



Glasgow School of Art
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Our ref: HFL/HEG/SL/4
21 April 2008

Dear Sirs

**GLASGOW SCHOOL OF ART, MACKINTOSH BUILDING, 167 RENFREW STREET, GLASGOW – PHASE 1
HISTORIC BUILDINGS AND ANCIENT MONUMENTS ACT 1953**

On behalf of the Scottish Ministers I hereby offer to make a grant to you Glasgow School of Art, 167 Renfrew Street, Glasgow, G3 6RQ for the purpose of defraying in whole or in part the expenditure incurred or to be incurred by you in the repair or maintenance of the Subjects (as hereinafter defined) on the following terms and conditions as supplemented by the Standard Conditions of Grant annexed and executed as relative hereto (“the Standard Conditions of Grant”) the terms of which shall apply to this offer.

1. Definitions

Unless the context otherwise requires, in this Offer and the Standard Conditions of Grant the following expressions shall have the following meanings:-

- 1.1 “the Grantee” means Glasgow School of Art, 167 Renfrew Street, Glasgow, G3 6RQ.
- 1.2 “the Subjects” means the subjects known as and forming The Mackintosh Building, 167 Renfrew Street, Glasgow, G3 6RQ.
- 1.3 “the Project” means the repair of the subjects for continued use as an educational establishment and to provide additional facilities for the public.



1.4 “the Total Grant Eligible Cost”

means **FOUR HUNDRED THOUSAND AND ONE HUNDRED AND SEVENTY FIVE POUNDS STERLING (£400,175)** or such other sum as the Scottish Ministers acting reasonably, consider represents the Grant Eligible Costs incurred by the Grantee after having carried out an inspection of the Approved Scheme when complete and after having examined the final account for carrying out the Approved Scheme.

1.5 “the Approved Scheme Completion Date”

means 30 September 2009.

1.6 “the Final Account Deadline”

means 31 March 2010.

2. The Grant

2.1 The Grant to be made by Scottish Ministers to the Grantee shall (subject to Condition 3 of the Standard Conditions of Grant) be **ONE HUNDRED AND SIXTY ONE THOUSAND AND TWO HUNDRED AND FIFTY POUNDS STERLING (£161,250)**.

2.2 The Grant shall be used for the purposes of the Project and for no other purpose.

3. Ranking

Scottish Ministers shall, if requested so to do by the Grantee, enter into a Ranking Agreement with the Grantee which will be recorded in the Land Register of Scotland or Register of Sasines to document the ranking provisions.

Scottish Ministers (i) consent to the creation of any standard securities hereafter granted by the Grantee to a commercial lender over and affecting the Subjects or any part thereof and to the standard security in their favour ranking postponed to such standard securities provided that, for the Control Period, the aggregate amount of principal (including any further advances under an “all sums” security) in respect of which all prior standard securities rank, after the creation of such standard securities and discharge of any for which they or any of them are a substitute, shall not exceed two thirds of the market value of the Subjects and (ii) without prejudice to (i) above, consent to any standard security in favour of the Trustees of the National Heritage Memorial Fund ranking *pari passu* with the standard security in their favour.

4. Public Access

The Grantee will arrange that following completion of the Project and for the Control Period, members of the public will be granted access to the interior of the Subjects for a minimum of 25 days each year between the months of May and September, at least 10 of which will be at weekends. Access shall be granted free of charge on Doors Open Day in the City of Glasgow



and on one other day in each calendar year. For the avoidance of doubt, the Grantee shall be entitled to require that all access is supervised.

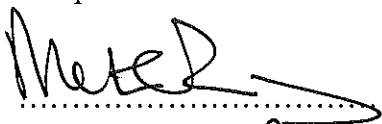
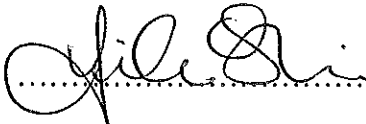
The Grantee shall arrange that the access arrangements set out above will be publicised in the local or national newspapers at least three times a year; through specialist historic buildings or tourist guides and by written notification to the local tourist office.

5. Supersedes Previous Offer

This Offer supersedes the previous Offer made by the Scottish Ministers to Glasgow School of Art dated 8 August 2007.

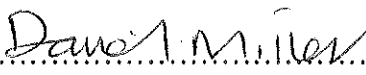
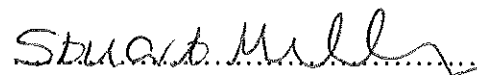
6. Time Limit for Acceptance

This offer shall be open for acceptance in writing within one month after the date of offer and failing acceptance on or before that date shall thereafter be deemed to have been withdrawn.

	..... Signed		..... Witness
MARCO CHARLES FINLAY	..... Full Name	JENNIFER MARY STORRIE	..... Full Name
HEAD OF INVESTMENT	..... Designation	LONGMORE HOUSE	..... Address
SALISBURY PLACE	..... Address	SALISBURY PLACE	.....
Edinburgh EH9 1SH	.....	EDINBURGH EH9 1SH	.....

Dated 21 April 2008

We, Glasgow School of Art hereby accept the terms and conditions contained in the foregoing offer of grant by Scottish Ministers dated 21 April 2008.

	..... Signed		..... Witness
DAVID MILLER	..... Full Name	STUART MILLER	..... Full Name
DIRECTOR OF ESTATES DEVELOPMENT	..... Designation	ESTATES DEVELOPMENT DEPARTMENT	..... Address
167 RENFREW STREET	..... Address	THE GLASGOW SCHOOL OF ART, 167 RENFREW STREET, GLASGOW	.....
GLASGOW G3 6RQ	.....	G3 6RQ	.....

Dated 29.04.08



These are the Standard Conditions of Grant referred to in the foregoing offer on behalf of the Scottish Ministers to Glasgow School of Art for works to Glasgow School of Art, Mackintosh Building, 167 Renfrew Street, Glasgow, G3 6RQ.

ANNEX 1 – Standard Conditions of Grant for Repair of Historic Buildings and Monuments

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1 Definitions

Unless the context otherwise requires, in the Offer and the Standard Conditions of Grant the following expressions shall have the following meanings:-

- 1.1 “Completion Date” means the later of the following dates –
- (a) the date of receipt by Scottish Ministers of the Grantee’s Professional Advisor’s Certificate of Practical Completion of the Approved Scheme; or
 - (b) the date of Practical Completion of the Approved Scheme in accordance with condition 10 hereof.
- 1.2 “Data” means all data, text, drawings, diagrams, images or sounds, know how and other information recorded in any electronic or tangible medium in relation to the procurement and completion of the Project created by or on behalf of the Grantee (or created by a third party commissioned by the Grantee) in which relevant intellectual property rights are either held by the Grantee or used by the Grantee under licence with the right to permit use by third parties.
- 1.3 “Defects Liability Period” means the defects liability period to be provided for in the contract for the execution of the Approved Scheme which shall not be less than one year.
- 1.4 “Environmental Laws” means all statutes and subordinate legislation, all European Community regulations and directives all common law and other national or local laws, all regulations, orders, guidance notes, codes of practice, circulars, by-laws or directions and all judgements, orders, instructions or awards of any court or competent authority insofar as any of the above relate to health and safety or the environment (the term “environment” having the same definition as stated in Section 1(1) of the Environmental Protection Act 1990), all as amended or re-enacted from time to time;
- 1.5 “Grant Eligible Costs” means that proportion of the cost of implementing the Approved Scheme as is deemed eligible for grant assistance in terms of section 4 of the Historic Buildings and Ancient Monuments Act 1953.
- 1.6 “Schedule of Approved Scheme Funding” means the schedule of Approved Scheme Funding annexed and executed as relative hereto.
- 1.7 “Scottish Ministers” means Scottish Ministers acting through Historic Scotland, Longmore House, Salisbury Place, Edinburgh EH9 1SH.
- 1.8 “the 1970 Act” means the Conveyancing and Feudal Reform (Scotland) Act 1970 as amended.

- 1.9 "the Approved Scheme" means the scheme of work to repair the Subjects approved by the Scottish Ministers as specified and detailed in the Approved Scheme Specification.
- 1.10 "the Approved Scheme Specification" means the documents and plans referred to and specified in the Schedule annexed hereto and such other documents and plans as may be approved by the Scottish Ministers in addition thereto or in substitution therefor from time to time.
- 1.11 "the Control Period" means the period of fifteen years, commencing on the date of the Offer.
- 1.12 "Constitutive Deed" means a valid deed creating a conservation burden in terms of Section 38 of the Title Conditions (Scotland) Act 2003 in favour of the Scottish Ministers, which Constitutive Deed shall be in the terms of the draft Constitutive Deed (with the relevant information inserted therein) annexed and executed as relative hereto.
- 1.13 "the Grant" means the sum or sums advanced or to be advanced by the Scottish Ministers to the Grantee in terms of section 4 of the Historic Buildings and Ancient Monuments Act 1953 as calculated in accordance with conditions 3 and 4 hereof.
- 1.14 "the Offer" means the foregoing offer to which these Standard Conditions of Grant are attached.
- 1.15 "the Professional Advisor" means a suitably accredited professional in building conservation appointed by the Grantee to manage and oversee the carrying out of the Approved Scheme.
- 1.16 "the Standard Conditions" means the standard conditions contained in Schedule 3 to the 1970 Act.
- 1.17 "the Standard Security" means a valid Standard Security to be granted by the Grantee in favour of Scottish Ministers over their interest in the Subjects in security of all sums due or to become due by the Grantee to the Scottish Ministers and of the fulfilment of the Grantee's obligations in terms of the Standard Conditions of Grant, which Standard Security shall be in the form of the draft Standard Security (with the relevant information inserted therein) annexed and executed as relative hereto.
- 1.18 "Use" means access to and/or copying by Scottish Ministers of Data in whole or in part without payment in whatever medium and whenever required for Scottish Ministers' own records in relation to the Project or for such promotional or other purposes as Scottish Ministers may consider to be appropriate including but not limited to Scottish Ministers' use on their website.

1.19 “validly executed” means executed in a manner prescribed to be valid for the purposes of Sections 3 and/or 7 and/or Schedule 2 of the Requirements of Writing (Scotland) Act 1995.

2 Preconditions

2.1 The Offer is entirely conditional upon the Grantee exhibiting to Scottish Ministers:

- (a) copies of all building warrants, planning and listed building consents and all other consents and approvals required by the Grantee in connection with the carrying out of the Approved Scheme;
- (b) costed profile and programme showing the eligible works to be carried out under the Approved Scheme on a monthly basis.
- (c) evidence satisfactory to Scottish Ministers that the Grantee has available sufficient finance (taking into account the Grant) to enable the Grantee to complete the Approved Scheme in terms of the Offer and Standard Conditions of Grant;
- (d) a cashflow statement regarding the financing of the Approved Scheme in terms satisfactory to the Scottish Ministers.

2.2 In the event that the preconditions contained in condition 2.1 hereof have not been purified within one month of the date of the Offer Scottish Ministers shall be entitled to rescind the Offer.

2.3 The Grantee shall not commence works under the Approved Scheme until Scottish Ministers give their permission in writing.

2.4 In the event that condition 2.3 hereof is not complied with Scottish Ministers shall be entitled to rescind the Offer.

3 The Grant

3.1 The Grantee confirms that the Approved Scheme is to be funded as shown on the annexed Schedule of Approved Scheme Funding. In the event that there is a variation to the Approved Scheme Funding, the Grantee shall intimate to Scottish Ministers the nature and amount of such variation within 7 days of receiving confirmation of the variation from the relevant party/parties. The Scottish Ministers shall be entitled to reduce the amount of the Grant by such amount as they may consider appropriate, but in any event by an amount not exceeding the amount of such variation to the Approved Scheme Funding. The Scottish Ministers shall be entitled to rescind the offer of Grant at their discretion in the event of a material change to the Approved Scheme funding.

3.2 The Grantee shall advise Scottish Ministers forthwith of any material variance between the costed profile provided for in condition 2.1(b) hereof and the actual costed profile. The Scottish Ministers shall be entitled to reduce the amount of the Grant by such amount as they consider appropriate but in any event not exceeding any reduction in such costed profile.

4 Procedure for Release of the Grant

4.1 Scottish Ministers shall make payment of the Grant provided the Grantee has complied with the terms of this Offer and without prejudice to the foregoing generality has complied with their obligations in terms of Clause 5 hereof.

4.2 The Grant shall be released by instalments as follows, subject always to condition 4.1 hereof :-

- (a) 50% of the Grant shall be released on the later of (i) the purification of condition 2 hereof and (ii) the Grantee's acceptance of the Offer;
- (b) 20% of the Grant shall be released on the date notified by the Grantee as its reasonable estimate of the date halfway through the programme referred to in condition 2.1(c) hereof having regard to its actual progress, the Grantee being obliged to give at least 15 business days' notice of such date;
- (c) 20% of the Grant shall be released on Practical Completion; and
- (d) 10% of the Grant ("the retention monies") shall be released in terms condition 10 hereof and submission of the final account..

4.3 It is not intended by the Offer and the acceptance to follow thereon to confer any benefit on any third party.

5. Title conditions and delivery of documentation

The Grantee shall prior to the release by Scottish Ministers to the Grantee of any part or instalment of the Grant:

- 5.1 deliver to Scottish Ministers a validly executed Standard Security together with particulars of execution and the Grantee's solicitor's cheque for the prepayment of the registration of recording dues of the Standard Security in the Land Register of Scotland or General Register of Sasines, as applicable.
- 5.2 exhibit to Scottish Ministers a valid marketable title to their interest in the Subjects in the name of the Grantee with either a Land Certificate containing no exclusion of indemnity and an up to date Form 12/13 report, or a prescriptive progress of title deeds together with the appropriate burden writs and clear searches and interim reports updated as reasonably required by Scottish Ministers, showing no entries adverse to the Grantee's interest, the

cost of such reports being the responsibility of the Grantee and all showing no title conditions or encumbrances adverse to the interests of the Scottish Ministers as prospective holders of the Standard Security.

- 5.3 where the Grantee is a company exhibit to Scottish Ministers up to date Searches in the Register of Charges and company file of the Grantee which Searches will disclose no entry prejudicial to the grant of the said Standard Security and will confirm that there is no notice regarding the appointment of a receiver, administrator or liquidator, winding-up, striking-off affecting the Grantee and the full names of the present directors and secretary of the Grantee.
- 5.4 deliver a letter of obligation from the Grantee's solicitors, in terms to be adjusted incorporating the Grantee's solicitor's obligation to exhibit within a year from the date of delivery of the Standard Security the searches in the Property and Personal Registers continued in terms to be agreed, and to clear records of any deed, decree, or diligence (other than such as may be created by or against the Scottish Ministers) disclosed by such continuation, such searches to disclose the recording of the said Standard Security but only provided that the Standard Security is recorded within a period of 14 days after the date of settlement.
- 5.5 where the Grantee is a company deliver a letter of obligation undertaking on behalf of the Grantee to exhibit searches in the Register of Charges and company file of the Grantee brought down to a date at least forty three days after the date of such letter of obligation, disclosing no entry prejudicial to the granting and recording of the said Standard Security and confirming that there is no notice regarding the appointment of a receiver, administrator or liquidator, winding-up, striking off or change of name affecting the Grantee.
- 5.6 deliver the Constitutive Deed, validly executed, together with a cheque for the recording dues thereof.
- 5.7 in the event that the Grantee is a tenant under a lease of more then 20 years procure that the proprietor of the Subjects grants a Constitutive Deed in terms of Clause 5.6 above.

6 Expenses

The Grantee shall pay to Scottish Ministers within 14 days of demand all costs, charges and expenses incurred by Scottish Ministers in the enforcement of the Standard Conditions of Grant always accepting that Scottish Ministers and the Grantee shall each be responsible for their own costs, charges and expenses incurred in connection with the preparation of the foregoing offer of Grant.

7 Approved Scheme

- 7.1 The Grantee shall procure that on or before the Completion Date (as extended in terms of Condition 9.3) the Approved Scheme shall be

completed in a good and workmanlike manner using only good quality materials and to a standard acceptable to Scottish Ministers; declaring that if any works within the Approved Scheme are not carried out, or not so completed, the whole or part of the Grant already paid shall be recoverable.

- 7.2 The Grantee shall ensure that the Approved Scheme is completed in accordance with (i) all Environmental Laws and (ii) all the warrants, consents, approvals and others specified in condition 2.1(a) hereof.
- 7.3 The Grantee shall notify Scottish Ministers of any proposed variations to the Approved Scheme (including any variations to specifications of materials or techniques) immediately for approval, which approval may be given or not in the absolute discretion of Scottish Ministers.
- 7.4 The Grantee shall notify Scottish Ministers of any anticipated change in the date of completion of the Project or of the pattern of claims for grant over the duration of the Project.
- 7.5 The Grantee shall appoint a Professional Advisor to supervise the carrying out of the Approved Scheme.
- 7.6 The Grantee shall prepare and submit to Scottish Ministers monthly reports on the progress (both physical and financial) of the Approved Scheme and also of the Project (including evidence of the costs incurred) in a form to be agreed with Scottish Ministers and provide them with such information as they may require to enable them to ascertain that the Standard Conditions of Grant are being fully observed.
- 7.7 The Grantee shall ensure that adequate works insurance cover is arranged to protect the historic fabric of the Subjects during the period when the works comprising the Approved Scheme are being carried out.

8 Inspection

- 8.1 The Grantee shall during the period of the carrying out of the Approved Scheme permit Scottish Ministers' representatives to have access to the Subjects and the Approved Scheme at all reasonable times for the purpose of inspection of the state and progress of the Approved Scheme provided that Scottish Ministers comply with all such safety precautions as may be in force from time to time at the Subjects; and in the event of Scottish Ministers ascertaining that a failure to comply with the Standard Conditions of Grant has occurred Scottish Ministers shall be entitled, but not bound, to give notice of the same to the Grantee who shall take such action as may be necessary to remedy such failure. DECLARING THAT the exercise or non-exercise of the foregoing rights by Scottish Ministers shall not prejudice any right Scottish Ministers may have against the Grantee in terms of the Standard Conditions of Grant, and Scottish Ministers shall not be entitled to issue any directions to any contractor or their representative in respect of the Approved Scheme, written or otherwise.

- 8.2 Scottish Ministers shall be entitled to receive from the Grantee sufficient information in respect of progress and execution of the Approved Scheme in order to enable them to assess whether there have been or are likely to be material departures from the Approved Scheme Specification.

9 Timescale for Works

Final Account Deadline

- 9.1 If the Completion Date has not occurred on or before the Final Account Deadline or, on or before the expiry of the extension to the Final Account Deadline in terms of Condition 9.2 the Grantee shall repay to Scottish Ministers the Grant or such amount of the Grant as Scottish Ministers think fit in their absolute discretion within a period of 21 days of demand.

Extension of Time

- 9.2 In the event of any delays in completion of the Approved Scheme attributable to the following factors –

- (a) exceptionally inclement weather;
- (b) civil commotion or labour disputes;
- (c) shortage of materials;
- (d) any other matter which in the reasonable opinion of Scottish Ministers is beyond the control of the Grantee or the Approved Scheme contractor;

the Grantee shall give written notice to Scottish Ministers and the Grantee shall be allowed such extension to the Completion Date and the Final Account Deadline as is reasonable in the circumstances.

10 Completion of Approved Scheme

“Practical Completion”

- 10.1 In this Condition –

“Practical Completion” of the Approved Scheme means completion of the Approved Scheme fully in accordance with the foregoing offer of Grant except for such items of incomplete work or defects which, when taken as a whole, do not constitute a material failure by the Grantee to complete the Approved Scheme in accordance with the Conditions of Grant.

10.2 The Grantee shall give Scottish Ministers not less than 15 business days' notice of the date of the Grantee's Professional Advisor's initial final inspection of the Approved Scheme and reasonable prior notice of any subsequent inspection. The Grantee shall procure that the Grantee's Professional Advisor is bound to have regard to any reasonable representations by Scottish Ministers in regard to the issue by the Grantee's Professional Advisor of a Certificate of Practical Completion under the Approved Scheme Contract.

10.3 In the event of a dispute between the Grantee and Scottish Ministers as to :-

- (a) whether or not a notice under Condition 10.2 has been properly issued, or
- (b) the respect in which the Approved Scheme has not reached Practical Completion;

either party shall be entitled forthwith to refer such dispute to an independent architect agreed between the parties, or in the absence of agreement to be appointed by the President of the Royal Incorporation of Architects in Scotland on the application of either party. Such architect shall act as an expert, not an arbiter, and his decision shall be final on the parties for the purposes of this condition only.

11 Publicity

- 11.1 The Grantee shall display at or near the property and in a prominent position for the duration of the Approved Scheme a sign supplied by Scottish Ministers publicising the support given by Historic Scotland.
- 11.2 Scottish Ministers will be entitled to publicise the property in any publication or on the website of Historic Scotland or Scottish Ministers.
- 11.3 The Grantee shall ensure, as far as is possible and reasonable, that any press release, statement or publicity issued by the Grantee relating to the Project shall make mention of the Grant from Scottish Ministers.
- 11.4 The Grantee shall on completion of the Approved Scheme supply colour photographs measuring not less than 25 centimetres by 20 centimetres or digital images in a jpeg format or such other format as may be reasonably specified by Scottish Ministers from time to time of the Subjects to Scottish Ministers, the cost to be borne by the Grantee. The photographic material shall be of publication quality and shall include all elevations of the Subjects including a photograph of the Subjects.

12 Repair and Maintenance

- 12.1 During the Control Period:

- (a) the Subjects shall be repaired and maintained so as to keep the Subjects in a state of repair and condition no less good than that in which they were after completion of the Approved Scheme to the reasonable satisfaction of the Scottish Ministers who in determining the standard of repair and maintenance to be undertaken shall have regard to the historic and architectural importance of the Subjects as part of the Nation's heritage;
- (b) that on completion of the repair work, the fabric of the building will be inspected at 5 yearly intervals by a registered architect or qualified buildings' surveyor and that a copy of the inspection report will be submitted to Historic Scotland;
- (c) the Subjects or part thereof shall not be altered, extended or demolished without the prior written approval of the Scottish Ministers; notwithstanding the foregoing, the Grantee will not be obliged to obtain the Scottish Ministers' prior written approval in the case of installation and/or removal of non-structural demountable partitioning;
- (d) the Scottish Ministers or their representatives shall on being given at least 48 hours notice be allowed access to the Subjects for the purpose of inspection of the state of repair and condition of the Subjects;

13 Non Performance

In the event that the Scottish Ministers consider that the Grantee has failed to fulfil or has contravened its obligations in terms of Condition 12 of this Agreement Scottish Ministers shall be entitled to serve a notice on the Grantee detailing the action required to be taken by the Grantee in order to fulfil its obligations and allowing such period as Scottish Ministers may consider reasonable in the circumstances in which to comply with the requirements of the notice.

14 Public Access

- 14.1 The Grantee must arrange for access to the Subjects during the Control Period as set out in the Offer.
- 14.2 An annual return must be submitted to Historic Scotland during the Control Period giving information on access, publicity and where appropriate, opening arrangements including number of visitors to the property.

15 Intellectual Property Rights

- 15.1 The Grantee hereby grants to Scottish Ministers a perpetual non-exclusive royalty free licence to make proper Use of all data prepared or under any IP Rights in such data prepared or developed pursuant to the Offer and the

Standard Condition of Grant as they think fit. The Grantee warrants that it has or will have the right to grant such a licence and that no proper Use of the Data will infringe the rights of third parties.

- 15.2 The Grantee shall promptly provide all copies of all Data prepared or developed pursuant to the Offer and the Standard Condition of Grant and when requested by Scottish Ministers.
- 15.3 The Grantee warrants that the Data referred to in condition 15.1 hereof is not confidential information.
- 15.4 All IP Rights in such Data prepared or supplied by Scottish Ministers to the Grantee, their professional advisors or contractors shall remain the property of Scottish Ministers, and Scottish Ministers grant a personal non-transferable licence to the Grantee to use the same for the protection, preservation or conservation of the Subjects only but not further or otherwise.

16 Insurance

- 16.1 The Grantee shall at its own expense insure and keep insured the Subjects or procure that the Subjects are kept so insured with a reputable Insurance Company for the Control Period against fire, civil commotion, explosion, aircraft, flood, storm, tempest, lightning, heave, subsidence, public liability and such other normal usual risks and contingencies (the risks of storm, tempest, heave and subsidence to be covered once enough repairs have been carried out to the Subjects to render them in a condition where cover for such risks is reasonably obtainable by the Grantee) as shall from time to time be appropriate to a minimum of the full reinstatement cost from time to time including architects' and other professional fees and demolition and site clearance charges and value added tax on any of the foregoing such reinstatement cost to be satisfactory to Scottish Ministers acting reasonably..
- 16.2 the Grantee shall exhibit to Scottish Ministers within 14 days of demand a copy of the insurance policy and the current certificate of insurance in respect of the Subjects.

17 Disposal of Subjects

The Grantee shall notify Scottish Ministers immediately of any intended disposal of an entire or part interest in the Subjects which is due to take place within 10 years of the date of the Offer. "Disposal" for these purposes includes sale, or exchange, or lease for a term of not less than 21 years, or gift other than by will.

18 Notification of Recoverability of the Grant

- 18.1 The Grant to be made by Scottish Ministers to the Grantee in terms of section 4 of the Historic Buildings and Monuments Act 1953 is made subject to the Offer and the Standard Conditions of Grant.

18.2 Scottish Ministers hereby notify the Grantee in terms of Section 4A(1) of the Historic Buildings and Ancient Monuments Act 1953 as amended that the Scottish Ministers are entitled in terms of Section 4A of the Historic Buildings and Ancient Monuments Act 1953:

- (a) to recover the Grant or such amount of the Grant as Scottish Ministers think fit at any time if the Grantee fails to comply with or contravenes the Standard Conditions of Grant.
- (b) to recover the proportion of the Grant made or such amount of such proportion of the Grant as Scottish Ministers thinks fit at any time during a period of ten years after the date on which the grant of such proportion was made if one or more of the following events occurs;
 - (i) the Grantee disposes of their interest in the Subjects or part thereof by way of sale, exchange, assignation, lease or sub-lease for a term of not less than 21 years.
 - (ii) any donee of the Grantee, becoming entitled to part of the Subjects whether directly or indirectly (but otherwise than by will) disposes of the Subjects or part thereof by way of sale, exchange, assignation, lease or sub-lease for a term of not less than 21 years.
 - (iii) any donee of the Grantee, becoming entitled to the whole of the Subjects whether directly or indirectly (but otherwise than by will) disposes of the Subjects or part thereof by way of sale, exchange, assignation, lease or sub-lease for a term of not less than 21 years.

18.3 Scottish Ministers notify the Grantee that on the occurrence of an event stipulated in condition 18.2(b)(ii) Scottish Ministers shall be entitled to recover the Grant or such amount of the Grant as Scottish Ministers think fit from the Grantee and that on the occurrence of an event stipulated in condition 18.2(b)(iii) Scottish Ministers shall be entitled to recover the Grant, or such amount of the Grant as Scottish Ministers think fit from the donee making such a disposal.

18.4 Scottish Ministers shall not be entitled to recover, whether following a breach of one or more of the Standard Conditions of Grant or disposal of several parts of the Subjects, amounts in aggregate exceeding the amount of the Grant.

18.5 The provisions of this condition are without prejudice to Scottish Ministers' right to require repayment of the Grant or part thereof in terms of the Historic Buildings and Ancient Monuments Act 1953 or any other agreement entered into between the parties.

19 Repayment of Grant

19.1 Without prejudice to Scottish Ministers' right to recover all or part of the Grant in terms of the Historic Buildings and Ancient Monuments Act 1953 the Grantee shall repay to Scottish Ministers all of or such part of the Grant as may be required by the Scottish Ministers within 21 days of demand following upon one or more of the following events:

- (a) the Approved Scheme has not been completed on or before the Completion Date as extended in terms of condition 9.2 hereof;
- (b) the Grantee has failed to fulfil or has contravened its obligations in terms of Condition 12 hereof and has failed to implement the requirements of a notice served on the Grantee by the Scottish Ministers in terms of condition 13 hereof within the period therein allowed;
- (c) the Grantee has failed to fulfil its obligations in terms of the Offer or the Standard Conditions of Grant;
- (d) the Grantee is sequestrated, becomes apparently insolvent or enters into a trust deed for behoof of its creditors or being a company the Grantee goes into liquidation whether voluntary or compulsory (otherwise than a voluntary liquidation of a solvent company for the purposes of amalgamation or reconstruction) or appoints a receiver or has a receiver appointed or has an administration order made;
- (e) if the Grantee, where it is a company but not a public company, changes its control (as defined by Section 416 of the Income and Corporation Taxes Act 1988) including any single person or group of persons acting in concert (as defined by the City Code on Takeovers and Mergers).

19.2 The events specified in condition 19.1 hereof shall in addition to and without prejudice to the circumstances specified in the 1970 Act and Schedule 3 thereof be deemed to be circumstances in which the Grantee is in default entitling Scottish Ministers to exercise their remedies as heritable creditor in terms of the 1970 Act.

19.3 A certificate by Scottish Ministers as to the amount of the Grant due to be repaid shall in the absence of manifest error be conclusive evidence in any legal proceedings of the sum to be repaid by the Grantee to Scottish Ministers.

20 Discharge

In the event that the Grantee repays the Grant, Scottish Ministers will, on request, discharge (i) the Standard Security in their favour and (ii) the Constitutive Deed.

21 Notices

Any notice under the Standard Conditions of Grant shall be in writing. Any notice to the Scottish Ministers shall be deemed to be effectively given if it is sent through the post by recorded delivery to Historic Scotland, Longmore House, Salisbury Place, Edinburgh EH9 1SH or otherwise as directed in writing by Scottish Ministers. Any notice to the Grantee shall be deemed to be effectively given if it is sent through the post by recorded delivery to the Grantee at the Subjects or at the Grantee's registered office. Any such notice served by post shall be deemed to have been served at the expiration of 48 hours after it has been posted and in proving service of said notice it shall be sufficient to prove that the envelope containing the same was properly addressed, stamped and posted and any notice served by facsimile shall be deemed to have been served when received legibly and in full by the recipient.

22 Arbitration

Without prejudice to any specific provision herein concerning reference to arbitration in the event of any dispute or disagreement arising as to the interpretation of any provision of the Standard Conditions of Grant the same shall be referred to the decision of a single arbiter mutually agreed for that purpose or, failing such agreement, to be appointed at the request of either party by the President of the Law Society of Scotland and the said arbiter will issue his proposed determination in draft at least 21 days before giving his final decision. The arbiter shall be free to appoint a technical assessor (of such profession as the arbiter considers appropriate) if he considers it appropriate to do so having regard to the nature of the dispute.

23 Interest

The Grantee shall pay to Scottish Ministers interest on any sum which becomes due and payable to the Scottish Ministers at a rate of 4 per centum above the base lending rate from time to time of The Royal Bank of Scotland plc from the date on which such sum becomes due and payable until such sum is paid to Scottish Ministers.

24 Registration

Scottish Ministers and the Grantee consent to registration of the Offer, the schedules annexed thereto and these presents and any certificate before mentioned for preservation and execution.

CONSTITUTIVE DEED
by
GLASGOW SCHOOL OF ART
in favour of
THE SCOTTISH MINISTERS

Subjects: 167 Renfrew Street

2008
Reference
SMCC/HA/SHS100X175


MORTON FRASER
S O L I C I T O R S

FAS4958

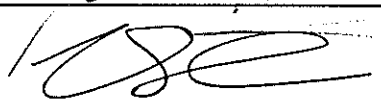
WE, GLASGOW SCHOOL OF ART, a company limited by guarantee and incorporated under the Companies Acts (Registered Number SC002271) and having our Registered Office at 167 Renfrew Street, Glasgow G3 6RQ, hereby grant in favour of THE SCOTTISH MINISTERS the following conservation burdens over ALL and WHOLE the subjects known as The Mackintosh Building, 167 Renfrew Street, Glasgow G3 6RQ being that portion of ground containing 3610 square yards and 6 square feet or thereby and more particularly described in and disposed by Disposition by us in favour of ourselves dated 22 and 30 September and recorded in the Division of the General Register of Sasines applicable to the County of the Barony and Regality of Glasgow on 3 October, both months in 1908; Together with the whole houses and buildings erected on the portion of ground above described; the whole parts pendicles and pertinents thereof, free ish and entry thereto and our whole right title and interest present and future therein; which subjects are herein referred to as ("the Subjects"); We bind ourselves and our successors as owners of the Subjects for a period of 15 years from the recording of this Deed (i) to keep the Subjects in a state of repair and condition which is no less good than that in which they were after completion of any scheme of work to repair the Subjects in respect of which grant funding has been or is in the future provided by the Scottish Ministers to us and to the reasonable satisfaction of The Scottish Ministers (ii) not to alter, extend or demolish the Subjects or part thereof without the prior written approval of The Scottish Ministers; which approval shall not be required in the case of the installation and/or removal of non-structural demountable partitioning and (iii) to allow The Scottish Ministers or their representatives on giving reasonable prior notice in writing access to the Subjects for the purpose of inspection of the state of repair and condition of the Subjects: IN WITNESS WHEREOF these presents printed on this page are executed as follows:-

THEY are subscribed by us at

on _____ 2008 by:-



Director



Director/Secretary

STANDARD SECURITY
by
GLASGOW SCHOOL OF ART
in favour of
THE SCOTTISH MINISTERS

Subjects: 167 Renfrew Street,
Glasgow

2008
Reference
SMCC/HA/SHS100X175

MORTON FRASER
SOLICITORS

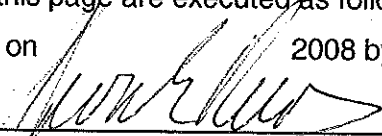
FAS4958

WE, GLASGOW SCHOOL OF ART, a company limited by guarantee and incorporated under the Companies Acts (Registered Number SC002271) and having our Registered Office at 167 Renfrew Street, Glasgow G3 6RQ in security of all sums due or to become due or payable or to become payable by us to THE SCOTTISH MINISTERS and interest (if any) on such sums including without prejudice to the foregoing generality sums and obligations due by us in terms of the Offer of Grant by The Scottish Ministers in our favour dated 21 April 2008 and our acceptance thereof dated 29 April 2008 (herein referred to as "the Agreement") and any Supplementary Agreement or Agreements to follow thereon GRANT a Standard Security in favour of the said The Scottish Ministers over ALL and WHOLE the subjects known as The Mackintosh Building, 167 Renfrew Street, Glasgow G3 6RQ, being that portion of ground containing 3610 square yards and 6 square feet or thereby and more particularly described in and disposed by Disposition by us in favour of ourselves dated 22 and 30 September and recorded in the Division of the General Register of Sasines applicable to the County of the Barony and Regality of Glasgow on 3 October, both months in 1908; Together with the whole houses and buildings erected on the portion of ground above described; the whole parts pendicles and pertinents thereof, free ish and entry thereto and our whole right title and interest present and future therein; Which subjects are herein referred to as "the Subjects"; And we agree that save insofar as the Standard Conditions aftermentioned have been varied by the Agreement and may hereafter be varied by any Supplementary Agreement or Agreements to follow thereon, or by any subsequent Deed of Variation, the Standard Conditions specified in the Schedule of Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 and any lawful variation thereof operative for the time being shall apply; And we grant warrandice: IN WITNESS WHEREOF these presents printed on this page are executed as follows:-


THEY are subscribed by us at

on

2008 by:-

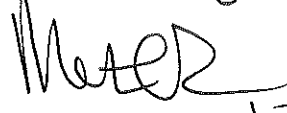


Director



Director/Secretary

This is the schedule referred to in the offer of Grant in respect of works to Glasgow School of Art, 167 Renfrew Street, Glasgow G3 6LR dated 21 April 2008 and addressed to Glasgow School of Art

 ARCH 3 FIRM

HISTORIC SCOTLAND
SUMMARY OF APPROVED SCHEME FOR FIRM GRANT

NAME AND ADDRESS OF PROPERTY: GLASGOW SCHOOL OF ART, 167 RENFREW STREET, GLASGOW

PHASE: N/A

LENGTH OF CONTRACT: 26 WEEKS **DEFECTS PERIOD EXPIRES:** N/A

*The approved scheme comprises:-
(including explanation if, exceptionally, costs have not been tendered competitively)*

Installation of central heating system and repair/ replacement of roof vents. This part of the scheme consists mainly of non grant-eligible work to create new spaces within the building.

As per cost report by Doig and Smith dated 30 April 2007

Signed:  HS Case Manager
Date: 21 April 2008

This is the Schedule of Funding referred to in the foregoing offer on behalf of the Scottish Ministers to Glasgow School of Art for works to Glasgow School of Art, Mackintosh Building, 167 Renfrew Street, Glasgow, G3 6RQ.

ANNEX 3 - Statement of Approved Scheme Funding

Glasgow School of Art – Phase One

Mace
2/4/58

The funding for the Approved Scheme is as follows:

Historic Scotland

Heritage Lottery Fund

Glasgow City Council

Scottish Enterprise Glasgow

Strathclyde European Partnership

The Hugh Fraser Foundation

The Monument Trust

Bellahouston Bequest Fund

The Gannochy Trust

Garfield Weston Foundation

The Dean of Guild Court Trust