in Part A of Section 1 of this Part of the Schedule and any licences, letters of consent and other supplemental documents entered into are listed in Part B of Section 1 of this Part of the Schedule.

Disclosures

57. **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

58. **Payment of rent**

58.1 The annual rent is payable quarterly in advance on the usual Scottish quarter days, without deduction or set-off unless required by law.

58.2 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.

58.3 Interest is payable on all sums not paid on or by 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 the annual rent. There is no grace period for the annual rent.

Disclosures

59. **Rent review**

59.1 Where there are any provisions for rent review:

59.1.1 time is not of the essence;

59.1.2 they are upwards only;

59.1.3 the rent is to be reviewed to the open market rent at the date of review;

59.1.4 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;

59.1.5 the reviewed rent is backdated to the relevant review date and interest is payable on the back rent;

59.1.6 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 begin on the review date and be equal to the residue of the contractual term at the review date (or ten years if longer);

(d) if the Premises or their means of access have been damaged or destroyed they have been reinstated;

(e) the Premises are fit for immediate occupation and use;

(f) the Premises may lawfully be let to, and used for the use permitted by the Letting Document by any person throughout the hypothetical term;

(g) the tenant's obligations in the Letting Document have been complied with and the landlord's obligations in the Letting Document have been complied with except to the extent there has been a material or persistent breach by the landlord; and

(h) 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;

59.1.7 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 lawful occupier and goodwill arising from such occupation;

(b) any reduction in rental value attributable to works carried out by the tenant or its predecessors in title or any lawful occupier whether before or during the term; and

(c) any increase in rental value attributable to any improvements whether or not within the Premises carried out by and at the cost of the tenant or its predecessors in title or any lawful occupier, in each case with the consent of the landlord or its predecessors in title where required, whether before or during the term otherwise than pursuant to an obligation to the landlord or its predecessors in title; and

59.1.8 there are no other material assumptions or disregards.

59.2 Where there are any provisions for rent review:

59.2.1 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;

59.2.2 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

59.2.3 the Company has told us that no building, alteration or improvement has been carried out pursuant to an obligation to the landlord.

Disclosures

60. **Repair and yielding up**

60.1 Where the whole of the Property is comprised in a single Letting Document, the tenant is responsible for:

60.1.1 keeping the whole of the Premises and (to the extent 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 excluded except to the extent that payment of any insurance monies is refused because of the act or default of the tenant, or any person under the tenant's control or with the tenant's authority, unless the tenant has paid the landlord a sum equal to the amount which the insurer has refused to pay, and damage by uninsured risks excluded); and

60.1.2 the decoration of the interior of the Premises as and when necessary and in the final six months of the term and the exterior of the Premises not less frequently than every three years and in the final six months of the term.

60.2 Where the Premises comprised in any Letting Document form part or parts only of the Property, the tenant is responsible for:

60.2.1 keeping the whole of the interior of the Premises and fittings and plant and equipment let to it in good and substantial repair and condition and renewed, reinstated, rebuilt and replaced (damage by insured risks excluded except to the extent that payment of any insurance monies is refused because of the act or default of the tenant, or any person under the tenant's control or with the tenant's authority, unless the tenant has paid the landlord a sum equal to the amount which the insurer has refused to pay, and damage by uninsured risks excluded); and

60.2.2 the decoration of the interior of the Premises as and when necessary and in the final six months of the term.

60.3 In paragraphs 5.1 and 5.2 "insured risks" and "uninsured risks" have the meanings set out in paragraph 9.7.

60.4 All common law presumptions imposing liabilities on the part of the landlord to repair the Premises have been validly and effectively displaced and without limitation, the tenant is liable for works arising from latent or inherent defects in the Premises, 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).

60.5 On expiry or earlier termination, the tenant is to yield up the Premises in a condition consistent with the performance of its repair and decoration obligations and with vacant possession.

Disclosures

61. **Restrictions on use**

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

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

Disclosures

62. **Alterations**

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

62.2 The tenant may carry out internal non-structural alterations to the Premises with the prior written consent of the landlord, such consent not to be unreasonably withheld, and erect or dismantle internal demountable partitioning that will not have an adverse impact on the Property's building services, without the consent of the landlord.

62.3 The tenant may not carry out any alterations which adversely affect the energy performance certificate rating for the Property.

62.4 The tenant is required to remove all alterations and additions made during the term, on yielding up the Premises at the expiry or earlier termination, unless and to the extent that the landlord requires otherwise.

Disclosures

63. **Alienation**

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

63.1.1 share or part with possession of the Premises or any part;

63.1.2 permit another to occupy the Premises or any part;

63.1.3 share occupation of the Premises or any part;

63.1.4 hold the Premises or any part on trust; or

63.1.5 charge the Premises or any part.

63.2 The tenant may not assign its right in part only of the Premises.

63.3 The tenant may assign its right 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 assigning the Premises or conditions that the landlord might impose on such assignation are fairly summarised in the Disclosures.

63.4 The tenant may charge the whole of the Premises with the prior written consent of the landlord, such consent not to be unreasonably withheld.

63.5 The tenant under the Letting Document may sublet the whole of the Premises, or any permitted part capable of separate occupation and use (provided that the Premises are not divided into more than the number of self-contained units of occupation specified in the Disclosures), with the prior written consent of the landlord, such consent not to be unreasonably withheld, but subject to conditions including those substantially in the following form:

63.5.1 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 is not calculated by 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, except that in the case of a sublease of a permitted part the subtenant is to pay a fair and reasonable proportion of the sums payable by the tenant under the Letting Document in respect of insurance and service charge or, if the Letting Document has no provision for the payment of service charge, a fair and reasonable proportion of the costs incurred by the tenant in providing services to the Premises;

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

63.5.3 the tenant agrees with the landlord to enforce the obligations of the subtenant;

63.5.4 the tenant is not to vary the terms of or waive its rights under the sublease, nor accept a surrender of part of the sublease without the prior written consent of the landlord, such consent not to be unreasonably withheld; and

63.5.5 the tenant is not to reduce, defer, accelerate or commute any rent payable under the sublease.

63.6 The tenant may share occupation of the Premises with another member of the same group of companies, subject to:

63.6.1 no relationship of landlord and tenant being created or being allowed to arise;

63.6.2 the sharing ending if the occupier is no longer a member of the same group of companies as the tenant; and

63.6.3 the tenant notifying the landlord when the sharing commences and ends.

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

Disclosures

64. **Insurance**

64.1 The landlord is required to insure with a reputable insurer:

64.1.1 the Property against damage caused by the insured risks;

64.1.2 for the full reinstatement cost of the Property (including professional fees and value added tax); and

64.1.3 for the loss of at least three years' annual rent and (if applicable) service charge.

64.2 The tenant is required to pay to the landlord a sum equal to:

64.2.1 the premiums (or a fair and reasonable proportion of the premiums) paid by the landlord for insuring the Property; and

64.2.2 the premiums paid by the landlord for insuring loss of rent and (if applicable) service charge

in accordance with the landlord's obligations in the Letting Document briefly described in paragraph 9.1.

64.3 The tenant is required to pay to the landlord as rent the whole or a fair and reasonable proportion of:

64.3.1 the cost of valuations of the Property for insurance purposes made not more than once a year; and

64.3.2 the amount of any excess or deductible under any insurance policy that the landlord incurs in complying with its reinstatement obligation briefly described in paragraph 9.5.1.

64.4 There is provision for suspension of rent and (if applicable) service charge or a fair proportion of them if the Premises or any part of the Property are damaged or destroyed by an insured risk or an uninsured risk so as to make the Premises unfit for occupation and use or inaccessible, such suspension to commence on the date of damage or destruction and being limited to a period no longer than the loss of rent period that the landlord is required to insure. Such suspension will not apply to the extent that payment of any insurance monies is refused because of the act or default of the tenant, or any person under the tenant's control or with the tenant's authority, unless the tenant has paid the landlord a sum equal to the amount which the insurer has refused to pay.

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

64.5.1 the landlord is required to reinstate the Premises or such part of the Property once all necessary consents have been obtained and subject to payment of any insurance monies not being refused because of the act or default of the tenant, or any person under the tenant's control or with the tenant's authority, unless the tenant has paid the landlord a sum equal to the amount which the insurer has refused to pay. The landlord is to use at least reasonable endeavours to obtain such consents;

64.5.2 either the landlord or the tenant is entitled to terminate the Letting Document immediately if the Premises or such part of the Property has not been reinstated sufficiently so as to make the Premises fit for occupation and use and accessible by the end of the loss of rent period for which the landlord is required to insure, by notifying the other at any time after the end of such period but before such reinstatement has been completed. The tenant is not entitled to terminate the Letting Document unless it has paid the landlord a sum equal to any payment of insurance monies refused because of the act or default of the tenant, or any person under the tenant's control or with the tenant's authority; and

64.5.3 if reinstatement is frustrated, insurance monies are payable to the landlord.

64.6 If the Premises or any part of the Property are damaged or destroyed by an uninsured risk, so as to make the Premises unfit for occupation and use or inaccessible:

64.6.1 if the landlord notifies the tenant within 12 months of the date of damage or destruction that it wishes to reinstate:

(a) the landlord's obligations to obtain consents and reinstate briefly described in paragraph 9.5.1 will apply as if the damage or destruction had been caused by an insured risk; and

(b) the mutual right to terminate briefly described in paragraph 9.5.2 will apply with the loss of rent period treated as beginning on the date of the landlord's notification; and

64.6.2 if no such notification is given, the Letting Document ends on the last day of that 12 month period, or if the landlord notifies the tenant that it does not wish to reinstate, the Letting Document ends on the date of that notification.

64.7 For the purposes of this paragraph 9:

64.7.1 "insured risk(s)" means risk(s) of fire, lightning, explosion, storm, flood, subsidence, landslip, heave, earthquake, burst or overflowing water pipes, tanks or apparatus, impact by aircraft or other aerial devices and any articles dropped from them, impact by vehicles, terrorism, riot, civil commotion and malicious damage and any other risk against which the landlord reasonably insures from time to time, to the extent that insurance is generally available on normal commercial terms in the United Kingdom insurance market, and subject to any exclusions, limitations and excesses imposed by the insurer; and

64.7.2 "uninsured risk(s)" means any risk expressly specified in the insured risks definition that is not an insured risk because insurance is not generally available on normal commercial terms in the United Kingdom insurance market or because of an exclusion or limitation imposed by the insurer, but excludes any damage or destruction caused by the act or default of the tenant, or any person under the tenant's control or with the tenant's authority.

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

Disclosures

65. **Service charge**

65.1 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.

65.2 Where the Premises comprised in the Letting Document form part of the Property:

65.2.1 there are provisions 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:

(a) repairing and maintaining the Property (except for the lettable areas);

(b) paying outgoings;

(c) providing a range of services which the Company has told us are reasonable and appropriate for the type of buildings in the Property; and

(d) 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;

65.2.2 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 10.2.1; and

65.2.3 the Company has told us that there are no lettable areas of the Property that are currently unlet.

Disclosures

66. **Rights of irritancy**

The landlord is entitled to irritate the Letting Document in the case of:

66.1 non-payment of rent (whether or not formally demanded) for a period not exceeding 21 days;

66.2 any breach of the tenant's obligations;

66.3 bankruptcy, 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 any guarantor;

66.4 appointment of a receiver of the tenant's or guarantor's property; or

66.5 the tenant or guarantor entering into any scheme of arrangement.

Disclosures

67. **Options and rights of first refusal**

67.1 Except where specified in Part A of Section 1 of this Part of the Schedule, there are no:

67.1.1 options to terminate (other than any in respect of damage or destruction of the Premises by an insured risk or an uninsured risk, as defined in paragraph 9.7);

67.1.2 options to renew the term; or

67.1.3 options to purchase or rights of first refusal in favour of either the landlord or the tenant.

67.2 If there is such an option or right, the Company has confirmed that it has not been exercised.

Disclosures

68. **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

69. **Consents**

69.1 Any consents required under the Lease (if any) 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.

69.2 The Company has told us that, so far as it is aware, no other consents were required for the grant of the Letting Document and any dealings with it, or if required, those consents have been obtained and placed with the documents of title.

Disclosures

70. **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

71. **Breaches of obligation**

The Company has told us that:

71.1 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 of any other event which could give rise to irritancy of the Letting Document;

71.2 no notice alleging any breach of the obligations or conditions contained in the Letting Document, whether on the part of the landlord or the tenant, remains outstanding; and

71.3 so far as the Company is aware, no breach of obligation has been waived or acquiesced in.

Disclosures

72. **Costs**

The tenant is obliged to pay the reasonable and proper costs of the landlord in connection with the following (except that there is no reasonable and proper limitation for the costs under paragraph 17.2):

72.1 the preparation and service of any schedule of dilapidations;

72.2 any breach of obligation of the tenant; and

72.3 any application by the tenant for consent (unless it has been unreasonably withheld where the landlord is required to act reasonably).

Disclosures

73. **VAT**

73.1 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.

73.2 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.

73.3 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

74. **Compensation**

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

Disclosures

75. **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

76. **Data sharing**

The Letting Document provides for the landlord and the tenant to share data that each holds relating to the environmental performance of the Property and the Premises, subject to each being obliged to the other to keep shared data confidential.

Disclosures

77. **Possession**

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

Disclosures

78. **Rent deposits**

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

Disclosures

79. **Guarantee provisions**

79.1 The guarantee provisions in the Letting Document or in any other guarantee supplemental to the Letting Document include the following:

79.1.1 the guarantee is of the tenant's obligations in the Letting Document;

79.1.2 the guarantee is expressed to be a primary obligation on the part of the guarantor;

79.1.3 the guarantee contains an indemnity with regard to any loss suffered by the landlord as a result of the default of the tenant;

79.1.4 there is no financial limit on the guarantee;

79.1.5 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 disclaimer or irritancy, enter into a new Letting Document (as tenant) on essentially the same terms as the previous Letting Document; and

79.1.6 the guarantee contains standard protective provisions, including an acknowledgement that the guarantee is not affected by any concession granted to the tenant, any failure to enforce or delay in enforcement, 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.

79.2 Either the guarantee provisions provide 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

80. **Interposed lease**

There are no leases interposed above the Letting Document.

Disclosures

81. **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

82. **Registration for execution**

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

Disclosures

1. **Outstanding obligations under agreement for lease following grant of Letting Document**

There are no material obligations under any agreement for lease relating to the Premises that are binding on the Company and which remain outstanding following the grant of the Letting Document pursuant to the agreement.

Disclosures

83. **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**	**Name and address of present tenant and any present guarantor**	**Term and expiry date**	**Current annual rent (including start date, if not yet payable) and future rent review date(s)**	**Amount of initial and current rent deposit**	**Present Permitted Use (and whether personal)**	**Summary of any options to terminate (other than on damage or destruction), or renew, or purchase, or rights of first refusal**	**Type of Standard Letting Document**
(*eg* Unit 1)			[ ] years commencing on [ ] and expiring on [ ]	£ [ ] p.a. to be reviewed on [ ] and [ ]				[First] [Second]

Disclosures

(eg Unit 2)			[ ] years commencing on [ ] and expiring on [ ]	£ [ ] p.a. to be reviewed on [ ] [and [ ]]				[First] [Second]

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 [Note: Specify local authority or professional searchers].		[Please refer to the Disclosures in paragraph 2.2 of Part 3 of the Schedule]
Enquiries of the Coal Authority as to past, present and future		

mining operations in proximity to the Property (including Special Enquiries).		
Search in the Register of Insolvencies (Scottish companies and individuals only) issued from a Recognised Source.		
Where either (a) the Company is acquiring the Property, and registration of the right 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 or 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].