

General Register of Sasines

Extract Registered: 14 FEB 2006

MINUTE OF AGREEMENT
(SECTION 75 AGREEMENT)

between

THE HIGHLAND COUNCIL

and

ZURICH ASSURANCE LTD.

Subjects: SCHOOL ROAD & OTHER(S)

HIGHLAND COUNCIL

Fas 0836

REGISTERS OF SCOTLAND
Executive Agency



[Deed Extract]

The Writ hereinafter reproduced is recorded in the General Register of Sasines for publication and also as in the Books of the Lords of Council and Session for preservation as follows:-

AGREEMENT BETWEEN

THE HIGHLAND COUNCIL, incorporated under the Local Government (Scotland) etc Act 1994 whose principal place of business is situate at Council Offices, Glenurquhart Road, Inverness being a Planning Authority as defined in the Town and Country Planning (Scotland) Act 1972 (as amended) (who and whose successors are hereinafter referred to as "The Council")

OF THE FIRST PART

and

ZURICH ASSURANCE LTD a Company registered Incorporated under the Companies Act (Company Registration Number 2456671) and having its registered office situated at UK Life Centre, Station Road, Swindon, Wiltshire SN1 1EL (who and whose successors as heritable proprietors of the subjects hereinafter described are referred to as "The Owner")

OF THE SECOND PART

AL
REGISTER OF SCOTLAND
GENERAL REGISTER OF SASINES
COUNTY OF INVERNESS
FICHE 34 FRAME 1
PRESENTED AND RECORDED ON 14 FEB 2006

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Considering that the Council (as the General Planning Authority for the Area within which the subjects hereinafter described are located) and the Owner are desirous of entering into this Agreement pursuant to the provisions of Section 75 of the Town and Country Planning (Scotland) Act 1997 (hereinafter referred to as "The Act") in order to regulate and restrict the development and use and to provide for the reinstatement of the said subjects as hereinafter it appears.

And considering that the Council have resolved to grant Planning Permission Number BS/02/45 (hereinafter referred to as "the Permission" (which for the avoidance of doubt shall include any variation of or subsequent planning permission granted by the Planning Authority or other authorised body in respect of the Subjects) which is an application for outline planning permission for the erection of forty dwellings and a business unit on land at School Road and Craigmore Road, Nethy Bridge, Inverness-shire. The subjects being ALL and WHOLE those two plots or areas of ground shown delineated in black and coloured pink on the plan annexed and signed as relative hereto which form part and portion of ALL and WHOLE those subjects and others described in and disposed by Disposition by Lady Pauline Anne Ogilvie-Grant Sykes in favour of Eagle Star Insurance Company Limited, dated Fourteenth Day of November and recorded in the General Register of Sasines applicable to the County of Inverness (Book 1867, Folio 33) on Fifth Day of December both days in the year Nineteen Hundred and Eighty Three (hereinafter referred to as 'the Subjects').

NOW IT IS AGREED AS FOLLOWS:-

- (ONE) This Agreement will come into force upon the date of the grant of the Permission.
- (TWO) Prior to the commencement of any works pursuant to the Permission, there shall be submitted to and approved by the Council, evidence of a contract let for the provision of the whole of the surface water drainage arrangements in terms satisfactory to the Council acting reasonably. With it being FURTHER AGREED by the Owner that all drainage arrangements (which are not the responsibility of Scottish Water or its statutory

successors) shall thereafter be maintained by the Owner in a good state and condition so as to allow the said drainage arrangements to operate effectively for all time coming. The Owner shall be liable to bear the whole cost of undertaking the obligations contained herein.

(THREE) Without prejudice to the terms of clause (FOUR) of this Agreement prior to the issuing of a Completion Certificate, in terms of the Building (Scotland) Acts in respect of any dwelling house to be constructed in terms of the Permission, there shall have been submitted, by the Owner, to the Council evidence of a contract let for the carrying out of the works as specified in the schedule marked "Schedule of Offsite Road Works" (hereinafter called 'the Off-Site Roadworks') annexed and signed as relative hereto. It shall be within the power of the Council to require the Owner to produce further evidence, in addition to the exhibiting of the said contract, reasonably necessary, in order for the Council to decide, whether or not the said contract exhibited discloses that the works are to be carried out to a standard satisfactory to the Council. The Owner shall be wholly liable for ensuring that the works scheduled under the said contract are completed all to the reasonable satisfaction of the Council. With the proviso that the whole reasonable costs of any works referred to in the said schedule which with the Agreement of the Council are carried out by the Council, shall be paid to the Council by the Owner.

(FOUR) The Owner shall be responsible for ensuring that all access roads and/or footpaths that lie within the Subjects or which are to be constructed in terms of the Permission are constructed in accordance with plans and specifications which have received the prior written approval of the Council. The Owner shall have the option of making application to the Council for the said access roads and footpaths to be adopted as public roads and/or footpaths under the terms of the Roads (Scotland) Act 1984 or any statutory modification thereof strictly subject to the Owner having complied with any additional requirements that may be made by the Council acting reasonably so as to ensure that the said roads and/or footpaths are constructed to an adoptable standard.

(FIVE) Unless the Council gives its prior approval in writing, no more than ten

dwelling houses which have reached the stage of being substantially complete and which are situated either wholly or partly within the Subjects, may be served by the temporary sewage treatment works approved within the terms of the Permission or any variation or subsequent planning permission affecting the Subjects.

(SIX) The Owner shall, upon notice in writing being served upon the Owner, its servants and/or agents by the Council, (with the proviso that the Council shall not exercise its power until the public waste water treatment works at Nethybridge which are able to process waste water and sewerage from the forty houses intended to be constructed on the Subjects have been commissioned), forthwith:-

- i Connect any existing dwellings whether occupied or not to the public wastewater treatment system in a manner which meets the approval of the Council and thereafter;

Upon written confirmation being served by the Council on the Owner, its servants and/or agents, the Owner shall forthwith carry out all works required to decommission the said temporary sewage treatment works all to the reasonable satisfaction of the Council. Without prejudice to the foregoing generality, the said works of decommissioning shall include removal of all plant, machinery, ancillary equipment, any temporary access route or routes and the reinstatement of the site to a standard approved by the Council acting reasonably.

(SEVEN) Except with prior approval of the Council (not to be unreasonably withheld) the Owner shall not fell or cause or permit to be felled, lopped or topped any trees located on the Subjects with it being recognised that trees will need to be felled as indicated on the indicative plans referred to in Clause NINE hereof.

(EIGHT) The Owner shall be bound to procure that the open grassland and woodland on the Subjects, not occupied as housing plots or as roads and footpaths, ("the amenity areas") shall be maintained by the proprietors of the dwellinghouse plots on the subjects on the following basis:-

- 8.1.1 School Road Area (as shown on the plan annexed to this Agreement, "the Plan") Each of the ten plots referred to in clause Nine of this Agreement shall pay one-half of a share and each of the remaining plots a full share of the cost of maintenance of the amenity areas (making the equivalent of twenty five full shares).
- 8.1.2 On the Craigmores Road site (as shown on the Plan), the proprietors of each house plot shall pay one full share.
- 8.1.3 After the completion of the construction of dwellinghouses on the house plots, the amenity area shall be managed on the basis of minimum intervention to the natural vegetation on the amenity areas with the aim of preserving the environmental amenity and biodiversity of the whole of the amenity areas. Dangerous trees may be removed, but otherwise trees shall be managed in accordance with best forestry practice so as to maintain the existing woodland on a sustainable basis and with natural regeneration in accordance with good forestry practice.
- 8.1.4 The proprietors of the amenity areas from time to time shall be bound to permit the Council to inspect the amenity areas on every fifth anniversary of the date of this Agreement and shall give effect to any reasonable requirements of the Council relative to the management of the amenity areas but subject to the principle of minimum intervention.
- 8.2 The owner may transfer ownership of the amenity areas to any third party subject to the prior approval of the Council, acting reasonably, taking the third party bound to carry out the management of the amenity areas in accordance with paragraph 8.1.

(NINE) The Owner shall convey a good and marketable title to ten fully serviced dwellinghouse plots lying within the Subjects, (the location of the said plots as shown for identification purposes only on the plans annexed and signed as relative hereto) to the Council or a registered social landlord or other body approved in writing by the Council (the Council or such registered social landlord or other body being hereinafter referred to in this clause as "the acquiring body", and the said ten fully serviced plots being hereinafter referred to in this clause as the "affordable plots"). The Owner shall transfer title to the affordable plots to the acquiring body at the rate of a minimum of one affordable plot for each set of three plots (which are not affordable plots) as soon as each set of three plots have had either their servicing or any substructure installed. For the purposes of valuation of the said house plots, no value shall attach to the subjects being conveyed. For the avoidance of doubt, the valuation for the purposes of establishing the consideration to be paid to the Owner for the ownership interest and/or legal estate being conveyed in any of the said plots, shall be calculated in terms of this Agreement but shall not exceed the sum of SEVENTEEN THOUSAND POUNDS STERLING (£17,000) per plot, which sum shall be charged for each of the plots so conveyed, and a final balance of the overall consideration adjusted in the event that the total consideration amounts to less than the equivalent of £17,000 per plot. The said sum being constituted by the reasonable professional fees and all reasonable infrastructure costs relating to the Subjects including: -

- (i) Constructing (a) all internal roads, footpaths and connexions to the public roads within the Subjects to a standard approved of by the Council, and providing street and footpath lighting. And (b) works in the vicinity specified in the said "Schedule of Off-site Road Works".
- (ii) Connecting all buildings on the Subjects to (a) the public water supply, (b) the mains electricity supply network, (c) the national telephone network, (d) a surface water drainage system approved by the Council and (e) a foul water drainage system approved of by the Council

declaring that (i) the said infrastructure cost referred to above shall be subject to the prior written approval of the Council and (ii) that the Council shall be provided with free access to all accounting records free of charge as and when required.

The Council shall secure that any subsequent transfer of title by the acquiring body of any (or all) of the said serviced plots, shall comply with the following obligations:-That the acquiring body shall insert in the Disposition in favour of any plot purchaser a Right of Pre-Emption, which right shall be in favour of a Designated Rural Housing Body under and in terms of Section 43 of the Title Conditions (Scotland) Act 2003. The said Right of Pre-Emption shall ensure that all future sales of each of the plots by the subsequent proprietor thereof from time to time may, at the option of that Designated Rural Housing Body, be to it, on terms designed to secure the long term affordability of the plot, (being terms substantially in accordance with the terms set out in the draft right of pre-emption forming Appendix One to this Agreement) who shall, as required, resell the property to a purchaser for a sale price calculated in accordance with their objectives of securing the provision of affordable housing within rural communities, increased where the designated rural housing body does not otherwise recover its reasonable legal expenses costs and outlays in the operation of such pre-emption, subsequent purchase and the sale, from elsewhere, by a figure equivalent to said reasonable legal expenses, costs and outlays.

It is a condition applying to and binding upon the individual proprietors of these said ten plots that after sale by the acquiring body, said individual plot purchasers of said plots, and their successors in title to the same shall:

- (i) complete and occupy on the subjects individually acquired by them a dwelling-house all within a period of two years from their own date of entry;
- (ii) and shall thereafter, during the period of their ownership, continue to reside within the same as their principal or main residence;
- (iii) Not lease their subjects under any form of tenancy whatsoever without the prior written permission of the said designated rural housing body.

(TEN) Further, in addition, the Owner shall, for a period of five years from the date of the issuing of a Building Completion Certificate in terms of the Building (Scotland) Acts in respect of any dwellinghouse to be constructed on the Subjects, make available for sale for a price exceeding an 'Offers Over Price' (hereinafter called 'The Price') the Price being the open market value as determined by the District Valuer (the Owner acting reasonably in deciding whether or not to accept any offers received, with it being agreed that the Owner shall, at his sole discretion, have the power to reduce The Price at any time, but not to increase it) no less than ten dwellinghouse plots situated on the Subjects with the provisos that:-

- i. No more than one of the said plots may be conveyed to any one person living at the same postal address.
- ii. The said plots shall only be conveyed with a condition being included within the Title to the relevant subjects requiring the purchaser to Register the Title to the said plot in the names of the respective purchasers who shall be required to treat the dwellinghouse to be constructed on the subjects conveyed as their main or principal dwellinghouse within the meaning of the Income Tax Acts, with the said dwellinghouse within the relevant Subjects conveyed being constructed to the standard required for actual occupation under the Building (Scotland) Acts within a period of two years from the date of entry.
- iii. Offers on the initial sale of any plot shall only be accepted to purchase said plots from persons either whose name appears on the Electoral Roll for any Ward within the Badenoch and Strathspey Area of Highland Council current at the date of conclusion of Missives of sale of any said plot and whose name has been on the said Electoral Roll for a minimum continuous period of three years prior to the said date of conclusion of Missives, Or who can provide written evidence from the Electoral Registration Office proving that they have been on the said Electoral Roll for a cumulative period of ten years prior to the date of conclusion of Missives, or who can

demonstrate that they have lived in that Area for a total of ten years at any time in their lives.

iv. Until a Public Waste Water Treatment Works, which is able to process waste water and sewerage from the Subjects and to which at least 20 houses to be built on the Subjects can practically be connected at reasonable expense has been commissioned, the number of plots which the Owners are obliged to make available for sale in terms of this clause shall be restricted to three.

v. In the event that after marketing any plot subject to this clause at the Price for a period of six months, no offer to purchase that plot has been received from any person qualified in terms of sub-paragraph iii of this clause, the seller shall be entitled thereafter to sell such plot to any person.

(TEN) (a) PHASING OF CONSTRUCTION

Notwithstanding the provisions of clauses THREE, FOUR, NINE and TEN of this Agreement, until a Public Waste Water Treatment Works, which is able to process waste water and sewerage from not less than forty houses to be erected on the Subjects, and to which all such forty houses on the Subjects can practically be connected at reasonable expense, has been commissioned, the following provisions shall apply

1. As regards the Offsite Road works;

- (a) The construction of houses at the Craigmore Road site shall not oblige the Owner to construct any of the Offsite Road Works;
- (b) Until ten houses receive a Completion Certificate, in terms of the Building (Scotland) Acts at the School Road Site, the Owner shall not be obliged to construct any of the Offsite Road Works;
- (c) If not less than ten houses to be built at the School Road Site can be connected at reasonable expense to the Public Waste Water Treatment Works, the Owner shall be obliged to construct and complete the Offsite Road Works prior to the eleventh house to be constructed on the School Road Site receiving a Completion Certificate as referred to above.

2. As regards the construction of the intended access roads and/or footpaths referred to in clause FOUR, and generally of infrastructure works within the Subjects;

The Owner shall not be obliged;

(a) to ensure the construction of more of the intended access roads and/or footpaths referred to in clause FOUR, and generally of infrastructure works within the Subjects than are actually required to serve the number of dwellinghouses permitted to be erected on the Subjects from time to time and capable of being connected to the Public Waste Water Treatment Works at reasonable expense ; nor,

(b) to convey to the Council or to a Registered Social Landlord or other body approved by the Council, more than three fully serviced plots referred to in clause NINE in proportion to every ten of the number of houses at the School Road Site which are capable of being connected to the Public Waste Water Treatment Works at reasonable expense from time to time.

(ELEVEN) In the event that the Owner, its servants and/or its agents shall fail to perform any of the obligations detailed within the terms of this Agreement and/or the Permission, the Council shall be entitled to serve written notice on the Owner and/or its agents detailing the works required and should the Owner fail to carry out the schedule of works as specified by the Council within the timescale detailed in the said notice, then the Council, its servants and/or agents shall have power to enter any part of the Subjects in order to carry out the said works and thereafter require full reimbursement of all reasonable costs associated with the said works from the Owner. The said costs being payable by the Owner to the Council within twenty one days of the same being demanded in writing and which sum shall become a debt due to the Council by the Owner immediately subsequent to the same being demanded.

- (TWELVE) The Owner undertakes to take bound any purchaser or tenant of the whole or any part of the Subjects as a condition of sale or lease, to observe the obligations herein contained to the extent that such observance will be a continuing obligation upon every owner and tenant, sub-tenant and assignee from time to time of the Subjects and every part thereof until the obligations hereunder have been performed or discharged, or responsibility therefor taken over by a third party.
- (THIRTEEN) This Agreement shall be Recorded in the appropriate Division of the General Register of Sasines (or registered within the Land Register, as the case may be) and shall be enforceable at the instance of the Council and its successors not only against the Owner named herein but also against its successors in title to the Subjects or any part thereof.
- (FOURTEEN) The Owner by its execution hereof warrants that it has not disposed of any interest in the Subjects or any part thereof to any other party or parties as at or prior to the date of execution hereof and the Owner undertakes that it will not assign, dispo, convey or otherwise contract in, deal in or part with possession of the Subjects or any part thereof or any interest therein prior to receiving written confirmation from the Council that these presents have been Recorded in the appropriate Division of the General Register of Sasines or within the terms of the appropriate Land Certificate at the Land Register of Scotland (as appropriate).
- (FIFTEEN) The Owner shall pay its own expenses hereof together with those of the Council (the expenses of the Council amounting to One Thousand Two Hundred and Fifty Pounds (£1,250) plus outlays properly and reasonably incurred) as well as any Stamp Duty payable, Recording or Registration dues and the provision of extracts hereof (if requested) for each party.
- (SIXTEEN) No compensation shall be payable by the Council to the Owner in

respect of or arising out of this Agreement.

(SEVENTEEN) In exercising any discretion, making any judgement or requiring any payment in accordance with the provisions of this Agreement, the Council shall be at all times bound to act reasonably.

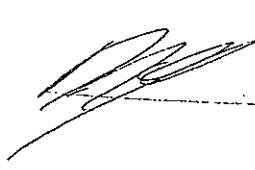
(EIGHTEEN) Any dispute between the parties arising under or in connection with this Agreement either during or after the performance of the terms of this Agreement, shall be referred to an Arbitrator:-

- (1) The Arbitrator will be appointed by agreement between the parties or, in default of agreement within fourteen days of one party giving notice of a nomination or nominations to the other party, by the President for the time being of The Law Society of Scotland.
- (2) The application to the said President may be made by any party and the reference to President includes a duly appointed deputy or any person authorised by the President to make appointments on his behalf.
- (3) Without prejudice to any other powers, the Arbitrator shall have power:-
 - (a) to direct such surveys and valuations as may in his opinion be desirable to determine the rights of the parties;
 - (b) to order the execution of deeds, the performance of works and the implementation of any provision of this contract;
 - (c) to award damages to or against any of the parties; and
 - (d) To award interest on any sum due to one or other of the parties from the date of submission to Arbitration.
- (4) All arbitrations shall take place in Scotland and shall in all respects be governed by the Law of Scotland. The Arbitrator's decisions on questions of law shall be final and the provisions of section 3 of the Administration of Justice (Scotland) Act 1972 (power of Arbitrator to state case to Court of Session) shall not apply in relation to an arbitration under this Clause.
- (5) The costs of such arbitration shall, unless otherwise by the Arbitrator, be shared equally between the parties.

(NINETEEN)

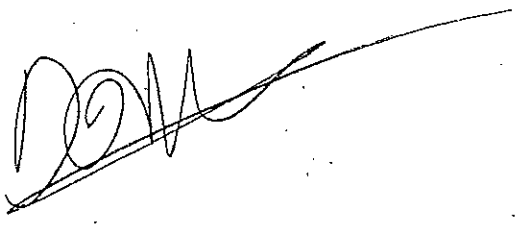
The parties hereto consent to registration hereof for preservation and execution: IN WITNESS WHEREOF

these presents typewritten on this and the twelve preceding pages together with the plans, schedule and appendix all annexed and signed as relative hereto are signed for and on behalf of Zurich Assurance Limited by Andrew David Strang and James Alexander Rigg both authorised signatories being Officers of Threadneedle Property Investments Limited acting for and on behalf of Zurich Assurance Limited by way of power of attorney dated 23rd December Two Thousand and Four, on Eighteenth January Two Thousand and Six, at Sackville Street, London, before this witness, David Jason Davies of 41 Handley Green, Laindon, Essex: and they are sealed with the Common Seal of the said Highland Council and subscribed for them and on their behalf, by David Haas, Area Solicitor/Administrator and authorised signatory, at Kingussie on the Tenth Day of February Two Thousand and Six.

 witness

"ZAL"

 A Strang



0-6-114

Indicative Phasing Plan
GILLESPIES NETHYBRIDGE
Halcrow
 School Road
 1:1000 at A3

0m 50m



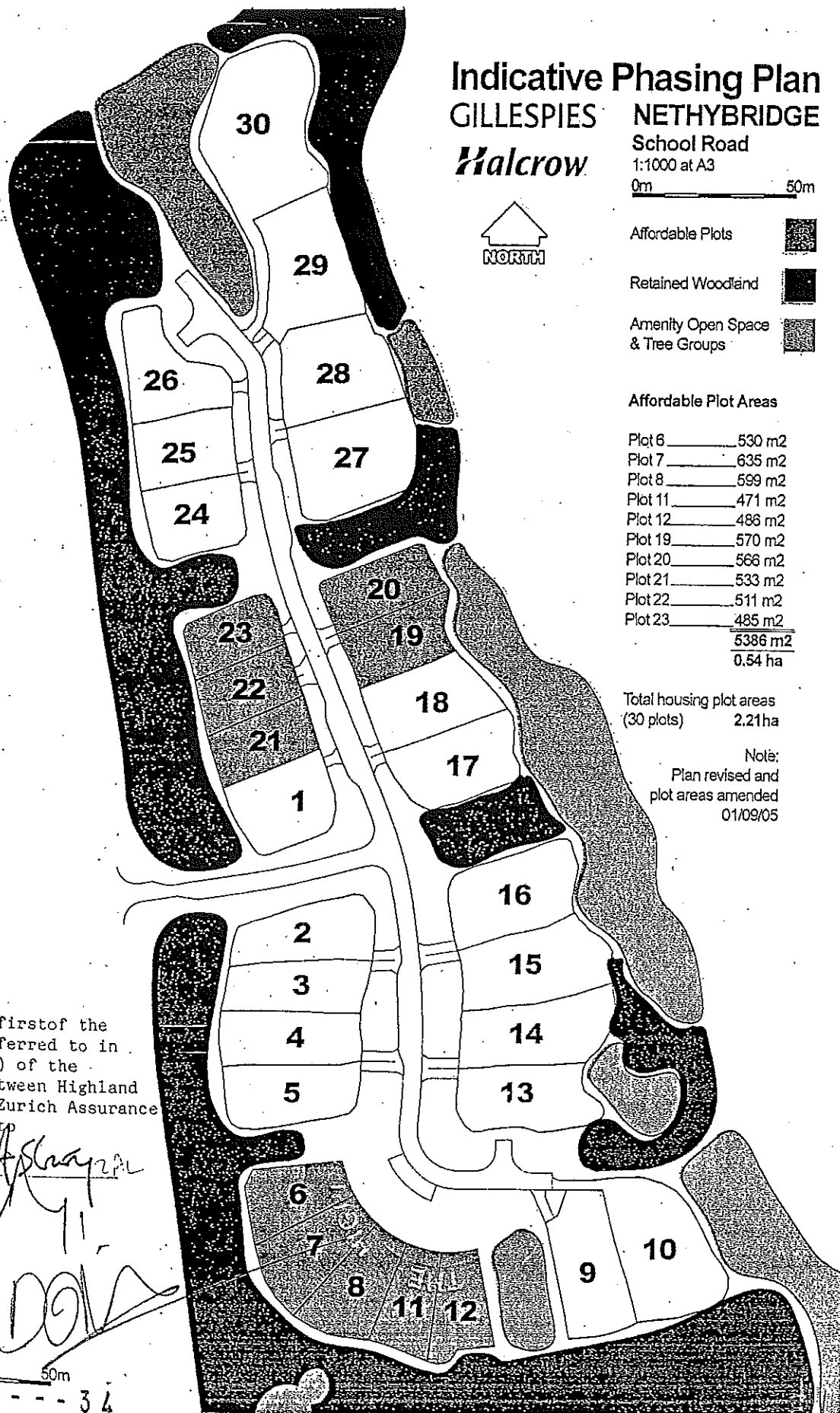
- Affordable Plots
- Retained Woodland
- Amenity Open Space & Tree Groups

Affordable Plot Areas

Plot 6	530 m ²
Plot 7	635 m ²
Plot 8	599 m ²
Plot 11	471 m ²
Plot 12	486 m ²
Plot 19	570 m ²
Plot 20	566 m ²
Plot 21	533 m ²
Plot 22	511 m ²
Plot 23	485 m ²
<hr/>	
	5386 m ²
	0.54 ha

Total housing plot areas
 (30 plots) 2.21ha

Note:
 Plan revised and
 plot areas amended
 01/09/05



This is the first of the two plans referred to in Clause (NINE) of the Agreement between Highland Council and Zurich Assurance annexed hereto

ASL






DO

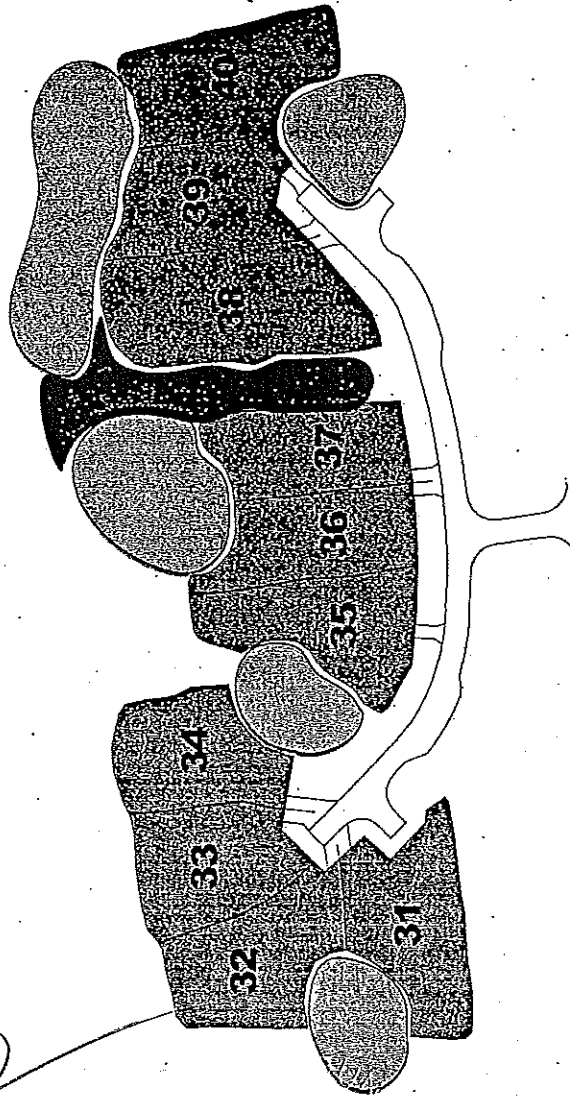
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Indicative Phasing Plan
GILLESPIES
NETHYBRIDGE
Craigmore Road Phase 2
1:1000

Malcrow

-  Self Build Plots
-  Affordable Plots
-  Open Market Houses
-  Retained Woodland
-  Amenity Open Space & Tree Groups



This is the second of the two plans referred to in Clause (NINE) of the Agreement between Highland Council and Zurich Assurance annexed hereto

A. Skene
HR

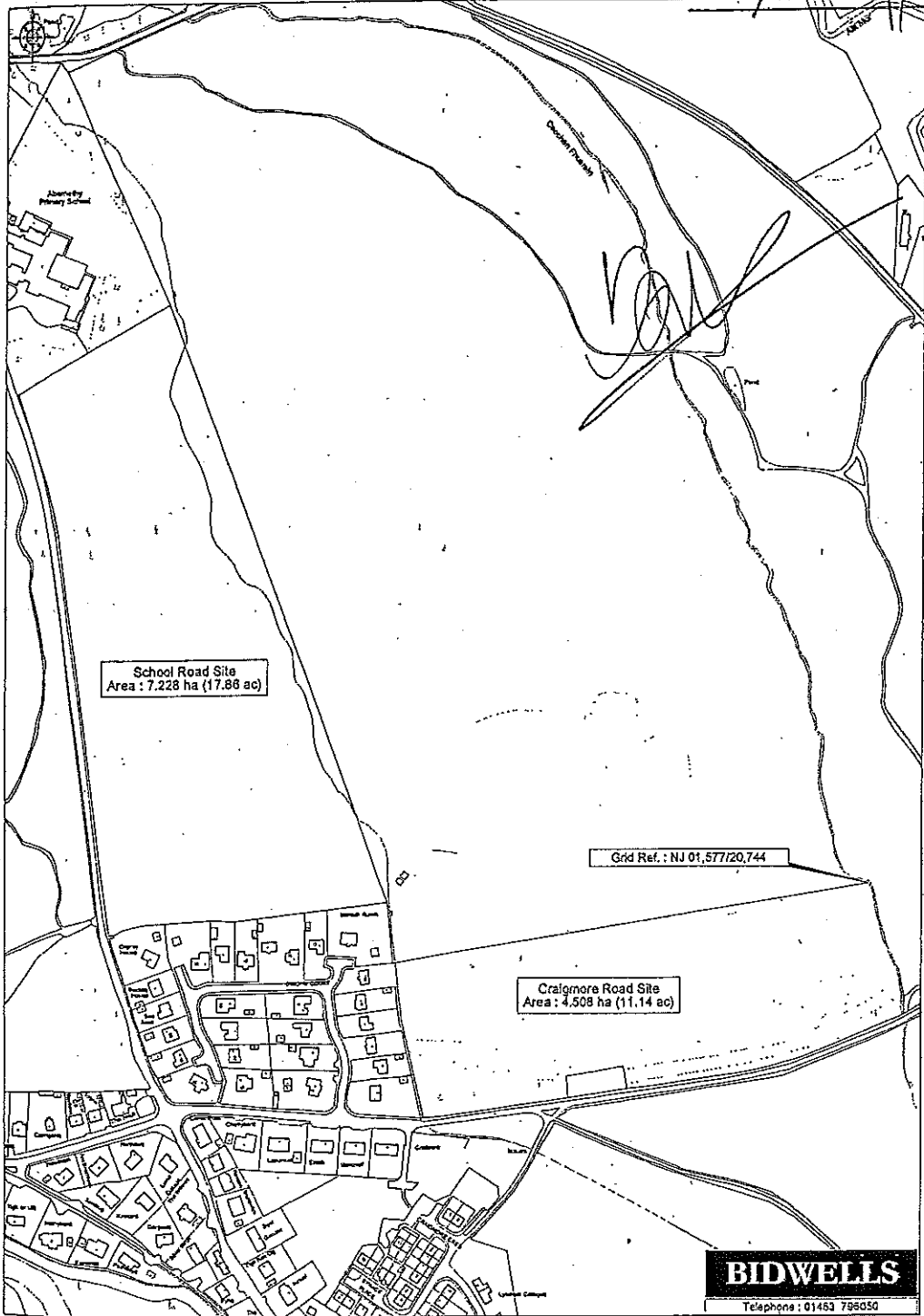
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Land at Nethy Bridge

This is the plan referred to in the Agreement between Highland Council and Zurich Assurance describing the Subjects, annexed hereto

Zurich Assurance
H. Stang



OS Ordnance Survey

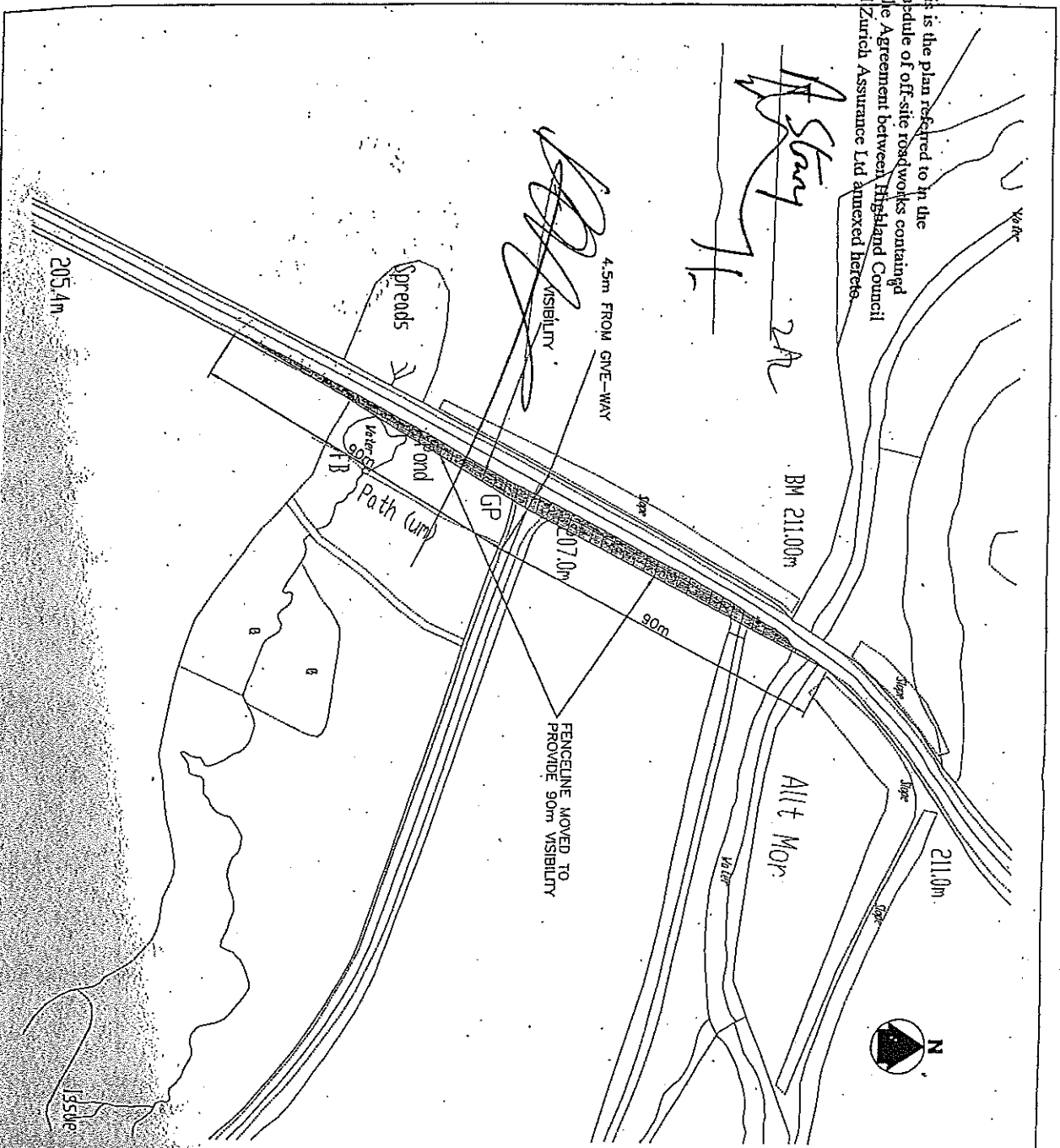
© Crown copyright 2005. All rights reserved. Licence Number 100029486. Survey Scale - varied. Printed Scale - 1:3000

Drawing Number : B. 7758
O.S. Ref : NJ 0120
Date : 14/10/2005

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It is the plan referred to in the schedule of off-site roadworks contained in the Agreement between Highland Council and Zurich Assurance Ltd annexed hereto.



Handwritten: A Star JL
2A

- Notes:
- 1) This drawing to be read in conjunction with the relevant specification and all other relevant drawings.
 - 2) All dimensions and levels to be checked on site and any discrepancies identified prior to commencement of work.
 - 3) All dimensions in millimetres unless otherwise noted.
 - 4) All levels in metres unless otherwise noted.

Revision	By	Checked	Approved	Date	Description

Client: EAGLE STAR LIFE ASSURANCE CO LTD

Notes: No. 000000 33 Dated 17-05-04
Tel 0111 552 2000 Fax 0111 552 2525
www.starlife.com

HALCROW

Project: NETHY BRIDGE WOODLANDS DEVELOPMENT

Drawing: VISIBILITY IMPROVEMENTS NETHYBRIDGE ACCESS ROAD LOCATION C

Drawn by: G.M. Date: 17-05-04

Checked by: H.B. Date: 17-05-04

Authorised by: R.L.D. Date: 17-05-04

Drawing No: NJ-NETH-SK-004

Drawing Scale: 1:1000

CD/Revised: P.H. Scale: 1:1

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Schedule of Off Site Road Works

R This is the schedule referred to within the terms of the Agreement concluded between the Highland Council and Zurich Assurance LTD within the terms of Section 75 of the Town and County Planning (Scotland) Act 1997 annexed and signed as relative hereto

U 211 public road (School Road)

Localised road improvements at two locations between Abernethy Primary School and B970 public road.

•Location A - 102 metres north west of access to Primary School (Grid Ref. 300840, 821250)

- Visibility improvement and carriageway widening.
- Carriageway width of 5.0 metres to be achieved at apex of bend.
- Splayed kerbs to be installed along south west channel of road.
- Overall affected length, including tapers, approx. 75 metres.

•Location B - 85 metres north west of access to Abernethy Trust (Grid Ref. 300640, 821380)

- As above, overall affected length approx. 150 metres.

The plan marked 'visibility improvements, Nethybridge access road location C' annexed hereto showing the location of part of the said works coloured pink and hatched black

Existing 30 mph speed restriction to be extended for full length of road between Causer cross-roads and B970 public road.

B970 public road

Existing 30 mph speed restriction to be extended to suitable location north of U 211 junction

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Improved visibility splays to be provided and maintained at U211 junction.

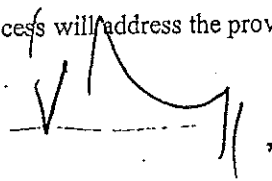
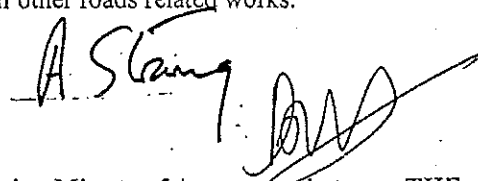
C37 public road (Craigmore road)

Existing 30mph speed restriction to be extended to a suitable location east of the access to the proposed Business Site.

NOTE:

Road Construction Consent will be required in respect of the above works and the construction of internal site roads.

The consent process will address the provision of all other roads related works.

ZAC  A. Stang 

This is the Appendix 1 referred to in the foregoing Minute of Agreement between THE HIGHLAND COUNCIL and ZURICH ASSURANCE LTD

Draft clause for Section 43 Title Conditions (Scotland) Act 2003 real burden assuming more than one purchaser (to be revised for a single plot purchaser)

Part 1

AND ALWAYS WITH AND UNDER the following additional real burden, *videlicet*: It shall not be in the power of our said disponees and their executors and assignees whomsoever to sell either or both of their respective interests in, or any part of their respective interests in the subjects hereby disposed, or any part of them, to any person (except under statutory authority or compulsion) until they or their forebears have first made an offer in writing of their whole respective interests in the same to us, the [insert name and address of designated rural housing body] at our Registered Office at [insert address] or our successors and assignees whomsoever at their registered office at a price equivalent to the cumulative sum calculated on the following basis (declaring that the amounts specified under heads (c) and (d) following shall only be included in said cumulative sum in the event that as at the date of the offer a dwellinghouse has been properly completed on the subjects hereby disposed), namely: (a) the sale price under these presents of [insert figure]; (b) a sum equivalent to the increase in the sum payable under Clause (a) when that sum is increased for each twelve month period by a percentage rate of three percent points for each such twelve month period over the time period commencing with [insert calendar month when date of entry takes place] and ending with the calendar month during which the said offer is made; (c) a sum of [insert figure equivalent to the then

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cost price for the erection of a housing unit in *Badenoch & Strathspey* as then assessed by *Communities Scotland*]; and (d) a sum equivalent to the increase in the sum payable under Clause (c) when that sum is increased for each twelve month period by a percentage rate of three percent points for each such twelve month period over the time period commencing with [insert the month during which the date of entry takes place] and ending with the month during which the said offer is made; declaring with reference to the foregoing sub-clauses (b) and (d), that in any case where the month in which the said offer is made falls part way through any such twelve month period, the portion of increase for that part of such twelve month period (which shall for the avoidance of doubt also be included in the calculation of such sum) shall be equal to that fraction of three percent whose numerator is the number of complete calendar months since the latter of (i) the date of entry; or (ii) any previous complete twelve month period since the date of entry; and whose denominator shall be a factor of twelve: Further providing and declaring that the said offer shall also be on the terms and conditions comprising terms regarding the date of entry together with the Highland Standard Clauses (2005 Edition) specified in the Deed of Declaration by the Faculty of Solicitors of the Highlands dated Sixteenth March and Twenty-first March and registered in the Books of Council and Session on Twenty-second March, 2005, which terms and conditions are *inter alia* all as set out in Part 2 hereof; and we [insert name and designation of the rural housing body], being a rural housing body in terms of Section 43 of the Title Conditions (Scotland) Act 2003, and the right of pre-emption in our favour being a rural housing burden in terms thereof, shall be bound to intimate in writing acceptance or refusal of the offer within forty-two days after the offer shall have been received;

Part 2

The date of entry when vacant possession shall be given will be on the forty second day after the date of the said offer made to the said Highlands Small Communities Housing Trust, or on such other date as may be mutually agreed.

The following conditions are the Highland Standard Clauses (2005 Edition) specified in the Deed of Declaration by the Faculty of Solicitors of the Highlands dated 16th March and 21st March and registered BCS on 22nd March, 2005.

1. Settlement

- 1.1 The Price shall be payable and vacant possession shall be given not later than 2.30pm on the Date of Entry and the payment of the Price is hereinafter referred to as "Settlement".

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1.2 Purchaser's Default

Time shall be of the essence of the bargain to the extent that -

- 1.2.1 If the price or any part thereof is not paid timeously, then notwithstanding consignation or the fact that entry has not been taken by the Purchaser, the Purchaser shall pay to the seller whichever is the greater amount of the following:

EITHER

- 1.2.1.1 Interest on the amount outstanding at the rate of five per centum per annum above the Bank of Scotland base lending rate from time to time until the earliest of [a] the date when full payment of the price is made by the Purchaser, or [b] the date twelve months after the Date of Entry, or [c] the date when the seller completes a resale of the Property and receives the resale price (under declaration quoad [b] and [c] above that in the event of any shortfall between the purchase price hereunder and the resale price, interest as aforesaid shall continue to apply to any such shortfall until such time as the shortfall shall have been paid to the seller).

OR

- 1.2.1.2 An amount equal to the total of all losses, costs and damages which the seller, acting reasonably, has incurred or may incur arising from such breach of contract by the Purchaser, including without prejudice to the generality, any costs relating to a bridging or other loan effected to enable the seller to complete a purchase of heritable property.

- 1.2.2 If the price is not paid in full within twenty-one days of the Date of Entry, the seller shall be entitled at any time thereafter to rescind the missives by giving Notice thereof to the Purchaser, without prejudice to any right or any claim competent to the seller arising from the breach of contract by the Purchaser.

- 1.2.3 This clause 1.2 shall be suspended during any delay in Settlement attributable to the seller or his agents.

1.3 Seller's Default

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Time shall be of the essence of the bargain to the extent that:-

- 1.3.1 If, as a result of the failure of the seller to implement the seller's whole obligations in terms hereof timeously, Settlement does not take place timeously the seller shall pay to the Purchaser an amount equal to the total of all losses, costs and damages which the Purchaser, acting reasonably, has incurred or may incur as a result thereof, which amount may be deducted by the Purchaser from the amount payable to the seller in settlement of the transaction.
- 1.3.2 If the seller is not within a period of twenty-one days of the Date of Entry in a position to implement the seller's whole obligations in terms hereof, the Purchaser shall be entitled at any time thereafter to rescind the missives by giving Notice thereof to the seller, without prejudice to any right or claim competent to the Purchaser arising from the breach of contract by the seller.
- 1.3.3 This clause 1.3 shall be suspended during any period when the seller is unable to implement the seller's whole obligations in terms hereof as a result of any delay attributable to the Purchaser or his agents.

2. Fixtures and Fittings

- 2.1 The Fixtures and Fittings comprise the whole fixtures and fittings in or about the Property, all of which are owned outright by the seller, and include without prejudice to that generality, the following items (so far as the same presently exist) which are in or about the Property namely:
 - 2.1.1 garages, garden sheds or huts, coal bunkers, outhouses, carports, garden frames, greenhouses, summerhouses, fencing and paving slabs and all plants, shrubs and trees in the garden;
 - 2.1.2 All types of blinds, fitted pelmets, curtain rails and runners, curtain poles and rings thereon, and stair carpet fixings;

- 2.1.3 all fitted bedroom furniture, all bathroom, shower room, w.c. and cloakroom fittings including mirrors, showers, cabinets and other toilet fittings, and all kitchen units (free standing or fitted), extractor hoods and extractor fans;
- 2.1.4 All central heating plant, electric storage heaters, wall heaters, immersion heater, loft insulation and all other lagging;
- 2.1.5 Oil in any storage tank and gas in any gas cylinders or tank remaining at Settlement;
- 2.1.6 all electric light fittings, including all fluorescent lights, wall lights (including brackets and shades or bowls in the case of wall lights), dimmer switches, bulbs and bulb holders;
- 2.1.7 television aerials with leads-in, satellite dishes, loft ladder, rotary clothes dryer, clothes poles, door chimes, burglar and fire alarms, other security systems and associated equipment, double glazing units and/or secondary glazing, shelving and fireplace surround units; and
- 2.2 Where a wheeled bin or other receptacle for the collection of refuse is provided for the Property by the Local Authority or other body responsible therefor, the seller shall deliver the same to the Purchaser, failing which the seller shall meet the cost of replacement thereof.

3. Condition of Property, Fixtures and Fittings

- 3.1 So far as the seller is aware the Property (including the larger building or tenement of which the Property forms part, if relevant) is not and except in so far as covered by the Guarantees has not been affected by: (i) any material defect in the water supply, drainage, gas or electric systems; or (ii) any wet rot, dry rot, rising damp or infestation by woodworm or other insect.
- 3.2 If the Property is of timber framed construction, so far as the seller is aware, no cavity foam or other cavity wall insulation has at any time been introduced into the wall cavities.
- 3.3 Any guarantees in force at the Date of Entry in respect of (i) treatments which have been carried out for eradication of timber infestation, dry rot, wet rot, rising damp or

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other such defects and/or (ii) insulation and double glazing, together with all supporting estimates, survey reports and other papers relating thereto ("the Guarantees") will be exhibited with the acceptance hereof and delivered at Settlement. If the Guarantees are not to the Purchaser's reasonable satisfaction, he shall be entitled to rescind the missives without penalty to or by either party, by giving Notice thereof to the seller prior to Settlement or within twenty-one days of the receipt of the Guarantees whichever is the earlier. If requested the seller will assign at his expense all his rights under the Guarantees to the Purchaser, insofar as necessary and competent.

3.4.1 So far as the seller is aware, any central heating system and any storage heaters are presently free from material defect and in working order and will be left by the seller at the Date of Entry in the like condition as they are at present.

3.4.2 So far as the seller is aware the water, electric and gas systems of the Property are now, and at the Date of Entry will be free from material defect and in working order.

3.4.3 "working order" shall be interpreted commensurate with the age of the said systems or storage heaters. Neither the failure to service the central heating system nor the fact that it may no longer comply with current installation regulations shall of itself be deemed to be a defect.

3.4.4 The seller shall meet the reasonable cost (if such cost exceeds One Hundred and Fifty Pounds (£150)) of rectifying any material defect in and/or putting into working order the said systems or storage heaters which existed at Settlement provided the Purchaser gives Notice of the existence of such material defect within seven days of Settlement. Before instructing the works required to remedy such material defect or to put into working order such systems or storage heaters the Purchaser shall allow the seller a reasonable opportunity for inspection.

3.5 The Property and all other items included in the Price will be maintained by the seller in their present condition; fair wear and tear excepted, and will remain at the seller's risk until Settlement. If the buildings forming part of the Property are materially damaged or destroyed prior to Settlement, the Purchaser or seller shall be entitled to rescind the missives without penalty to or by either party by giving Notice thereof to the other party.

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4. Mutual Rights/Repairs

- 4.1 Where the Property forms part of a larger building, it includes a right in common to the solum. The liability for the upkeep of the roof, main walls, common passages and stairs and other common parts is shared equally or on some other equitable basis and reasonable evidence to this effect shall be produced prior to the Date of Entry.
- 4.2 Where the Property includes a right in common in any property, the liability for the cost of maintenance and/or repair of such common property will be shared equally or on some other equitable basis.
- 4.3 The seller will free and relieve the Purchaser of the liability for the cost of any maintenance and/or common repairs carried out, ordered or instructed prior to Settlement.
- 4.4 The seller is not aware of any intended scheme of mutual repairs which has not yet been ordered or instructed.

5. Roads, Water and Drainage

5.1 Roads

The seller warrants that:-

EITHER

- 5.1.1 All roadways, footpaths and kerbs ex adverso the Property have been made up and paid for and are maintained by the Local Authority.

OR

- 5.1.2 There is a private access road to the Property from a roadway maintained by the local authority.

5.2 Water

The seller warrants that:-

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EITHER

5.2.1 The Property is connected to the mains water supply.

OR

5.2.2 The Property is connected to a private water supply system and the water supply is of sufficient quality to comply with the bacteriological and chemical parameters laid down in the Private Water Supply (Scotland) Regulations 1992 as amended and so far as the seller is aware is adequate in quantity at all times for all normal domestic purposes and for the present use of the Property.

5.3 Drainage

The seller warrants that:-

EITHER

5.3.1 The Property is connected to the public sewer and drainage system.

OR

5.3.2 The Property is connected to a private drainage system comprising a septic tank with relative outfall pipe and/or soakaway and all relative pipes, drains and connections ("the Drainage System")

5.3.2.1 The seller warrants that no prohibition notice under the Control of Pollution Act 1974 as amended (in this clause 5.3.2.1 "the Act") has been issued by the Scottish Environment Protection Agency or any other appropriate authority in respect of the Property; and

EITHER

5.3.2.1.1 The Drainage System does not discharge into controlled waters as defined in Part II of the Act;

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OR

5.3.2.1.2 The Drainage System discharges into controlled waters and a consent from the Scottish Environment Protection Agency or other appropriate authority has been granted.

5.4 It is a material condition that if any of clauses 5.1.2, 5.2.2 or 5.3.2 applies, this fact shall be disclosed to the Purchaser in the acceptance hereof and in that event there shall be no binding bargain until the Purchaser accepts the position in writing.

6. Planning and Development

So far as the seller is aware:-

6.1 The existing use of the Property is the permitted use under planning legislation, free from materially adverse conditions, orders or notices thereunder. Without prejudice to the foregoing generality, any restriction as to who may occupy the Property shall be a materially adverse condition for the purpose of this sub-clause;

6.2 All development carried out on the Property has been done in accordance with Planning legislation, the Building (Scotland) Acts, other statutory provisions and any orders, regulations, consents or permissions thereunder;

6.3 There are no Closing Orders, Demolition Orders, other statutory orders or notices or road widening or road re-alignment proposals affecting the Property;

6.4 There are no resolutions or proposals for the compulsory acquisition of the Property or any part thereof and the Property is not in an area designated or proposed to be designated for development by the appropriate authority;

6.5 The Property is of a tolerable standard in terms of the Public Health (Scotland) Acts and the Housing (Scotland) Acts;

6.6 The Property is not listed in either the statutory lists of buildings of special historical or architectural interest or in the Schedule of Monuments maintained by Historic Scotland.

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- 6.7.1 There are no entries relating to the Property in the Register maintained under section 78R (1) of the Environmental Protection Act 1990 (including any amendment, variation or re-enactment thereof) (in this clause 6.7 "the Act");
- 6.7.2 The Local Authority has not served any notice relating to the Property under section 78B (3) of the Act;
- 6.7.3 The Local Authority has not consulted with the seller or any occupier of the Property under section 78G(3) of the Act in relation to anything to be done on the Property as a result of adjoining or adjacent land being contaminated;
- 6.7.4 No entry has been made in the Register and the Local Authority has not served a notice under section 78(B)(3) of the Act in relation to any adjoining or adjacent land which has been identified as contaminated because it is in such a condition that harm or pollution of controlled waters might be caused on the Property.
- 6.8 The Local Authority has not resolved to serve any notice of the type referred to in clauses 6.7.2 or 6.7.4 hereof not to consult in terms of 6.7.3 hereof.

7. Permissions and Certificates

- 7.1 There will be exhibited prior to and delivered at Settlement all necessary planning permissions, building warrants, certificates of completion and other statutory consents relating to the Property.
- 7.2 The usual Property Enquiry Certificates dated not more than three months before Settlement and such other evidence from the appropriate authorities as the Purchaser may reasonably require shall be exhibited prior to and delivered at Settlement to vouch that the position is as disclosed in clauses 5 and 6 hereof, other than as stated in clause 6.8 hereof
- 7.3 The seller will exhibit prior to Settlement and within seven days of receipt of same any notice, order or other documentation relating to the Property issued by any authority or statutory body prior to Settlement.

7.4 If any of the documents referred to in clauses 7.1, 7.2 and 7.3 is not exhibited timeously or discloses any matter materially and adversely affecting the Property, then the Purchaser's only remedy will be to rescind the missives without penalty to or by either party, by giving Notice thereof to the seller prior to Settlement or within twenty-one days of the receipt of the document disclosing such matter, whichever is the earlier. Failing such Notice, the Purchaser shall be deemed to have accepted such matter.

8. Electricity and Gas

The Property is directly connected to the mains electricity supply and if the Property has a gas supply, that supply is a mains gas supply. There are no outstanding charges or liabilities relating to the connection of the electricity supply and any gas supply. There is no supply agreement in force affecting the Property and requiring a minimum revenue to be paid to the appropriate electricity or gas supplier.

9. Development Proposals

So far as the seller is aware as at the date of the seller's acceptance hereof, there are no proposals for development requiring Planning Permission and/or Building Warrant nor has any such Permission or Warrant been obtained in relation to any property either adjoining or in the neighbourhood of the Property. The seller has received no written intimation of any such proposals.

10. Titles and Searches

10.1 Disposition

At Settlement there will be delivered a validly executed marketable disposition of the Property in favour of the Purchaser or the Purchaser's nominees;

10.2 First Registration

If the title is not registered under the Land Registration (Scotland) Act 1979 (in this clause 10 "the Act")

10.2.1 The seller will at or prior to Settlement deliver or exhibit:-

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- 10.2.1.1 A valid marketable prescriptive progress of titles and all writs referred to for burdens;
- 10.2.1.2 A form 10 Report or, if applicable, a form 11 Report, brought down to a date not more than three days prior to the date of Settlement and showing no entries including (without prejudice to the generality) any Notice of Potential Liability of Costs registered under the Tenements (Scotland) Act 2004 adverse to the seller's interest, the cost of the said report being the responsibility of the seller.
- 10.2.1.3 Such documents and evidence as the Keeper may require to enable the Keeper to issue a land certificate in name of the Purchaser or the Purchaser's nominees as the registered proprietor of the Property and containing no exclusion of indemnity in terms of section 12(2) of the Act; such documents shall include (unless the whole Property only comprises part of a tenement or flatted building) a plan or bounding description sufficient to enable the Property to be identified on the Ordnance Survey map and evidence (such as a Form P16 Report) that the description of the Property as contained in the title deeds is habile to include the whole of the occupied extent 10.2.2. The land certificate will disclose no entry, deed or diligence prejudicial to the Purchaser's interest other than such as are created by or against the Purchaser or have been disclosed to and accepted by the Purchaser prior to Settlement.
- 10.2.3 Notwithstanding the terms of Clause 16 hereof, this clause 10.2 shall remain in full force and effect and may be founded upon until implemented.

10.3 First Registration

If the title is registered under the Act:-

- 10.3.1 The seller will at or prior to Settlement deliver or exhibit:-
 - 10.3.1.1 A land certificate containing no exclusion of indemnity in terms of section 12(2) of the Act;
 - 10.3.1.2 All necessary links in title evidencing the seller's exclusive ownership of the Property.

10.3.1.3 A P17 Report if required; and

10.3.1.4 A Form 12 Report or, if applicable, a form 13 Report brought down to a date not more than three days prior to the date of Settlement and showing no entries including (without prejudice to the generality) any Notice of Potential Liability of Costs registered under the Tenements (Scotland) Act 2004 adverse to the seller's interest

10.3.2 The cost (if any) of the said reports shall be the responsibility of the seller.

10.3.3 In addition, the seller will furnish to the Purchaser such documents and evidence as the Keeper may require to enable the interest of the Purchaser to be registered in the Land Register without exclusion of indemnity in terms of said section 12(2)

10.3.4 The land certificate to be issued to the Purchaser will disclose no entry, deed or diligence prejudicial to the Purchaser's interest other than such as are created by or against the Purchaser or have been disclosed to and accepted by the Purchaser prior to Settlement.

10.3.5 There are no overriding interests affecting the Property at Settlement.

10.3.6 Notwithstanding the terms of Clause 16 hereof, this clause 10.3. shall remain in full force and effect and may be founded upon until implemented.

10.4 Incorporated Bodies

The seller will produce appropriate evidence, if required, to satisfy the Purchaser that there are no entries in any Charges Register or company files which adversely affect the title.

If the seller is a Company or other incorporate body:

10.4.1 The seller will deliver or exhibit within three months after Settlement:-

10.4.1.1 A Search or Searches in the Register of Charges disclosing no charges granted by the seller other than such as may have been disclosed to and accepted by the Purchaser prior to Settlement, and

10.4.1.2 A report in the Companies Office files of the seller brought down to disclose no notices relating to the winding up, liquidation, administration, suspension, receivership or striking off and disclosing its registered office bearers.

10.4.2 Each such Search and Report shall be brought down to twenty-two days after the date when the seller ceased to be infert in or have any interest in the Property or any part thereof.

10.4.3 There shall be exhibited an Interim Report on the Search in the Register of Charges and the Report in the Companies Office files both dated not more than three days prior to settlement. If such Interim Report shall disclose any floating charge which is still in force there shall be delivered at Settlement a certificate of non-crystallisation of such floating charge by the security holders in such terms as the Purchaser may reasonably require.

10.5 Community Interests in Land

At the date of conclusion of missives there is no entry in the Register of Community interests in Land prohibiting the Seller from transferring the Property to the Purchaser.

11. Title Conditions, etc

11.1 Without prejudice to the generality of clause 10:-

11.1.1 The Property is as possessed by the seller and as seen by the Purchaser;

11.1.2 Where the Property does not have direct access to a roadway maintained by the Local Authority, a servitude right of way for vehicles and pedestrians shall be granted to the Purchaser by the access route at present used from such a roadway to the Property. Liability for the maintenance, repair and renewal of the access

route is or shall be the responsibility of the proprietors having right to use the said access route, the liability being shared on an equitable basis;

11.1.3.1 If the connection to the mains water supply lies outwith the Property any necessary servitudes permitting the use of the water supply system as at present existing will be granted in favour of the Purchaser; and

11.1.3.2 If any part of such water supply system is not part of the public mains water supply system but is common to the Property and other subjects the title deeds contain provisions for the maintenance, repair and when necessary renewal of such part by the parties served by the same according to user or on some other equitable basis.

11.1.4 If the Property is connected to a private water supply system:-

11.1.4.1 All necessary servitude rights for the use, maintenance, repair and renewal of the said system shall be granted to the Purchaser; and

11.1.4.2 If any part of the said system is common to the Property and other subjects, liability for the maintenance, repair and when necessary renewal of the said system shall be the responsibility of the persons having right to use the same, the liability being shared on an equitable basis.

11.1.5 If the Property is connected to a public sewer and drainage system:-

11.1.5.1 If the connection to the public sewer lies outwith the Property, any necessary servitudes for any existing pipes or drains between the Property and the public sewer will be granted in favour of the Purchaser; and

11.1.5.2 If any part of the drainage system for the Property is not part of the public sewer but is common to the Property and other subjects the title deeds contain provisions for the maintenance, repair and where necessary renewal of such parts by the parties served by the same according to user or on some other equitable basis.

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- 11.1.6 If the Property is connected to a private drainage system comprising a septic tank with relative outfall pipe and/or soakaway and all relative pipes, drains and connections ("the Drainage System"); and
- 11.1.6.1 The Drainage System for the Property either lies entirely within the Property or all necessary servitude rights permitting the same to be used as at present used by the seller and for the maintenance, repair and renewal thereof will be granted to the Purchaser; and
- 11.1.6.2 If any part of the Drainage System is common to the Property and any other subjects all necessary rights in common will be granted to the Purchaser and the title deeds contain provision for the maintenance, repair and renewal of the Drainage System by the parties having right to use the same on an equitable basis.
- 11.1.7 All necessary servitude rights of access for the inspection, maintenance, repair and renewal of the Property shall be granted to the Purchaser;
- 11.1.8 There are no servitudes or other third party rights and no unusual or unduly onerous real conditions which materially and adversely affect the Property;
- 11.1.9 There are no repayable grants affecting the Property
- 11.1.10 All obligations affecting the Property have been duly implemented and so far as continuing are being duly complied with
- 11.1.11 There is no outstanding liability for any part of the cost of constructing walls, fences, roadways, footpaths or sewers or other services.
- 11.1.12 The Property includes the minerals in so far as the seller has right thereto. If the minerals have been reserved to any party, such reservation does not include any right to enter upon or work the surface of the Property and is subject to that party making good any surface damage occasioned thereby. So far as the seller is aware, no mines, metals or minerals have been at any time removed from the Property, there is no intention to work the same and no Planning Consent has been granted therefor.

11.2 If there is any matter which is at variance with the terms of clauses 11:1, 4.1 or 4.2, and which materially and adversely affects the Property, the Purchaser's only remedy shall be to rescind the missives without penalty to or by either party, by giving Notice thereof to the seller prior to Settlement or within twenty-one days of such matter being disclosed to the Purchaser, whichever is the earlier. Failing such Notice, the Purchaser shall be deemed to have accepted such matter.

12. New Property Warranties

If the dwellinghouse forming part of the Property has been completed within ten years prior to Settlement:-

EITHER

12.1 There will be exhibited prior to and delivered at Settlement home warranty scheme documentation from NHBC or Zurich Municipal.

OR

12.2 There will be exhibited with the acceptance hereof and delivered at Settlement, a certificate issued by a qualified and indemnified professional consultant with adequate professional indemnity insurance cover which is acceptable to the Purchaser. The Purchaser shall be deemed to have accepted such certificate unless he gives Notice to the contrary within twenty-one days of receipt thereof.

13. Council Tax

During the period of the seller's ownership, no alterations have been made to the Property, which could result in a change in the band of the Property for Council Tax purposes.

14. Matrimonial Homes

14.1 The Property shall, at Settlement, be unencumbered by occupancy rights of any non-entitled spouse, whether of a current or any previous proprietor.

14.2 If the Property includes a matrimonial home, within the meaning of the Matrimonial Homes (Family Protection) (Scotland) Act 1981, as amended and the title is in the name of one spouse only there will be delivered at or before Settlement (a) a duly executed statutory form of consent by the seller's spouse to the sale of the Property to the Purchaser, or (b) a duly notarised Renunciation of the occupancy rights of the seller's spouse in the Property, or (c) in the event of the seller being or stating that he or she is unmarried, an Affidavit to the effect that there is no non-entitled spouse; all in terms of the Section 6 of the said Act as amended; and in the event of there being delivered a statutory form of consent as aforesaid; the seller's spouse will in addition sign the disposition to follow hereon as signifying continuing consent to the dealing implemented thereby.

14.3 In the event of any movables being included in the Property the seller warrants that no application to the Court has been made under Section 3(2) of the said Act.

15. Crofting

The provisions of the Crofters (Scotland) Act 1993 do not apply to the Property. Any Decrofting Direction or Resumption Order under the Crofting Acts relating to the Property shall be exhibited prior to and delivered at Settlement.

16. Continuation of Missives

Subject to the terms of clauses 10.2.3 and 10.3.6 the missives shall cease to be enforceable after a period of two years from Settlement except (a) in any court proceedings which have commenced within that period and (b) in relation to any obligation which the seller undertakes to implement after Settlement.

17. Trust Declaration

During the period commencing with the delivery to the Purchaser of the disposition and ending with its effective registration in the Land Register the seller shall hold the title to the Property, so far as not effectively transferred to the disponee by delivery of the disposition, in trust for the disponee and a declaration to this effect shall be included in the disposition.

18. Notices

18.1 Any Notice under the missives shall be in writing and service of the letter giving same may be effected by delivery, ordinary or recorded delivery post, DX, LP or fax to the solicitor of the seller or of the Purchaser as the case may be.

18.2 It shall be sufficient in proving service of a Notice sent by recorded delivery post, to show that the envelope containing the same was properly addressed to the solicitor of the seller or of the Purchaser as the case may be.

18.3 Where Notice must be given within any specific period, time shall be of the essence, and where the Notice is given by recorded delivery post, the date of posting shall be deemed to be the date of delivery.

19. Interpretation

In this Schedule of Conditions and in the offer annexed hereto:-

19.1 The headings on the numbered clauses do not form part of the offer and shall not affect the interpretation thereof;

19.2 The masculine includes the feminine; and

19.3 Words in the singular include the plural and words in the plural include the singular.

ZAC *A. Stang*
[Signature]

[Signature]

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