

Multistorey
Car Park

Casino

LITTLE CHAPEL STREET

72.0/74
+ 29.9m

SUMMER STREET

E/Sup. Sta

+ 29.6m

CHAPEL STREET

Hendon
Evangelical
Church

Hall

ROSE PLACE

ESS

Johnstone House

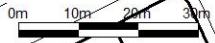
ROSE STREET

+ 28.0m

+ 28.9m

27.0m

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(LAND REGISTRATION (SCOTLAND) RULES 2006 Rule 15)



ros.gov.uk

LAND REGISTER OF SCOTLAND
LAND CERTIFICATE

VERSION 12/09/2006

Title Number: ABN111637

Subjects: 35 AND 35A and 37-47, CHAPEL STREET, ABERDEEN AB10 1SP.

THIS LAND CERTIFICATE, ISSUED PURSUANT TO SECTION 5(2) OF THE LAND REGISTRATION (SCOTLAND) ACT 1979, IS A COPY OF THE TITLE SHEET RELATING TO THE ABOVE SUBJECTS.

STATEMENT OF INDEMNITY

Subject to any specific qualifications entered in the Title Sheet of which this Land Certificate is a copy, a person who suffers loss as a result of the events specified in section 12(1) of the above Act shall be entitled to be indemnified in respect of that loss by the Keeper of the Registers of Scotland in terms of that Act.

ATTENTION IS DRAWN TO THE GENERAL INFORMATION OVERLEAF.



LAND REGISTER
OF SCOTLAND

Officer's ID / Date

5199
4/9/2012

TITLE NUMBER

ABN111637



ORDNANCE SURVEY
NATIONAL GRID REFERENCE

Scale

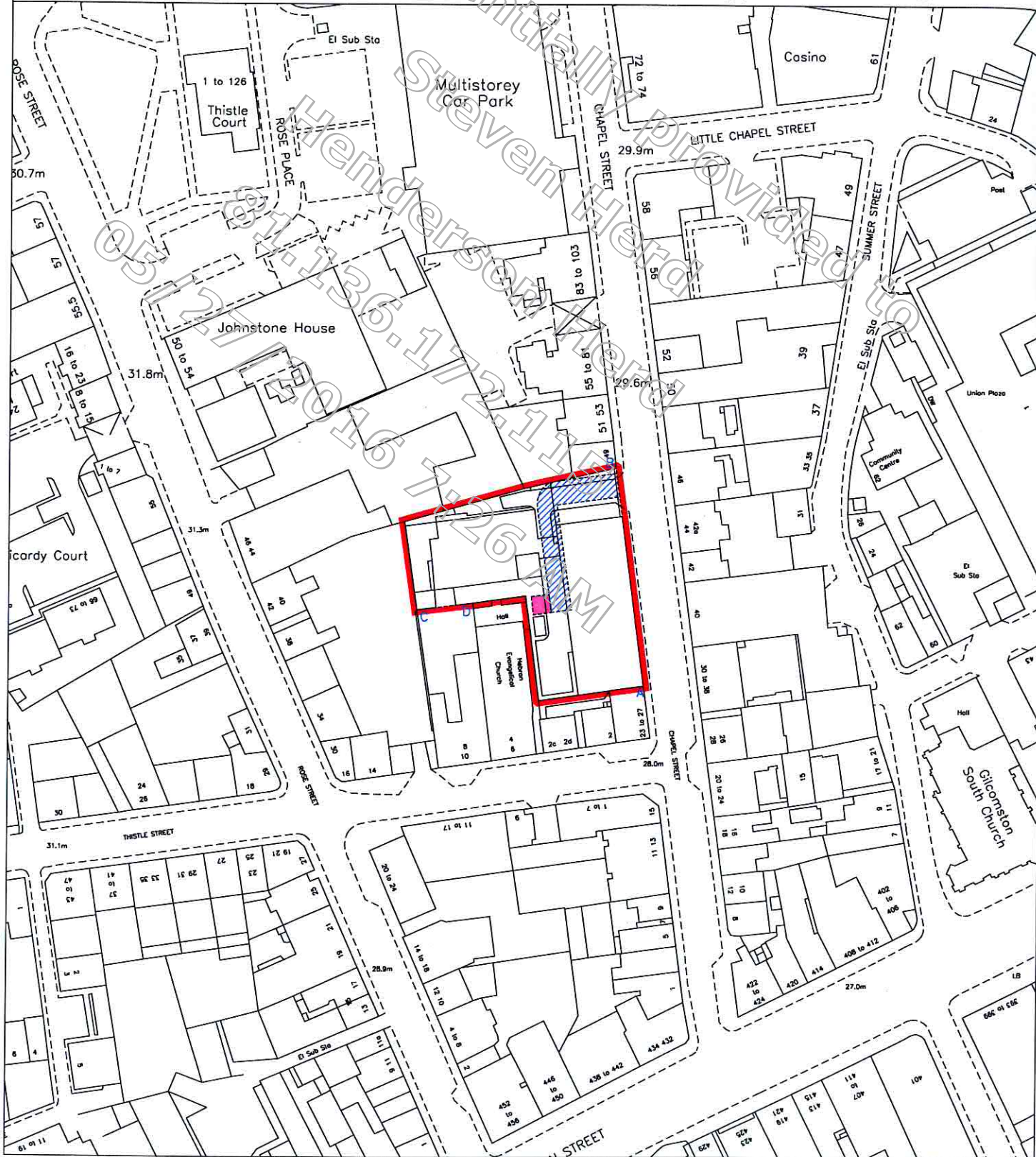
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NJ9305NW NJ9305NE NJ9306SW NJ9306SE

Survey Scale

1/1250

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TITLE NUMBER ABN111637

A 1

A. PROPERTY SECTION

DATE OF FIRST REGISTRATION
04 JAN 2001

DATE TITLE SHEET UPDATED TO
02 JUL 2012

DATE LAND CERTIFICATE UPDATED
TO
02 JUL 2012

INTEREST
TENANT

MAP REFERENCE
NJ9305NW

DESCRIPTION

Subjects 35 AND 35A and 37-47, CHAPEL STREET, ABERDEEN AB10 1SP within the land edged red on the Title Plan.

SHORT PARTICULARS OF THE LEASE UNDER WHICH THE ABOVE SUBJECTS ARE HELD

Parties	Date of Recording or Registration	Term
UBS Trustees (Jersey) Ltd and UBS TC (Jersey) Limited as Trustees of the Pramerica UK Ground Lease Fund to European Development Company (Hotels) Limited.	Land Register 02 JUL 2012	175 years from 26 Jun. 2012 to 25 Jun. 2187.

Note The tenants interest in the sub-station site tinted pink on the Title Plan is not included in this Title.



TITLE NUMBER ABN111637

B 1

B. PROPRIETORSHIP SECTION

ENTRY NO	PROPRIETOR	DATE OF REGISTRATION	CONSIDERATION	DATE OF ENTRY
1	EUROPEAN DEVELOPMENT COMPANY (HOTELS) LIMITED incorporated under the Companies Acts (company Number SC210530) whose registered office is at 11a, Albyn Place, Aberdeen, AB10 1YE (but excluding assignees and sub-tenants except where permitted in terms of the Lease in Entry 3 of the Burdens Section).	02 JUL 2012	Rent £206,929 per annum (subject to review).	25 JUN 2012

Confidentially provided to
05/27/2016 7:26 AM
87/136.172.115
Steven Herd



LAND REGISTER OF SCOTLAND



TITLE NUMBER ABN111637

C 1

C. CHARGES SECTION

ENTRY NO	SPECIFICATION	DATE OF REGISTRATION
1	Standard Security by said EUROPEAN DEVELOPMENT COMPANY (HOTELS) LIMITED to ABBEY NATIONAL TREASURY SERVICES PLC, Registered Office Abbey National House, 2 Triton Square, Regents Place, London NW1 3AN as trustee and security agent for the Secured Parties.	02 JUL 2012

Confidentiality Provided to
Henderson Herd
81.136.172.115
05/27/2016 7:26 AM



TITLE NUMBER ABN111637

D 1

D. BURDENS SECTION

ENTRY NO

SPECIFICATION

- 1 Disposition by Charles G Mitchell (Scotland) with consent to European Development Company (Hotels) Limited and their successors assignees and disponees registered 4 Jan. 2001 of the area edged red on the Title Plan, contains the following burdens:

There is reserved to and in favour of CGM (Operational Properties) Limited and their successors in title as proprietors of the subjects known as 8/10 Thistle Street, Aberdeen and their respective tenants and occupiers a heritable and irredeemable servitude right of vehicular and pedestrian access leading from any point on the Chapel Street frontage marked "A" and "B" on the plan annexed and executed as relative hereto to the car parking area at the rear of the said subjects in Thistle Street between the points marked "C" and "D" on the said plan over such route as shall be reasonable as identified from time to time by our said disponees and their foresaids. In the event of a dispute as to whether the right of access is or is not reasonable the said CGM (Operational Properties) Limited and our said disponees and their foresaids hereby agree to refer the matter to an independent third party mutually agreed failing which within 14 days of written request by one party to the other to be appointed at the instance of either party by the Chairman (or Acting Chairman) of the Scottish Branch of the Royal Institute of Chartered Surveyors whose decision shall be final and binding on the parties and who shall have the power to award the expenses of such reference as he sees fit. In any event our said disponees and their foresaids shall be entitled to temporarily suspend any such right of access during the construction of their development. Our said disponees and their foresaids shall otherwise be entitled to vary the route thereof from time to time provided an alternative route complying with the above criteria is provided. For the avoidance of doubt any dispute concerning the reasonableness of such alternative route shall be referred to an independent third party in accordance with the above procedure.

Note: The said points A, B, C and D are indicated by the points marked A, B, C and D in blue on the Title Plan.

- 2 Lease between European Development Company (Hotels) Limited (hereinafter referred to as "the Landlords") and Scottish Hydro-Electric Power Distribution Limited, registered 20 Dec. 2002, of



TITLE NUMBER ABN111637

D 2

D. BURDENS SECTION

the substation site tinted pink on the Title Plan contains the following rights which affect the subjects in this Title:

(A) The right of passage for traffic of all kinds to and from the subjects of lease over the route hatched blue on the Title Plan subject to making good any surface damage occasioned thereby; and

(B) The right of entry on to adjoining ground belonging to the Landlords within the larger subjects known as 35 and 35A and 37-47 Chapel Street, Aberdeen for all necessary purposes of construction and subsequent maintenance of the electricity sub-station to be erected upon the subjects of lease subject to making good any surface damage occasioned thereby.

Provided that Scottish Hydro-Electric Power Distribution Limited shall be obliged to exercise the foregoing rights (A) and (B) inclusive reasonably and in such a manner as to cause the least practicable disturbance to the Landlords and/or their Tenants and their respective business carried on from the aforesaid larger subjects.

3 Lease, referred to in the Property Section, by UBS Trustees (Jersey) Ltd and UBS TC (Jersey) Limited as trustees of the Pramerica UK Ground Lease Fund to European Development Company (Hotels) Limited, registered 2 Jul. 2012, of the subjects in this Title, contains the following burdens:

OPERATIVE PROVISIONS

1 DEFINITIONS

1.1 In this Entry:

"Premises" means the property described in Part 1 of the Schedule (Description of the Premises) and includes all buildings and other structures now or from time to time during the Term constructed on them.

"Date of Entry" means 26 Jun. 2012.

"Encumbrances" means the restrictions, stipulations, obligations, undertakings, rights, reservations, provisions and other matters which the Property is or may be subject to and are contained, imposed by, or referred to, in the instruments brief particulars of



D. BURDENS SECTION

which are set out in Part 1C of the Schedule.

"Insured Risks" means the risks and other contingencies against which the Premises and the building are required to be, or which may from time to time be, insured under the provisions of this Lease, but subject to any exclusions, limitations or conditions imposed by or contained in the policy of insurance, and "Insured Risks" include (but without limitation) fire, lightning, explosion, storm, tempest, flood, bursting or overflowing of water tanks, apparatus or pipes, earthquake, aircraft (but not hostile aircraft) and other aerial devices or other articles dropped from them, and riot and civil commotion and such other risks as the Landlord or the Tenant may deem expedient to insure.

"Interest" means interest at the rate of 4% over the base rate of Barclays Bank Plc for the time being and from time to time (as well before as after judgment), or such other comparable rate as the Landlord may reasonably and properly designate if the base rate ceases to be published.

"Landlord" means the said UBS TRUSTEES (JERSEY) Ltd and UBS TC (JERSEY) LIMITED as trustees of the PRAMERICA UK GROUND LEASE FUND and in substitution therefor its successors in title as heritable proprietors of the Premises.

"Lease" includes this lease as varied, amended or supplemented from time to time.

"Planning Acts" means the Town and Country Planning (Scotland) Act 1997, the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997, the Planning (Consequential Provisions) (Scotland) Act 1997, the Planning (Hazardous Substances) (Scotland) Act 1997 and any legislation of like purpose or nature.

"Schedule" means the schedule of 2 parts annexed and subscribed to this Lease, and which forms part of this Entry;

"Tenant" means the said European Development Company (Hotels) Limited and in substitution therefor its permitted successors and assignees.

"Tenant's Obligations" means the obligations and undertakings on the part of the Tenant contained in this Lease.

"Term" means the term of years granted by this Lease together with



D. BURDENS SECTION

any continuation thereof, whether by tacit relocation or for any other reason.

1.2 Where the Tenant is placed under a restriction in this Lease, the restriction is to be deemed to include the obligation on the Tenant not to permit or allow the infringement of the restriction by any person.

1.3 The clause and paragraph headings in this Lease are for ease of reference only and are not to be taken into account in the construction or interpretation of any provision to which they refer.

1.4 Unless the context otherwise requires, references:

(a) to defined terms are references to the relevant defined term in Clause 1.1;

(b) to numbered clauses and schedules are references to the relevant clause in or schedule to this Lease; and

(c) in any schedule to a numbered paragraph are references to the relevant paragraph in that schedule.

1.5 Words in this Lease importing the singular meaning, where the context so allows, include the plural meaning and vice versa.

1.6 References in this Lease to any statutes or statutory instruments include and refer to any statute or statutory instrument amending, consolidating or replacing them respectively from time to time and for the time being in force, and references to a statute include statutory instruments and regulations made pursuant to them.

1.7 Words in this Lease importing any one gender include both other genders and may be used interchangeably, and words denoting natural persons, where the context allows, include corporations and vice versa.

1.8 When at any time the Tenant comprises two or more persons, the expression "the Tenant" includes the plural number and obligations in this Lease expressed or implied to be made with the Tenant or by the Tenant shall be deemed to be made with or by such individuals jointly and severally.



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D. BURDENS SECTION

2 GRANT OF LEASE

In consideration of the rent reserved by and the obligations and undertakings on the part of the Tenant in this Lease the Landlord lets to the Tenant (but excluding assignees and sub-tenants except where permitted in terms of this Lease) the Premises excepting and reserving to the Landlord the rights set out in Part 1B of the Schedule (Exceptions and reservations) for the term of 175 years from the Date of Entry to 25 June 2187, subject to the Encumbrances, the Tenant paying during the Term:

(a) the yearly rent of TWO HUNDRED and SIX THOUSAND NINE HUNDRED and TWENTY NINE POUNDS (£206,929.00) STERLING (subject to the provisions for revision in Part 2 of the Schedule (Rent review)) by equal quarterly payments in advance on 25 Mar., 24 Jun., 29 Sep. and 25 Dec. in every year the first (or a proportionate part) of such payments in respect of the period commencing on the Date of Entry and ending on the day prior to the following quarter day to be made on the date of entry under this Lease;

(b) as additional rent any value added tax chargeable on the rents; and

(c) as additional rent payable on demand the amount of any insurance premium expended by the Landlord in exercise of its powers on default of the Tenant to perform its obligations in Clause 3.4 (Insurance).

3 TENANT'S OBLIGATIONS

The Tenant undertakes and obliges itself to the Landlord as set out in this Clause.

3.1 Rent

To pay the yearly rent payable in terms of this Lease free from any deductions and rights of set-off (save for any deductions which the Tenant is legally compelled to make) at the times and in the manner required under Clause 2(a) and the additional rents payable in terms of this Lease at the times and in the manner specified in relation to each of them.

3.2 Interest

3.2.1 To pay Interest on so much of the yearly rent payable in



D. BURDENS SECTION

terms of this Lease as remains unpaid after it has become due for payment.

3.2.2 To pay Interest on so much of the additional rents, arrears of reviewed rent and any accrued interest and other monies (not being rent) payable under this Lease as remain unpaid for seven days after (as the case may be):

(a) demand in those cases where payment becomes due only on demand; or

(b) the date on which they have become due for payment by the Tenant,

from the date of demand, or the date that they became due for payment, until payment is made to the Landlord.

3.3 Outgoings

3.3.1 To pay and discharge all outgoings in respect of the Premises.

3.3.2 For the purpose of Clause 3.3.1 "outgoings" means all non-domestic rates, water rates, water charges and all existing and future rates, taxes, charges, assessments, impositions and outgoings whatsoever (whether parliamentary, municipal, parochial or otherwise) which are now or may at any time be payable, charged or assessed on property or the owner or occupier of property, but "taxes" in this context does not include value added tax, nor any taxes imposed on the Landlord in respect of the yearly rent reserved by this Lease or in respect of a disposal of the landlord's interest in the Premises.

3.4 Insurance

3.4.1 To keep insured at all times throughout the Term with an insurer approved by the Landlord (such approval not to be unreasonably withheld or a decision on the request unreasonably delayed) in the joint names of the Landlord and the Tenant the Premises against loss or damage by the Insured Risks in the full replacement cost of the Premises, and also the cost of demolition, shoring up and site clearance, architects', surveyors' and other requisite professional advisers' fees in relation to the reinstatement of the Premises, value added tax on any such items,



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D. BURDENS SECTION

and third party and public liability risks;

3.4.2 To pay the premiums for insurance promptly as they become due;

3.4.3 Whenever the Premises may be destroyed or damaged as the result of an Insured Risk so as to render the Premises unfit for occupation or use to any extent, diligently to apply the proceeds of the policy of insurance received for that purpose in rebuilding and reinstating the Premises as soon as may reasonably and properly be practicable, and to make up any deficiency in the proceeds out of its own resources, and

3.4.4 To produce to the Landlord a copy of the insurance policy whenever reasonably and properly requested and the receipt for the latest premium as soon as practicable after each payment has been made.

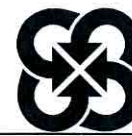
3.4.5 Any rule of law which has the effect of terminating this Lease on the occurrence of any destruction or damage which causes the Property to be wholly or partially unfit for occupation and use shall be inoperative and in such circumstances this Lease will continue in full force and effect in every respect.

3.5 Contribution to facilities enjoyed in common

To pay to the Landlord on demand a fair and proper proportion (to be conclusively determined by the Landlord or the Landlord's surveyors in either case, acting reasonably) of the expense of cleaning, lighting, repairing, renewing, decorating, maintaining and rebuilding any party walls, fences, gutters, drains, roadways, pavements, entrance ways, stairs and passages, and access ways which are or may be used or enjoyed by an occupier of the Premises in common with any other person or persons.

3.6 Repair

The Tenant accepts the Premises as being in good, substantial and tenable condition and repair and in all respects fit for the purpose for which it is let and throughout the Term when and as often as may be required and irrespective of the cause of damage, well and substantially to keep, repair, maintain, clean, decorate, treat, support and uphold in good, substantial and tenable condition to the reasonable satisfaction of the Landlord and where necessary for that purpose to renew, rebuild and reinstate all

**D. BURDENS SECTION**

present and future buildings forming part of the Premises and all additions and improvements and all fixtures and fittings which may at any time form part of the Premises. Any warranty or warranties on the part of the Landlord implied by common law or otherwise relating to the condition or suitability for use of the Premises or the building thereon or any part thereof is/are expressly displaced from this Lease and shall be inapplicable.

3.7 Landlord's right of inspection and right of repair

3.7.1 To permit the Landlord and its employees or agents at all reasonable and proper times by prior appointment during normal working hours to enter into, inspect and view the Premises and examine their condition use or occupation and also to take a schedule of fixtures in the Premises.

3.7.2 If any breach of a tenant's obligation under this Lease, defects, disrepair, removal of fixtures or unauthorised alterations or additions are found on such inspection for which the Tenant is liable, then on notice by the Landlord to the Tenant to execute all repairs, works replacements or removals required within two months (or sooner if necessary) after the receipt of the notice to the reasonable and proper satisfaction of the Landlord or its surveyor.

3.7.3 In case of default it shall be lawful for workpeople or agents of the Landlord to enter into the Premises and execute such repairs, works, replacements or removals.

3.7.4 To pay to the Landlord on demand all expenses so incurred with Interest on such expenses, or so much of them as may from time to time remain unpaid, from the date of expenditure until the date they are paid by the Tenant to the Landlord (such expenses and Interest to be recoverable as if they were rent in arrear).

3.8 Yield up in repair at the end of the Term

At the expiry or earlier determination of the Term quietly to remove from and yield up the Premises (with all additions and improvements to the Premises and all fixtures which during the Term may be fixed or fastened to or on the Premises other than tenant's fixtures which the Tenant shall be entitled to remove) repaired, maintained, cleaned, decorated and kept in accordance with the Tenant's Obligations in this Lease.



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D. BURDENS SECTION

3.9 Alterations

Not to erect any new buildings or structures on the Premises nor to demolish or remove any structure on or in the Premises, nor make any alterations or additions to or affecting the structure or exterior of the Premises in any case, without the consent of the Landlord which consent shall not be unreasonably withheld or a decision on the request unreasonably delayed.

3.10 Alienation

3.10.1 Not to assign charge or mortgage part only of the Premises (as opposed to the whole);

3.10.2 Not to assign the Lease without the prior written consent of the Landlord, which consent will not be unreasonably withheld or a decision on the request unreasonably delayed in the case of a proposed assignee who is a person who would in the reasonable opinion of a prudent institutional landlord of a licensed hotel be considered of adequate financial standing to enable it to comply with the Tenant's Obligations; and

3.10.3 Not to charge or mortgage the whole of the Tenant's interest in whole of the Premises without the prior written consent of the Landlord, which consent will not be unreasonably withheld or a decision on the request unreasonably delayed in the case of a proposed chargee who would in the reasonable opinion of a prudent institutional landlord of a licensed hotel be considered of adequate financial standing to enable it to comply with the Tenant's Obligations; and

3.11 Intimation of Alienation

3.11.1 Within one calendar month after the date of any permitted assignation of this Lease or the grant of any sub-lease of the whole or any part of the Premises or any assignation of such a sub-lease or the execution of any standard security or charge affecting this Lease or any such sub-lease as aforesaid or any transfer or discharge of any such standard security or charge or any devolution however remote of this Lease or of any such sub-lease as aforesaid by will, intestacy, assent or operation of law to produce, supply or cause to be supplied (without any demand by any person) to the Landlord for registration or as it may from time to time direct, a certified copy of the deed, document or instrument effecting such assignation, subassignation of sub-lease, standard security,



D. BURDENS SECTION

charge, transfer or discharge of standard security or charge or devolution as aforesaid.

3.12 User

3.12.1 Not to use the Premises otherwise than as a licensed hotel, with ancillary public bar and restaurant areas with relative ancillary office, service, car parking, landscaping and external areas, without the consent of the Landlord, such consent not to be unreasonably withheld or a decision on the request unreasonably delayed.

3.12.2 Nothing in this Lease implies or is to be treated as a warranty to the effect that the use of the Premises for those purposes is in compliance with all Planning Acts and regulations now or from time to time in force.

3.13 Restrictions affecting use of the Premises

3.13.1 Not to use the Premises for any noxious, noisy or offensive trade or business nor for any illegal or immoral act or purpose.

3.13.2 Not to hold any sales by auction on the Premises.

3.13.3 Not to do in or upon the Premises anything which is a legal nuisance, annoyance, disturbance, inconvenience or damage to the Landlord or to the owners, tenants and occupiers of adjoining and neighbouring properties.

3.13.4 Not to do anything whereby any policy of insurance relating to the Premises may become void or voidable.

3.14 Compliance with statutes, etc

3.14.1 To comply in all respects with all statutes for the time being in force and requirements of any competent authority relating to the Premises or anything done in or upon them by the Tenant, and to indemnify the Landlord against all actions, proceedings, claims or demands which may be brought or made by reason of such statutes or requirements or any failure to comply with them.

3.14.2 To comply with all requirements under any present or future statute, order, by-law or regulation as to the use or occupation of or otherwise concerning the Premises.

3.14.3 To execute with all due diligence all works to the Premises



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D. BURDENS SECTION

for which the Tenant is liable in accordance with this Clause and of which the Landlord has given notice to the Tenant.

3.14.4 To observe and implement in the same manner and to the same extent and effect as if they were the proprietors of the Premises the Encumbrances.

3.14.5 If the Tenant does not comply with this Clause to permit the Landlord to enter the Premises to carry out such works, and to indemnify the Landlord on demand for the expense of so doing (including surveyors' and other professional advisers' fees) with Interest on such expense, or so much of it as may from time to time remain unpaid, from the date of expenditure until payment by the Tenant to the Landlord, such monies to be recoverable as if they were rent in arrear.

3.15 Planning permissions

3.15.1 Not without the consent of the Landlord (such consent not to be unreasonably withheld or a decision on the request unreasonably delayed) to make any application under the Planning Acts to any local planning authority for permission to develop, including change of use of, the Premises.

3.15.2 To indemnify the Landlord against any development charges, other charges and expenses payable in respect of planning applications and to reimburse to the Landlord the costs it may properly incur in connection with such consent.

3.15.3 To keep the Landlord indemnified against any sum which may become payable or be incurred in consequence of the use of the Premises reverting to the use existing before the application was made.

3.15.4 Forthwith to give to the Landlord full particulars in writing of the grant of planning permission.

3.15.5 Not to implement any planning permission if the Landlord makes reasonable and proper objection to any of the conditions subject to which it has been granted.

3.16 Compliance with town planning and environmental requirements

3.16.1 To perform and observe all the provisions and requirements of all statutes and regulations relating to town and country



D. BURDENS SECTION

planning and environmental protection in relation to the Premises, and to obtain any development or other consent, permit or licence which may be requisite by reason of the development or manner of use of or on the Premises by the Tenant.

3.16.2 To indemnify the Landlord against any loss or expense suffered by the Landlord by reason of the Tenant's failure so to obtain any requisite development or other consent, permit or licence or in complying with the requirements of such statutes and regulations.

3.16.3 To give full particulars to the Landlord of any notice, or proposal for a notice, or order or proposal for an order, made, given or issued to the Tenant under or by virtue of any statute or regulation relating to town and country planning, environmental protection or otherwise within seven days of the receipt of any such by the Tenant, and if so required by the Landlord to produce such notice, order, or proposal for a notice or order, to the Landlord.

3.16.4 Forthwith to take all reasonable and necessary steps to comply with any such notice or order.

3.16.5 At the request and cost of the Landlord, to make or join with the Landlord in making such objections or representations against or in respect of any proposal for such a notice or order as the Landlord may deem expedient.

3.17 Claims made by third parties

3.17.1 To indemnify the Landlord against any claims, proceedings, damages or demands, and the costs and expenses so incurred, which may be brought against the Landlord by any employees, workpeople, agents or visitors of the Tenant in respect of any accident, loss or damage whatsoever to person or property howsoever caused or occurring in or on the Premises.

3.17.2 To keep the Landlord indemnified against all claims, proceedings, damages or demands and the costs and expenses so incurred for which the Landlord maybe rendered liable or be exposed by reason of the breach by the Tenant of its obligations in this Lease.

3.18 Expenses of the Landlord



TITLE NUMBER ABN111637

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D. BURDENS SECTION

To pay on demand all expenses (including solicitors' costs and surveyors' fees) properly incurred by the Landlord:

(a) in relation to the preparation and service of a schedule of dilapidations for which the Tenant is responsible in terms of this Lease;

(b) in connection with every application for any consent or approval made under this Lease whether or not such consent or approval is granted or given; and

(c) incidental to procuring the payment of any sums due by the Tenant or remedying of any breach of a non-monetary obligation of the Tenant in terms of the Lease.

3.19 Obstruction of windows or lights

3.19.1 Not to permit any encroachment on the Premises.

3.19.2 Not to permit any servitude to be made or acquired into, against or over the Premises.

3.19.3 Where any window, light, opening, doorway, path, passage, drain or other restriction, encroachment or servitude is made or attempted to be made or acquired, forthwith to give notice of the circumstances to the Landlord, and at the request and cost of the Landlord to adopt such course as may be reasonably required or deemed proper by the Landlord for preventing any such restriction, encroachment or the acquisition of any such servitude.

3.20 Value added tax

3.20.1 To pay value added tax on taxable supplies made by the Landlord of goods and services under or in connection with this Lease, and all consideration for the goods and services supplied shall be treated as exclusive of value added tax chargeable on the payments.

3.20.2 Where the Landlord is entitled under this Lease to recover from the Tenant the cost of goods and services supplied to the Landlord, but in respect of which the Landlord makes no taxable supply to the Tenant, to indemnify the Landlord against so much of the input tax on the cost for which the Landlord is not entitled to credit allowance under section 26 of the Value Added Tax Act 1994.

**D. BURDENS SECTION**

3.21 Encumbrances

To observe and perform the obligations and liabilities comprising the Encumbrances so far as they are capable of being enforced, and to keep the Landlord indemnified against any liability whatsoever arising out of the breach, non-observance or non-performance of such obligations and liabilities.

4 PROVISOS

The parties agree to the following provisos.

4.1 Power for Landlord to deal with adjoining property

The Landlord may deal as it thinks fit with other property adjoining the Premises belonging to the Landlord, and may erect or permit to be erected on such property any buildings irrespective of whether they affect or diminish the light or air which may now or at any time be enjoyed by the Tenant in respect of the Premises.

4.2 Notices, consents and approvals

Any notice served under or in connection with this Lease shall be in writing and be properly served if sent by recorded delivery post to the Tenant or the Landlord (as appropriate) at their registered offices (or, if the Tenant is not an incorporated body at its address as last intimated to the Landlord or (and which failing) the Premises). Any notice served in accordance with this Clause shall be deemed to be served on the Tenant or the Landlord (as the case may be) at the expiry of 48 hours after the time of posting unless the contrary can be proved. In proving posting it shall be sufficient to prove that an envelope containing the notice was duly addressed and posted in accordance with this Clause.

4.3 Landlord's power to insure on default of Tenant

The Landlord reserves the right to insure the Premises on the terms in Clause 3.4.1 if the Tenant should fail to do so (but is not under obligation to the Tenant to do so) and to recover the cost of insurance from the Tenant.

4.4 Landlord's consents

Any consent or approval required under this Lease shall be obtained before the act or event to which it applies is carried out or done



TITLE NUMBER ABN111637

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D. BURDENS SECTION

and shall be effective only if it is in such form and upon such terms as the party giving it properly and reasonably requires.

4.5.1 Irritancy

If:

(a) the whole or part of the rent (whether legally demanded or not) or any other sum due by the Tenant is at any time in arrears for 21 days after the due date for payment; or

(b) the Tenant is at any time in breach of any of the non-monetary obligations undertaken by it under this Lease; or

(c) the Tenant (being an individual or a firm) enters into any composition with its creditors or becomes apparently insolvent or sequestrated or (being a company or a Limited Liability Partnership) goes into liquidation whether compulsory or voluntary (other than a voluntary liquidation when solvent for the purpose of amalgamation or reconstruction) or has a receiver appointed in respect of any part of the Tenant's undertaking or has an administrator appointed or makes a proposal for a company voluntary arrangement under Part 1 of the Insolvency Act 1986;

then and in any of such events the Landlord at its option and subject to the subsequent provisions of this Clause first having been complied with by the Landlord, may by notice served on the Tenant terminate this Lease forthwith and treat this Lease and all transmissions thereof with all that has followed or can competently follow thereon as void and null and that without the necessity of any declarator, process of removal, or other procedure at law and the Premises shall thereupon revert to the Landlord.

In the event of termination of this Lease in accordance with the above the Landlord or any person or persons duly authorised by the Landlord may enter upon possession of the Premises and uplift rents, eject tenants and occupiers and thereafter use, possess and enjoy the Premises free of all claims by the Tenant as if this Lease had never been granted, but without prejudice to any other right of action or remedy available to the Landlord arising out of or in connection with any antecedent failure to pay any rent or any other sum due by the Tenant or any antecedent breach of any non-monetary obligation of the Tenant under this Lease.

In the case of a failure or contravention by the Tenant (including



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the non-payment of rent) which is capable of being remedied, albeit late, the Landlord shall not exercise the option to terminate this Lease unless and until it shall first have given under threat of irritancy written notice to the Tenant and to the creditor under any standard security or floating charge over the Tenant's interest in the Premises whose interest has been intimated in writing to the Landlord requiring the same to be remedied and the Tenant or any such creditor shall have failed to remedy the same within such reasonable period, having due regard to the nature and extent of the failure or contravention complained of (but not the Tenant's financial circumstances), as shall be prescribed in the notice which in the case of non-payment of rent (or any other monetary amounts) will be 14 days only.

In the case of the Tenant becoming insolvent or apparently insolvent or going into liquidation (other than for the purpose of reconstruction or amalgamation as aforesaid) or having a receiver or an administrator appointed the Landlord shall not exercise the option to terminate this Lease in accordance on the grounds of insolvency, apparent insolvency, liquidation, receivership or administration (as the case may be) unless and until it shall first have allowed the interim trustee or permanent trustee or the liquidator or the receiver or the administrator (as the case may be) or the creditor under any standard security whose interest has been intimated to the Landlord, a period of 12 months (or such longer period as such interim trustee, permanent trustee, liquidator, receiver, administrator or creditor, as the case may be, may request) in which to dispose of the Tenant's interest in this Lease (on the same terms mutatis mutandis as set out in Clause 3.10) but only if the trustee or liquidator or receiver or administrator or creditor (as the case may be) shall personally accept full responsibility for payment of rent (whether due in respect of a period occurring before or after the date of insolvency, apparent insolvency, liquidation or the appointment of the receiver or administrator (as the case may be)) and for performance of all the obligations on the part of the Tenant (including performance of any outstanding obligations which may subsist at the date of insolvency, apparent insolvency, liquidation or the appointment of the receiver or administrator (as the case may be)) under this Lease from the date of insolvency or apparent insolvency or liquidation or the appointment of the receiver or administrator (as the case may be) to the expiry of said period or if earlier the date of entry under the disposal.]



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5 LANDLORD'S WARRANTICE

The Landlord undertakes to the Tenant that the Tenant may lawfully and peaceably enjoy the Premises throughout the Term without any lawful suit, eviction or interruption by the Landlord or by any person lawfully claiming through, under or in trust for the Landlord.

6 EXPERT DETERMINATION

6.1 Application of provisions

In this Lease, where any issue is required to be dealt with by, or submitted for the determination of, an independent expert, the following provisions of this Clause are to apply but, in case of conflict with other provisions specifically relating to expert determination elsewhere in this Lease, those other provisions are to prevail to the extent of the conflict.

6.2 Appointment of expert

The expert is to be appointed by the parties jointly, or if they cannot or do not agree on the appointment, appointed by whichever of the following is appropriate:

- (a) the president from time to time of the Scottish branch of the Royal Institution of Chartered Surveyors; or
- (b) the president from time to time of the Institute of Chartered Accountants in Scotland,

or in either case the duly appointed deputy of the president, or other person authorised by him to make appointments on his behalf.

6.3 Requirements of appointee

The person so appointed is to:

- (a) act as an expert, and not as an arbiter; and
- (b) must afford the parties the opportunity within such a reasonable time limit as he may stipulate to make representations to him (accompanied by professional rental valuations, reports or other appropriate evidence in the relevant circumstances) and permit each party to make submissions on the representations of the

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other.

6.4 Fees and expenses of expert

6.4.1 The fees and expenses of the expert, including the cost of his nomination, are to be borne as the expert may direct (but in the absence of such a direction, by the parties in equal shares), but (unless they otherwise agree) the parties shall bear their own costs with respect to the determination of the issue by the expert.

6.4.2 One party may pay the costs required to be borne by another party if they remain unpaid for more than 21 days after they become due and then recover these and any incidental expenses incurred from the other party on demand.

6.5 Death incapacity and incapability of expert

If the expert refuses to act, becomes incapable of acting or dies, the Landlord or the Tenant may request the appointment of another expert in his stead under Clause 6.2

6.6 Status of expert's determination

The determination of the independent expert, except in case of manifest error, is to be binding on the Landlord and the Tenant.

7 REGISTRATION OF LEASE

The Landlord and the Tenant consent to registration of this Lease for preservation and execution.

8 LAW OF SCOTLAND TO APPLY

This Lease shall be interpreted in accordance with the law of Scotland and any dispute, difference or question of any kind which may arise between the parties shall be determined in accordance with the law of Scotland. To the extent the Landlord and the Tenant are not or might not in the future be subject to the jurisdiction of the Scottish courts, the parties agree to submit to the jurisdiction of the Scottish courts.

9 UNENFORCEABLE PROVISIONS

9.1 Each provision of this Lease shall, unless the context otherwise requires, be read and construed independently of every other provision of this Lease with the intent that, if any



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provision of this Lease is held to be invalid or unenforceable for any reason, then the remaining provisions of this Lease shall, to the extent that they are not held to be invalid, remain in full force and effect.

9.2 If any provision of this Lease is held to be void or unenforceable but would, if some part thereof were deleted or amended, be valid and enforceable, then such a provision shall apply with such deletion or amendment as may be necessary to make it valid and enforceable.

Schedule

Part 1A Description of the Premises

The premises known as and forming 35 and 35A and 37-47 Chapel Street Aberdeen being the subjects registered under Title Number ABN46142

Part 1B Exceptions and reservations

1 The free and uninterrupted passage of water, steam, soil, air, gas and electricity from and to any part of the Premises or any adjoining or neighbouring property through the conducting media commonly used for those purposes which are now or may in the future be in, on or under the Premises.

2 All rights of entry upon the Premises referred to in Clauses 3.7 and 3.14 and Part 1C of this Schedule

Part 1C The Encumbrances

Those in the Land Certificate for Title Number ABN46142

Part 2 Rent review

1 DEFINITIONS

In this Part 2 of the Schedule:

"A" means the monthly figure shown in the Index published for the Corresponding Month in the year of the immediately preceding relevant review date or (if none) in the year of the date of



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commencement of the Term.

"B" means the monthly figure shown in the edition of the Index last published before the relevant review date.

"Corresponding Month" means the same calendar month as the calendar month in which the monthly figure in the Index last published before the relevant review date occurs.

"Index" means the all items retail prices index published by the Office for National Statistics.

2.1 THE REVIEW DATES

The yearly rent payable under this Lease is to be reviewed on the expiry of each year of the Term (referred to in this Schedule as the "review dates" and "the relevant review date" shall be construed accordingly) and with effect on and from the relevant review date, the reviewed rent (as agreed or determined in accordance with this Schedule) is to become payable as the yearly rent reserved by this Lease.

2.2 UPWARD-ONLY RENT REVIEWS

2.2.1 The reviewed rent is to be the greater of:

2.2.1.1 the yearly rent payable under this Lease immediately preceding the relevant review date multiplied by 1.02; and

2.2.1.2 the yearly rent payable under this Lease immediately preceding the relevant review date multiplied by the lesser of (a) 1.05 and (b) B/A

2.2.2 If the Index is re-based after A is published, but before B is published, then an appropriate adjustment shall be made in the calculation to ensure that both B and A are calculated on the same basis.

2.2.3 If the Index ceases to be published then there shall be substituted in the calculation in paragraph 2.2.1 such other index as the Landlord and the Tenant shall agree or failing agreement as shall be determined by an independent expert pursuant to Clause 6 as being a generally respected measure of the general increase in retail prices.

2.2.4 If, because of any change after the date of this Lease in the



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method used to compile the Index or for any other reason it becomes impossible or impracticable to calculate fairly the fraction referred to in paragraph 2.2.1 by reference to the Index, or if any dispute or question arises between the parties to this Lease with respect to any such calculation pursuant to paragraph 2.2.1 or with respect to the construction or effect of this provision, then such dispute or question shall be referred to an independent expert pursuant to Clause 6.

2.3 TIME LIMITS

Time is not of the essence in agreeing or determining the reviewed rent or of appointing an expert.

2.4 RENTAL ADJUSTMENTS

2.4.1 If the reviewed rent has not been agreed or determined in accordance with the provisions of this Schedule before the relevant review date, then, until the reviewed rent has been so agreed or determined, the Tenant will continue to pay, on account, rent at the rate of yearly rent payable immediately before the relevant review date.

2.4.2 The Tenant will pay to the Landlord, within seven days after the time that the reviewed rent has been agreed or determined, all arrears of the reviewed rent which have accrued in the meantime, with interest equal to the base rate of Barclays Bank PLC on each of the instalments of the arrears from the time that it would have become due if the reviewed rent had then been agreed or determined until payment becomes due from the Tenant to the Landlord under this paragraph.

2.5 MEMORANDUM OF RENT REVIEW

As soon as the reviewed rent has been agreed or determined in terms of this part of the Schedule (and if required by the Landlord so to do) the parties shall forthwith execute a separate memorandum specifying the amount of the reviewed rent. The cost of registration thereof and of obtaining three extracts (two being for the Landlord's purposes and one for the Tenant) shall be borne and paid for by the Tenant but the Landlord and the Tenant shall each otherwise bear their own expenses in connection with the preparation and completion of that memorandum.



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2.6 ACCEPTANCE OF CURRENT RENT NOT WAIVER

Any acceptance of or demand for rent by the Landlord or its agents after any review date at the rate payable immediately prior to such review date shall not be deemed to be acceptance by the Landlord that such rent represents the reviewed rent or to constitute waiver by the Landlord of any right conferred on the Landlord to require a review of rent.

2.7 RENT CONTROL

If at any review date the Landlord shall be obliged to comply with any enactment relating to the control of rents which shall restrict or modify the right of the parties to determine the revised rent in accordance with this Lease, then on the date upon which such rent control is removed, relaxed or modified, there shall be an intermediate date of review ("intermediate review date") and the rent payable hereunder from an intermediate review date to the next succeeding review date or intermediate review date or the date of expiry of the Term (whichever shall first occur) shall be determined in like manner as the rent payable from each of the review dates, but in no circumstances will the Tenants be obliged to pay more rent in respect of any period than would have been the case had no such rent control existed.

Note: The foregoing Lease was executed after 1 September 1974 and is subject to the provisions of Part II of the Land Tenure Reform (Scotland) Act 1974.