

[REDACTED]

Your ref: [REDACTED]/08015 00214

2nd November 2017

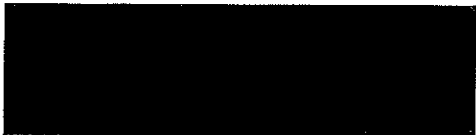
Morton Fraser LLP
Quartermile Two
2 Lister Square
Edinburgh
EH3 9GL

Dear Sirs,

[REDACTED]

On behalf of and as instructed by our Clients, [REDACTED] and [REDACTED], both residing at [REDACTED] Registration number, [REDACTED] and [REDACTED] ("the Landlord"), we hereby offer to lease to your clients, The Scottish Ministers ("the Tenant") the property known as and forming ALL and WHOLE the flatted dwellinghouse at [REDACTED], together with the furniture, fixtures and fittings therein and any garage or garden ground (shared or otherwise) pertaining thereto (hereinafter referred to as "the Subjects") and that on the following terms and conditions, namely:-

1. The Lease will run from and including 2 November 2017 (hereinafter referred to as "the Date of Entry") to and including 28 February 2018 ("the Term") and thereafter, following the completion of the Initial Term, the Lease will continue from calendar month to calendar month until brought to an end by either party serving written notice upon the other party on a period of not less than 28 days.
 2. The rent will be TWO THOUSAND POUNDS (£2,000) STERLING per calendar month payable by the Tenant monthly in advance by Bank Transfer to [REDACTED] and commencing said monthly payments on the Date of Entry, and monthly thereafter. If the rent due in terms of this clause remains unpaid for a period of fourteen days after the due date, the Landlord will be entitled to interest at the rate of 2% per annum above the base rate of the Royal Bank of Scotland plc from time to time on the rent due from the due date until payment.
- [REDACTED]
- [REDACTED]




3. In the event of a failure in the performance by the Tenant of any of the obligations of the Tenant in this agreement including those set out in this section (3); the Tenant will be obliged to reimburse and indemnify the Landlord within fourteen days of written demand for all proper and reasonable costs and expenses incurred by the Landlord in respect of;

3.1 Any damage, or compensation for damage, to the Subjects, its fixtures and fittings or for missing items for which the Tenant may be liable, subject to an apportionment or allowance for reasonable fair wear and tear and for the age and condition of each and any such item at commencement of the tenancy, having due regard to the condition thereof as evidenced by the Inventory (as after defined), with the Landlord being obliged to act reasonably in this regard.

3.2 The proper and reasonable costs incurred in compensating the Landlord for, or for rectifying or remedying any meaningful breach by the Tenant of his obligations under this agreement, including those relating to the cleaning of the Subjects, its fixtures and fittings.

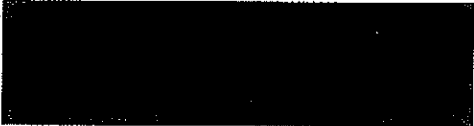
3.3 Any unpaid accounts for telephone charges incurred at the Subjects for which the Tenant is liable. The rent being inclusive of all other utility costs, insurance costs and Council Tax charges.

3.4 Any rent or other money lawfully properly due or payable by the Tenant under this agreement of which the Tenant has been made aware and which remains unpaid after the end of the tenancy.



4. By your acceptance hereof on behalf of the Tenant, you bind and oblige the Tenant:-

- (a) To keep the Subjects and the contents therein clean and in good order and without prejudice to the generality, to keep those items specified in the inventory of contents agreed or about to be agreed between the Landlord and the Tenant (hereinafter referred to as "the Inventory"), which items the Tenant accepts are in good order and condition, in such condition, fair wear and tear excepted. The Tenant is also bound and obliged not to cut, mark or paint any part of the Subjects or erect any signpost, aeralis or nameplate or install any hooks or staples in any part of the Subjects.
- (b) To give the Landlord as soon as practicable notice in writing of any structural damage or defects in the Subjects or any defects in the fixtures and fittings or contents thereof as soon as the same shall take place or become apparent and to indemnify the Landlord against any additional loss occasioned by the Landlord through the Tenant's failure to give such notice.
- (c) To pay the said rental payments on the due dates and not to withhold payment of the same for any reason.
- (d) Not to assign the lease or to sub-let the Subjects in whole or in part or to accept boarders or lodgers and not to use the Subjects or any part thereof for any business, trade or professional purpose or for any immoral or criminal purpose and to occupy the same for the Tenant's personal use and as a dwellinghouse only.
- (e) Not to leave the Subjects unoccupied for any period exceeding two weeks without informing the Landlord and on all occasions when the Subjects may be unoccupied to take all reasonable precautions to safeguard the same and the contents, including when appropriate, turning off the water system at the main source of supply, draining the water tanks and pipes and turning off the gas and electricity supplies.

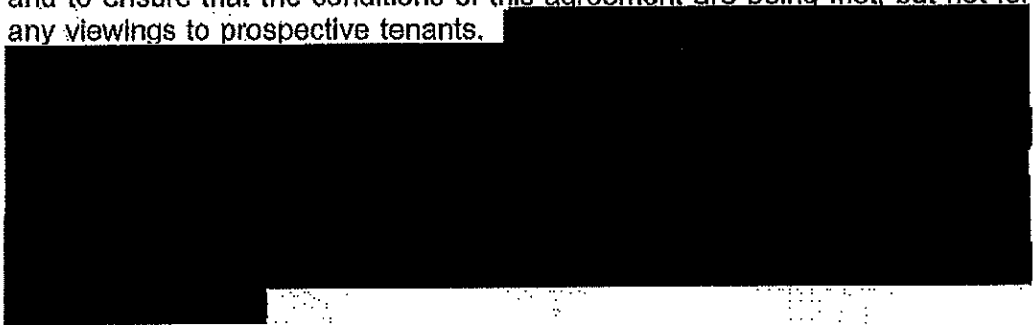
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- (f) Not to carry out any internal or external redecoration of the Subjects without the Landlord's prior written consent. If the Tenant requires to affix any items to the Subjects or attach any additional locks at the Subjects, they will seek the consent of the Landlord (not to be unreasonably withheld or delayed) and will make good any damage caused by removal to the Landlord's reasonable satisfaction at the expiry of the Lease.
- (g) Not to keep any dogs, cats or other pets without the Landlord's prior written consent.
- (h) Within one week of the termination of the Lease to replace (1) any articles, fixtures, furniture and fittings in the Subjects which may have been broken or otherwise damaged and (2) any item lost or stolen during the currency of the Lease, and failing replacement, to make payment to the Landlord of the proper and reasonable replacement value thereof, duly vouched by the Landlord.
- (i) That during the currency of the Lease, the Tenant will have the windows cleaned regularly and leave them clean at termination of the Lease.
- (j) To pay all telephone charges incurred by the Tenant during the currency of the lease as the same fall due. The rent being inclusive of all other utility costs, insurance costs and Council Tax charges.
- (k) Not to do anything that may be deemed to be a legal nuisance to the Landlord or adjoining proprietors.
- (l) Not to stop up or obstruct or permit to be stopped up or obstructed in any way, the waste pipes or drains serving the Subjects.
5. During the currency of the Lease the Landlord shall remain responsible for the payment of the Council Tax, utility costs, insurance costs and any Ground Burdens or other taxes in respect of the Subjects.



6. During the currency of the Lease, the Landlord shall remain responsible for maintaining adequate buildings insurance cover for the Subjects on comprehensive terms and also for insuring the Landlord's contents of the Subjects as specified in the Inventory. The Tenant will carry its own risk in respect of loss or damage of any item introduced into the Subjects by the Tenant during the currency of the Lease. The Tenant will also be responsible for meeting the cost of any claims which might otherwise be covered by maintaining occupier's liability insurance during the currency of the Lease and will keep the Landlord indemnified in respect of any such valid claims. (The Tenant having a policy of self-insurance).

7. The Landlord confirms that the gas and electricity supplies, the appliances and the furniture and furnishings within the Subjects comply with Gas Safety (Installation & Use) Regulations 1994, the Gas Safety (Management) Regulations 1996, the Furniture and Furnishings (Fire) Safety Regulations 1988, the Electrical Equipment (Safety) Regulations 1994 and that a current Electrical Installations Condition Report (EICR) is available for the Subjects and has been provided to the Tenants.

8. The Landlord will not interrupt or interfere with the tenant's lawful occupation, enjoyment or use of the Subjects other than in a genuine emergency. Any access will otherwise be on prior arrangement with the Tenant (except in cases of genuine emergency when no notice is required) to inspect and repair and to ensure that the conditions of this agreement are being met, but not for any viewings to prospective tenants.




[REDACTED]

9. The Landlord will be obliged to comply with the requirements of Chapter 4 of Part 1 of the Housing (Scotland) Act 2006 and Common Law, which impose obligations on the Landlord to ensure that the Subjects meet the Repairing Standard at the start of, and at all times during, the tenancy. This duty is subject to the Tenant informing the Landlord or the Landlord's Letting Agent of work needed to meet the Repairing Standard or if the Landlord becomes aware of it in some other way. The Tenant should therefore notify the Landlord's Letting Agent of any work required. That work must be completed within a reasonable time of it being reported. The Subjects will meet the Repairing Standard if the following conditions are met:-

- The Subjects are wind and watertight and reasonably fit for human habitation;
- The structure and exterior of the Subjects (including drains, gutters and external pipes) are in reasonable repair and working order (having regard to the house's age, character and prospective life and locality);
- The installations in the Subjects for the supply of water, gas and electricity and for sanitation, space heating and heating water are in reasonable repair and in proper working order;
- Any fixtures, fittings and appliances provided under the tenancy are in reasonable repair and proper working order;
- Any furnishings provided under the tenancy are capable of being used safely for the purpose for which they are designed;
- There is satisfactory provision of smoke alarms; and
- That there is satisfactory provision for the detection of carbon monoxide in quantities hazardous to health.

The Repairing Standard does not cover work for which the Tenant is responsible.

10. Where the Landlord supplies a working burglar alarm with the Subjects at commencement of the tenancy; the Landlord will keep it in working order and repair, but only where such a repair is not caused by negligence or misuse by the Tenant, his invited guests or visitors.



11. The parties to this agreement confirm that the lease is not an Assured or Short Assured Tenancy in terms of the Housing (Scotland) Act 1988. It is understood that, subject to clause 13, the Tenant will allow their employees or other individuals with their consent to reside within the Subjects. It is expressly agreed that if they shall allow the employees or other individuals to occupy the Subjects as their only or principal home then the said employees or other individuals shall do so without payment of rent to the Tenant and under licence only, and that they shall not create a sublease which may constitute an Assured or Short Assured Tenancy, whether by way of acceptance of rent or otherwise. If the Tenant acts in contravention of this clause this shall be deemed a material breach of contract which will allow the Landlord to terminate this Lease forthwith. The Landlord will also be entitled to claim from the Tenant any damages or losses caused as a result of the creation of an Assured or Short Assured Tenancy in breach of this clause.

12. The Tenant acknowledges that the Subjects are let by the Landlord on the basis that the Subjects will not be regularly occupied by no more than 2 persons at any one time, unless those occupants are members of the same family or are occasional overnight non-paying guests. Being a member of the same family means that they are married to each other, or live together as a couple (including a same sex couple), or one of them is the parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew or niece of the other.

13.1 Where the Tenant has provided information to the Landlord or Landlord's Letting agent to the effect that the occupants are members of the same family, but which information subsequently turns out to be false, and the Landlord has not consented in writing to allow the Subjects to be occupied by three or more persons who are not members of the same family, then the following will apply;

a) The Landlord will be entitled to take steps to terminate this agreement as a result of the Tenants' (or at the instigation of the Tenant, another person's) breach, either knowingly or recklessly of an implied term of the agreement to provide correct and truthful information to the Landlord or his Letting Agent. This means that the Landlord will be entitled to proceed to seek possession of the Subjects in terms of clause 14 of this agreement.

b) The Tenant will be liable for reasonable costs and expenses, including if applicable, legal or court costs, together with any fines payable by the Landlord or his Letting Agent as a result of the Subjects being, as a consequence of the Tenant's breach, deemed an unlicensed or unregistered House in Multiple Occupation. The Tenant may also be liable for other financial losses sustained by the Landlord as a result of the provision of the false information and, should the Landlord (or Agent), be convicted by a criminal court for letting the Subjects without a relevant Licence, the Tenant

[REDACTED]

will be liable to legal action by the Landlord (or Letting Agent) for civil damages in compensation.

14. Subject to the provisions of Section Four to Section Six of the Law Reform (Miscellaneous Provisions)(Scotland) Act 1985, if the rent herein stipulated or any part thereof shall at any time be in arrears for 2 days after the same shall have become due whether legally demanded or not and shall remain unpaid for a further period of fourteen days after demand by the Landlord under threat of irritancy, or if there shall have been a material breach of any of the obligations undertaken by the Tenants under the Lease which are not be remedied by the Tenants within such reasonable period as shall be allowed by the Landlord in a Notice requesting the remedy of such material breach under threat of irritancy, or if the Tenant shall become apparently insolvent or shall make arrangement with creditors or being a Company shall go into liquidation whether voluntary or compulsory, otherwise in a voluntary liquidation of a solvent Company for the purpose of amalgamation or re-construction, or has an Administration Order made in relation to them or dissolved under the Companies Acts, or being a Firm shall be sequestered, then and in any such case it shall be lawful for the Landlord by Notice to the Tenant to bring the Lease to an end forthwith and to repossess the Subjects as if the Lease had not been granted but without prejudice to any right of action or remedy of the Landlord in respect of any previous breach of any of the obligations undertaken by the Tenant under the Lease.
15. The parties further agree that *tacit relocation* will not apply in respect of this Lease and therefore, for the avoidance of doubt, the parties expressly contract out of *tacit relocation*.

16. [REDACTED]

17. Interpretation

In this lease unless there is something in the context inconsistent therewith

- (a) Words importing the masculine include the feminine and words importing the neuter include the masculine and the feminine;
- (b) Words importing the singular include the plural and vice versa;
- (c) Words importing persons include incorporations and vice versa;
- (d) Any reference to an Act of Parliament or Statutory Instrument includes any modification, extension or re-enactment thereof for the time being in force and all instruments, orders, regulations, permissions and directions for the time being made or given thereunder or deriving validity therefrom;
- (e) Where any matter is expressed to require the consent or approval of the Landlord it shall be implied that the same is in writing and, unless otherwise stated, that such consents or approval shall not be unreasonably withheld.

18. The parties certify that there are no missives of let constituting a lease to which this deed gives effect.



19. This offer unless sooner withdrawn is open for your formal written acceptance on behalf of the Tenant not later than 6pm on 2nd November 2017.

Yours faithfully



On behalf of the Landlord



.....Witness

.....Name of Witness



.....Address



.....Occupation

2nd November 2017.....Date