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NGL 815787

DATED 2nd September 2002

4/8/02

(1) GROSVENOR ESTATE BELGRAVIA

and

(2) PRIZEOTHER LIMITED

I CERTIFY this document to be a true
copy of the original.

Solicitor, Norwich
20

UNDERLEASE

of 9/11 Grosvenor Gardens 9 and 11 Grosvenor Gardens
Mews East London SW1

Starts:	25 December 2001
Term:	125 years
Ends:	24 December 2126
Initial base rent:	£58,750

BOODLE
HATFIELD

61 Brook Street · London W1K 4BL
Telephone: 020 7629 7411 · Fax: 020 7629 2621
DX 53 Chancery Lane

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THIS UNDERLEASE made the

BETWEEN:

- (1) GROSVENOR ESTATE BELGRAVIA (Company Registration Number 393134) whose registered office is at 70 Grosvenor Street London W1K 3JR and
- (2) PRIZEOTHER LIMITED (Company Registration Number 3933113) whose registered office is at 15 Grosvenor Gardens London SW1W 0BD ("the Tenant")

WITNESSES as follows:

INTERPRETATION

1. IN this Lease the headings and table of contents shall be ignored in its construction and unless the context otherwise requires:

Defined terms

- 1.1 The following expressions have the meanings set against them:

"Basic Income"

Basic Income as defined in Schedule

"Basic Rent"

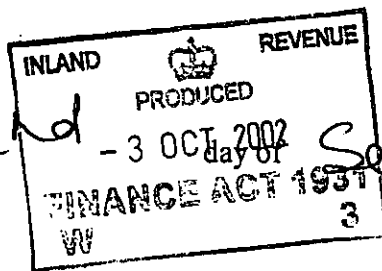
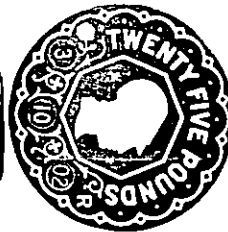
the sums payable under Part II of Schedule 1 (the provisions of which shall have effect)

"Conduits"

pipes sewers drains cisterns ducts gutters watercourses wires cables channels flues and other conducting media and any other ancillary apparatus

"Contractual
Expiry Date"

the date on which the contractual term created by Clause 2 will expire if the Term does not end earlier



"Existing Leases"

the leases brief details of which are set out in Schedule 6



"Full Cost of Reinstatement"

such amount as the Landlord from time to time determines as the costs of rebuilding the Premises after destruction by an Insured Risk (including the cost of shoring-up demolition site clearance any works that may be required by statute fees payable on any applications for planning permission or other consents professional fees and other incidental expenses) when the rebuilding occurs including any increases in building costs up to the date of completion



"Insurance Rent"

such sums as the Landlord shall pay by way of gross premiums for effecting insurance under Clauses 5.1 and 5.2 (or if the Premises are insured with other property where applicable a fair proportion of such sums payable under the relevant insurance policy from time to time determined by the Landlord)

"Insured Damage"

damage or destruction to any part of the Premises which is caused by a risk against which and to the extent that at the time of the damage or destruction the Landlord has or should have effected insurance of that part of the Premises under Clause 5.1

"Insured Risks"

fire lightning storm explosion impact aircraft and other aerial devices and articles dropped therefrom riot malicious damage civil commotion and (if and to the extent available) damage caused by acts of terrorism earthquake (fire and shock) bursting or overflowing of water tanks apparatus or pipes for so long as each such risk remains insurable with insurers of repute at reasonable commercial rates or is actually insured by the Landlord in its discretion for the purposes of this Lease together with such other risks of damage or destruction to the Premises against which the Landlord from time to time effects insurance for the purposes of this Lease (if any)

"Mews"

the roadway known as Grosvenor Gardens Mews East London SW1

"Outgoings"

(in relation to the Premises or other adjacent and relevant property as the context requires) all present and future rates charges taxes assessments impositions and outgoings of any kind (including without limiting the foregoing any which are of a capital or non-recurring nature or wholly novel) assessed charged imposed or payable on or by any owner or occupier of or on or in respect of the Premises or other adjacent and relevant property respectively excluding (save for Value Added Tax) any payable by the Landlord or any superior landlord occasioned by receipt of the Rents or the rents payable under a superior lease or by any dealing with any interest in the Premises of the Landlord or any superior landlord

"Planning Acts"	the Town and Country Planning Act 1990 the Planning (Listed Buildings and Conservation Areas) Act 1990 the Planning (Hazardous Substances) Act 1990 and other statutes relating to town and country planning
"Premises"	the whole and each part of the land and premises known as Nos 9 and 11 Grosvenor Gardens and 9 and 11 Grosvenor Gardens Mews East London SW1 as more particularly described in Schedule 2
"Prescribed Rate"	four per cent per annum above the base rate of National Westminster Bank plc or above such other rate of interest as the Landlord from time to time reasonably determines
"Quarter Days"	25 March 24 June 29 September and 25 December in each year
"Rents"	the Basic Rent and the Insurance Rent
"Term"	the term of years granted by Clause 2 together with any period of holding-over extension or continuance by statute or common law
"Visitor"	the Tenant any undertenant (however remote) of the whole or any part of the Premises and any person at or near the Premises expressly or by implication with the direct authority of the Tenant or any such underterant

End of the Term

- 1.2 "The last year of the Term" and "the end of the Term" mean the last twelve months of and the end of the Term however it ends (including by expiry forfeiture or surrender)

Landlord and Tenant (Covenants) Act

- 1.3 The expressions "excluded assignment" "authorised guarantee agreement" and "collateral agreement" have in relation to this Lease the meanings specified in Sections 11(1) 16 and 28(1) of the Landlord and Tenant (Covenants) Act 1995

Construction of obligations

- 1.4 Obligations by the Tenant:

1.4.1 not to do or not to omit to do anything in relation to the Premises include an obligation to use all reasonable endeavours to ensure that it is not done or omitted by (in relation to the Premises) any other person and (in relation to other property) any Visitor

1.4.2 to do anything in relation to the Premises include an obligation to use all reasonable endeavours to ensure that (in relation to the Premises) all other persons and (in relation to other property) all Visitors comply with them

- 1.5 References to obligations of the Tenant in this Lease include obligations of the Tenant in any document entered into pursuant to this Lease and in any collateral agreement

Statutes

- 1.6 References to a statute or a statutory instrument include any extension amendment or re-enactment for the time being in force and any regulations instruments permissions directions orders or notices for the time being made or issued under it

Value Added Tax

- 1.7 References to Value Added Tax include any similar tax substituted for or levied in addition to it

Indemnities

- 1.8 Obligations to indemnify the Landlord against a matter are obligations to indemnify the Landlord against liabilities actions proceedings damages penalties costs expenses claims and relevant demands and any proper fees and expenditure incurred arising directly from or in connection with that matter

Superior interests

- 1.9 References to the Landlord include any superior landlord where:

- 1.9.1 the relevant superior lease requires the approval of the superior landlord to a matter and the Landlord's approval to that matter is required under this Lease (although nothing in this Lease shall prevent the superior landlord from withholding its approval if it is entitled to do so under the relevant superior lease)
- 1.9.2 there is provision for repayment to the Landlord of any expenses incurred and
- 1.9.3 there is an indemnity in favour of the Landlord

Approvals

- 1.10 References to the approval or consent of or to a matter being approved by a person are to its prior written approval or consent

Vitiating of insurance

- 1.11 References to insurance being vitiated are to the insurance effected under Clause 5.1 (and if relevant any other insurance effected by the Landlord against damage or destruction to neighbouring property or third party liability) being vitiated and/or payment of the insurance monies under such insurance being refused in whole or part by reason of any act or omission by any Visitor (whether or not also resulting from an act or omission by any other person)

Parties and joint and several obligations

- 1.12 References to "the Landlord" and "the Tenant" include the immediate landlord and the tenant for the time being under this Lease and (if respectively more than one person) their obligations are joint and several

Cross-references

- 1.13 Without further designation references to:
- 1.13.1 numbered Clauses and Schedules are to clauses of and schedules to this Lease and
 - 1.13.2 a numbered paragraph is to that paragraph of the Schedule (or Part of the Schedule) in which the reference appears and
 - 1.13.3 a numbered Part is to that Part of the Schedule in which the reference appears

Group companies

1.14 Bodies corporate are for the time being in the same "Group" for so long as they are treated as members of the same group under Section 42(1) of the 1954 Act

TERM RIGHTS & RENTS

2. IN consideration of £1,100,000 (One Million One Hundred Thousand pounds) (receipt of which the Landlord acknowledges) the Landlord with full title guarantee LEASES the Premises to the Tenant

TOGETHER WITH (in common with the Landlord those authorised by it and others with similar rights) the rights specified in Schedule 2

RESERVING to the Landlord and those authorised by it the rights specified in Schedule 3

SUBJECT to all rights and obligations affecting the Premises

TO HOLD to the Tenant from and including the 25th day of December 2001 for a term of 125 years subject to but with the benefit of the Existing Leases

PAYING to the Landlord:

2.1 The Basic Rent

2.2 By way of further rent the Insurance Rent on demand

TENANT'S COVENANTS

3. THE Tenant COVENANTS with the Landlord during the Term and thereafter as specified as follows:

Rent

- 3.1 To pay the Rents in accordance with Clause 2 and Schedule 1 without deductions and not to exercise any right or claim to withhold rent or legal or equitable set-off

Interest on arrears

- 3.2 To pay to the Landlord interest at the Prescribed Rate from when the rent or other sum was due or incurred until actual payment or reimbursement to the Landlord (whether formally demanded or not and before and after judgment) on:

3.2.1 any part of the Basic Rent unpaid on the due date

3.2.2 any other sum due under this Lease unpaid for 14 days after it is due and

3.2.3 any sum properly incurred by the Landlord due to a failure by the Tenant to comply with its obligations in this Lease

PROVIDED THAT this sub-clause is without prejudice to any other right of the Landlord and Rents or other sums shall be deemed unpaid if the Landlord has refused to accept a payment so as not to waive a right to forfeit this Lease

Outgoings

- 3.3 To pay and indemnify the Landlord against:

3.3.1 all Outgoings which relate to the Premises and

3.3.2 the costs reasonably and properly incurred by the Landlord in maintaining repairing and renewing all Conduits plant and machinery which solely serve and are outside the Premises

Common Outgoings

- 3.4 To repay to the Landlord on demand a fair proportion (to be determined from time to time by the Landlord acting in a proper manner) of any Outgoings which relate to the Premises and other property

Common items

- 3.5 To pay on demand a fair proportion (to be determined from time to time by the Landlord) of the costs of maintaining keeping in good order repairing renewing rebuilding improving lighting cleansing and resurfacing as appropriate:

3.5.1 all party walls boundary structures Conduits and other things (whether or not of a similar nature) for which the Tenant is not liable under this Lease the use of which is common to the Premises and any other property and

3.5.2 the paving and roadway of the Mews and any bollard arch or gateway thereto and also of lighting it and preserving the amenities of the Premises and neighbouring premises (including for so long as the Landlord so decides the employment of a commissionaire or warden and/or the installation of barriers controlled automatically or otherwise) by keeping it free from obstruction and maintaining it as a private way

Value Added Tax

- 3.6 To pay to the Landlord any Value Added Tax chargeable on any payments or other consideration (including the Rents) made or given by the Tenant under or in connection with this Lease such Value Added Tax to be payable in addition to such payments or consideration and the Landlord shall provide the Tenant with a valid Value Added Tax invoice following receipt of payment from the Tenant

- 3.7 Where under this Lease the Tenant agrees to pay to the Landlord or another person (including without limitation by way of indemnity or reimbursement) a sum calculated by reference to any amount expended by the Landlord or any other person to pay in addition a sum equal to any Value Added Tax on such amount save to the extent (if any) that it will be recoverable by the Landlord or other person respectively without (if respectively it has not done so) exercising any election to waive exemption from Value Added Tax

Gas electricity and other services

- 3.8 To pay to the suppliers all charges for gas electricity and other services consumed or used at or in connection with the Premises and all charges for meters and telephones and to comply with all regulations and requirements of the supplying authorities insofar as they relate to the Premises

Repair

- 3.9 To keep the Premises in good and substantial repair and condition (including decorative condition) and (when necessary) to renew or rebuild the Premises subject always to Clause 5.6
- 3.10 To use and maintain only natural Welsh slate on any sloping roof of the Premises or another slate of similar appearance and quality approved by the Landlord
- 3.11 To replace any landlord's fixtures in the Premises which are missing become beyond repair or are at the end of the Term broken or damaged with others of similar quality appearance and value

To clean windows

- 3.12 To clean the interior and exterior of the windows of the Premises as often as may be necessary

Internal decorations

- 3.13 In every fifth year of the Term and in the last three months of the last year of the Term (but not so that these works are required twice in any one year) to paint enamel french polish or otherwise treat such parts of the interior of the Premises as are or should be so treated with two coats of good quality paint or best quality polish or other suitable material of the best quality (the colour scheme and materials to be used on the last such occasion during the Term to be such as is required by the Landlord) and wash down all tiles and similar washable surfaces

External decorations

- 3.14 In the year 2004 and every third year thereafter and the last year of the Term in each case between 1 March and 31 October to paint the whole of any outside woodwork ironwork metalwork cement stucco work and the other external parts of the Premises usually or otherwise requiring to be painted with two good coats of good oil paint (or other type approved by the Landlord) and in such colours as the Landlord requires PROVIDED THAT the Tenant shall not paint any external brickwork or stonework of the Premises unless it has usually been painted before the date of this Lease

- 3.15 As often as is in the reasonable opinion of the Landlord necessary to clean the stonework of the Premises in such manner as the Landlord requires and to clean and repoint any external brickwork of the Premises in the type and colour required by the Landlord

- 3.16 In relation to the external painting and cleaning of the stonework and cleaning and repointing of the brickwork:

- 3.16.1 to permit the Landlord and all those authorised by it to carry out such works as often as the Landlord thinks fit (but not more than once in any period of three years as to painting)

- 3.16.2 to repay to the Landlord on demand the reasonable costs of so doing
- 3.16.3 not afterwards to alter the painting and cleaning of the stonework and cleaning and re-pointing of the brickwork without the approval of the Landlord

Standard of works

- 3.17 To carry out all works required by this Lease in a good and workmanlike manner and to the satisfaction of the Landlord

Reinstatement and delivery at end of Term

- 3.18 Before the end of the Term:

- 3.18.1 to the extent required by the Landlord to remove any additions or alterations made to the Premises during the Term
- 3.18.2 to remove any advertisements or signs erected on or near the Premises and
- 3.18.3 to make good any damage caused by such removal and the removal of tenant's fixtures and chattels

- 3.19 At the end of the Term to deliver the Premises up in repair and in accordance with the Tenant's obligations in this Lease

Changes to ownership and occupation

- 3.20 Not to assign charge underlet hold on trust for another or otherwise part with or share possession or occupation of the whole or any part of the Premises save by way of:

- 3.20.1 with the approval of the Landlord (such approval not to be unreasonably withheld) an assignment of the whole of the Premises
- 3.20.2 with the approval of the Landlord (such approval not to be unreasonably withheld) an underletting of the whole or part of the Premises complying with the applicable requirements of Schedule 5 PROVIDED THAT an underletting of part of the Premises must comprise at least one whole floor of that part of the Premises known as 9 Grosvenor Gardens or that part of the Premises known as 11 Grosvenor Gardens (other than common parts and structural parts of the Premises)
- 3.20.3 a charge of the whole of the Premises or
- 3.20.4 a sharing of occupation of the whole or any part of the Premises by the Tenant with a person who a body corporate in the same Group as the Tenant for so long as the Tenant and that person remain in the same Group subject to no landlord and tenant relationship or other interest in the Premises at law or in equity being thereby created

Management and letting

- 3.21 To comply with Schedule 5 the provisions of which have effect

Registration of dealings

- 3.22 Within twenty-one days after any assignment charge underlease or transmission or other disposition or devolution relating to the whole or any part of Premises or any derivative interest in them to give notice of such to the Landlord and to produce to the Landlord a certified copy of the relevant document and to pay the Landlord's (or its solicitors') proper charges (being not less than £25 in each case) for the registration of every such document

Alterations

3.23 Not:

- 3.23.1 to erect any new buildings on the Premises
- 3.23.2 to annex the Premises to other premises
- 3.23.3 to enclose any portico
- 3.23.4 (subject to Clause 3.23.5) to make any structural or non-structural alterations or additions to the interior or exterior of the Premises
- 3.23.5 without the approval of the Landlord (such approval not to be unreasonably withheld) to carry out internal structural or non-structural alterations

Permitted use

- 3.24 To use the Premises only as business or professional offices (but not governmental or diplomatic offices)
- 3.25 Notwithstanding the foregoing to use the part of the Premises known as 11 Grosvenor Gardens Mews East only as a self-contained high-class private residential flat in the occupation of a single family or household only

No nuisance

- 3.26 Not to do on the Premises anything which in the opinion of the Landlord may become or cause a nuisance disturbance damage annoyance or inconvenience to the Landlord or its lessees or to the owners or occupiers of neighbouring property or the public

No overloading

- 3.27 Not to do or bring in or on the Premises anything which may put any weight or impose a strain in excess of that which the Premises are designed to bear with due margin for safety and not to fix any machinery to the walls ceilings or roof of the Premises

Other restrictions

- 3.28 To keep the entrance ways of and exits from the Premises and the buildings on the Premises clear and unobstructed at all times
- 3.29 Not to hold any sale by auction on the Premises
- 3.30 Not to permit any person to sleep in the Premises or use them for residential purposes save as permitted by Clause 3.25
- 3.31 Not to use the Premises for any illegal or immoral purpose nor for the purposes of prostitution
- 3.32 Not to allow the front entrance door to the Premises to remain open
- 3.33 Not to keep living poultry or animals in the Premises
- 3.34 Not to expose in or on any part of the Premises facing onto the Mews which is visible from the exterior of the Premises or other premises any clothes or linen nor any other articles which the Landlord from time to time considers objectionable

Restrictions in the Mews

- 3.35 Not to sound any bell hooter horn or whistle in any vehicle in the Mews

3.36 To silence any alarm which is activated in any vehicle brought into the Mews by a Visitor as soon as reasonably practicable

3.37 Not to repair service or clean any vehicle in the Mews or allow vehicles to be stationary in it

Refuse

3.38 To make proper and adequate arrangements for the frequent removal from the Premises of all trade and other waste in accordance with the requirements of any competent authority and any regulations made from time to time by the Landlord

Fire precautions

3.39 To provide and maintain in proper and efficient working order sufficient and effective means of extinguishing or preventing the spread of fire in compliance with the requirements of all statutes including (without limiting the foregoing) all fire fighting equipment required from time to time by the fire officer

3.40 To obtain and if so required produce a copy to the Landlord of any fire certificate or other document which is necessary for the Tenant's or any undertenant's occupation of the Premises to comply with the Fire Precautions Act 1971

Plant and machinery

3.41 Not to erect or install in the Premises any engine or machinery or other appliance or apparatus of any description (other than usual office machinery which is not a fixture nor audible outside the Premises)

3.42 Not to overload the electrical wiring or drainage installations and apparatus in or serving the Premises and to ensure that they comply with the standard terms conditions and regulations of the relevant authorities

- 3.43 To keep all plant machinery and services within the Premises in working order

Aerials

- 3.44 Not to erect on the exterior of the Premises any pole mast wire aerial dish or any erection of any kind whatsoever PROVIDED THAT the Tenant may install on the roof of the Premises one satellite dish of up to one metre diameter and two other aerials of up to one metre in height or length (as the case may be) provided that (a) the satellite dish is not visible at ground or first floor level from any buildings in Grosvenor Gardens or Grosvenor Gardens Mews East (b) the Landlord's prior consent in writing is obtained to the positioning and design of such satellite dish and aerials such consent not to be unreasonably withheld and (c) any such dish or aerial exclusively serves the Premises or part thereof

Telephone wires

- 3.45 Not (with the exception of those required for the service of any occupier of the Premises) to permit any telephone or other wires to be carried over or under the Premises or to be fixed on to or in them

Signs

- 3.46 Not to fix or exhibit on the exterior of or (if visible from the exterior) the interior of the Premises any name-plate bill sign placard notice fascia board flag banner blind advertisement or similar device so that there shall be no indication of the use of the Premises save with the approval of the Landlord for one small name-plate on or at the front entrance door of the Premises

Preservation of rights and boundaries

- 3.47 Not to obstruct any window or light enjoyed by the Premises and to use its reasonable endeavours to prevent the loss of any right belonging to the Premises

- 3.48 To use all reasonable endeavours to prevent any encroachment on the Premises and the acquisition of any right over the Premises and to notify the Landlord immediately if an encroachment or the acquisition of a right is attempted or made

Rights of entry

- 3.49 To permit the Landlord and those properly authorised by it to enter the Premises to:

- 3.49.1 ascertain whether the Tenant has complied with its obligations in this Lease
- 3.49.2 assess the Full Cost of Reinstatement
- 3.49.3 take schedules of fixtures and chattels to be delivered up at the end of the Term
- 3.49.4 carry out repairs decorations alterations or other works to any neighbouring property which cannot otherwise be conveniently undertaken from that neighbouring property
- 3.49.5 inspect repair renew connect to clean move relay or construct existing or new Conduits plant or machinery in over or under the Premises serving or to serve any neighbouring property
- 3.49.6 make alterations to any present or future means of emergency escape in on or above the Premises which serves neighbouring premises so as to make such means of escape comply with all statutes and the requirements of any competent authority
- 3.49.7 comply with the obligations in any superior lease

3.49.8 do anything else reasonable which cannot otherwise be conveniently done

AND anyone exercising the right of entry shall:

3.49.9 (except in an emergency) do so only at reasonable times and on not less than 48 hours' prior notice

3.49.10 cause as little damage and inconvenience as reasonably practicable and

3.49.11 make good any resulting damage to the Premises

To permit Landlord to remedy breach

3.50 To permit the Landlord and those authorised by it to enter the Premises without liability to the Tenant for any damage or inconvenience thereby created to remedy any breach of the Tenant's obligations in this Lease specified by the Landlord by notice to the Tenant if:

3.50.1 two months thereafter the Tenant has not started or is not continuing diligently to remedy the breach

3.50.2 three months thereafter the Tenant has not completed remedying the breach or

3.50.3 in the Landlord's reasonable opinion the Tenant is unlikely to have completed remedying the breach within three months thereafter or such shorter period as the Landlord reasonably considers necessary in the circumstances

AND the proper costs so incurred by the Landlord (including solicitors' and surveyors' fees) shall be a liquidated debt and paid by the Tenant to the Landlord on demand

Statutory obligations

- 3.51 To comply with the present and future requirements of any statute government department local or other public or competent authority or court relating to the Premises or their use and whether imposed on any owner or occupier of them
- 3.52 To execute all works and provide and maintain all arrangements on or in respect of the Premises or their use that are thereby required
- 3.53 Not to do or omit to do in or near the Premises anything as a result of which the Landlord may under any statute have imposed on it or become liable to pay any penalty damages compensation costs charges or expenses

Copies of notices

- 3.54 To give to the Landlord full particulars of any notice order proposal or recommendation affecting the Premises or neighbouring property as soon as the Tenant or any owner or occupier is aware of it and (if so requested by the Landlord) to produce it and at the request of the Landlord to make or join in making such objections or representations in respect of it as the Landlord requests

Compliance with Planning Acts

- 3.55 To comply with and not commit a breach of the Planning Acts

Charges under Planning Acts

- 3.56 To pay any charge or levy imposed under the Planning Acts during or after the Term in respect of the carrying out or maintenance of any operations at the

Premises or the commencement or continuance of any use of the Premises during the Term

No planning applications etc without consent

- 3.57 Not to serve any notice on nor to enter into any agreement with the planning authority nor without the approval of the Landlord to make any application for permission under the Planning Acts

Copies of permissions

- 3.58 Without unreasonable delay following receipt to give to the Landlord a copy of the grant refusal or modification of any permission or other decision under the Planning Acts

To complete works before end of Term

- 3.59 To carry out and complete before the end of the Term:
- 3.59.1 any works to be carried out to the Premises by a date after the end of the Term by a condition of any planning permission granted for any development begun by the Tenant before the end of the Term and
 - 3.59.2 any development begun by the Tenant on the Premises in respect of which the Landlord shall or may be liable for any charge or levy under the Planning Acts

Landlord's costs

- 3.60 To pay to the Landlord on demand and indemnify the Landlord against all proper and reasonable costs fees damages charges and expenses (including without limitation those of agents bailiffs and professional advisers) properly incurred or suffered by the Landlord in connection with or incidental to:

- 3.60.1 any application by the Tenant or any person deriving title under the Tenant in connection with the Premises or any term of this Lease whether it proceeds or is granted lawfully refused or granted subject to lawful conditions
- 3.60.2 the preparation and service of a notice under Section 146 of the Law of Property Act 1925 or any proper steps taken in proceedings under Sections 146 or 147 of that Act or otherwise requiring the Tenant to remedy any breach of the Tenant's obligations in this Lease (notwithstanding that forfeiture is avoided otherwise than by relief granted by the court and whether or not any right of forfeiture is waived by the Landlord or a notice served under the said Section 146 is complied with)
- 3.60.3 any proper steps taken in or towards preparing or serving a schedule of dilapidations whether during or within six months after the end of the Term
- 3.60.4 the recovery or attempted recovery of arrears of the Rents or other sums due from the Tenant under this Lease or any other breach by the Tenant of its obligations in this Lease

Indemnities

- 3.61 To indemnify the Landlord against any act omission or negligence of any Visitor and any breach of the Tenant's obligations in this Lease by any Visitor

Regulations

- 3.62 To comply with any reasonable written regulations of which the Tenant has had due notice in writing from time to time made by the Landlord relating to the management security or use of the Mews and which do not derogate from the grant of this Underlease

Registration and merger

- 3.63 Forthwith after the date hereof to apply to HM Land Registry for registration of the Tenant's title to this Lease and for merger in such title of the lease dated 6 April 1971 made between (1) The Trustees of the Will of the Most Noble the 2nd Duke of Westminster deceased (2) Hazelmere Estates Limited and for closure of the Land Registry title number NGL 163947 in respect of the same

LANDLORD'S COVENANTS

4. THE Landlord COVENANTS with the Tenant as follows:

Quiet enjoyment

- 4.1 That the Tenant shall peaceably hold and enjoy the Premises during the Term without interruption or disturbance from or by the Landlord or any person lawfully claiming under or in trust for the Landlord

Compliance with superior lease

- 4.2 To pay the rent reserved by the superior lease dated 27 March 1984 made between (1) The Sixth Duke of Westminster J N C James and Sir Richard Baker Wilbraham Bt and (2) the Landlord (then called Grosvenor Estates) and (by way of indemnity only) to comply with the lessee's obligations in it insofar as they are not the responsibility of the Tenant under this Lease

INSURANCE OBLIGATIONS

5. THE Landlord and the Tenant AGREE with each other as follows:

Landlord to effect insurance

- 5.1 (Unless the insurance is vitiated and subject to such reasonable or usual exclusions qualifications and excesses as the insurers require) the Landlord shall insure and keep insured the buildings (including all additions and alterations

thereto) from time to time on the Premises (excluding tenant's fixtures) against risk of loss or damage by the Insured Risks with Royal and Sun Alliance Insurance Group or such other reputable insurers as the Landlord from time to time determines

Amount of insurance cover

- 5.2 The Landlord shall effect the insurance in a sum equal to the Full Cost of Reinstatement or such greater sum as the Tenant specifies by notice to Realty Insurances Limited of 58 Davies Street London W1K 5JF (or such other agent as the Landlord from time to time notifies to the Tenant in writing) such greater insurance to be effected by the Landlord within seven days of receipt of the notice

Copies of policy

- 5.3 The Landlord shall at the reasonable request of the Tenant produce a summary of the policy and evidence of payment of the current premium

Reinstatement

- 5.4 If the Premises suffer Insured Damage the Tenant shall:

5.4.1 (subject to Clause 5.5 below) as soon as reasonably practicable thereafter (or where required as soon as reasonably practicable after it has obtained all necessary planning permissions and other permits and consents under the Planning Acts or other statutes) rebuild the Premises (save to the extent that the Landlord agrees in writing) to their state and condition before such Insured Damage

5.4.2 use its reasonable endeavours to obtain all such permissions permits and consents as soon as reasonably practicable

Application of insurance monies

- 5.5 The insurance monies payable under the policy effected under Clause 5.1 (subject to the insurance in respect thereof not having been vitiated) shall be applied to rebuilding the Premises

Tenant to make up deficiency

- 5.6 The Landlord shall incur no liability (howsoever arising whether in respect of its own acts or defaults or the acts or defaults of its employees agents or licensees) to the Tenant for any deficiency in the insurance monies for any Insured Damage unless and to the extent that the Landlord has failed to increase the amount of the insurance within seven days after receipt of notice under Clause 5.2 and (subject thereto) but only for so long as the reversion immediately expectant on the determination of the Term and/or any superior interests in the Premises is vested in the Grosvenor family and/or the person or persons together comprising the entity or entities commonly known as the Grosvenor Estate (or any part of it) or in any person partnership body corporate trust or organisation in which the Grosvenor family and/or the Grosvenor Estate (or any part of it) has or will have an interest the Tenant shall make up any deficiency in any such insurance monies

Loss of rent insurance

- 5.7 The Tenant shall:

- 5.7.1 insure and keep insured the Premises in the joint names of the Landlord and the Tenant against loss of Basic Income actual or reasonably estimated by the Tenant for a period of three years with insurers of repute
- 5.7.2 (without limitation) maintain such insurance during periods when the Premises are subject to Owner Occupation when the amount of the insurance shall (in relation to the parts of the Premises subject to

Owner Occupation) be the Open Market Rent as agreed by the Landlord and the Tenant or ascertained under Schedule 1 or for so long as not agreed or ascertained or a recalculation is due in the three year period as reasonably estimated by the Tenant

5.7.3 at the reasonable request of the Landlord produce a copy of the policy and evidence of the payment of the current premium and that it is in force

(the expressions "Owner Occupation" and "Open Market Rent" being defined in Schedule 1)

Tenant's insurance obligations

5.8 The Tenant shall:

Notice of damage

5.8.1 give notice to the Landlord as soon as reasonably practicable if the Premises are destroyed or damaged by any of the Insured Risks or if any event occurs which might affect any insurance policy relating to the Premises

No dangerous substances

5.8.2 not without the consent of the Landlord bring or do on the Premises anything of a dangerous combustible inflammable or explosive nature (excluding fuel contained in the tank of any motor vehicle parked on the Premises)

Not to vitiate

5.8.3 not do or omit to do on the Premises anything which may result in an increase in the premium for the insurance of the Premises or any neighbouring property of the Landlord or which may vitiate any

insurance of the Premises or any neighbouring property of the
Landlord or any insurance of the Landlord against public liability

Insurer's requirements

- 5.8.4 comply with the written requirements notified to the Tenant from
time to time of the insurers of the Premises

PROVISOS

6. IT IS FURTHER AGREED as follows:

Forfeiture

6.1 Whenever:

6.1.1 the Rents are in whole or part unpaid fourteen days after becoming
payable whether formally demanded or not

6.1.2 there is a breach of any of the Tenant's obligations in this Lease

THEN the Landlord may re-enter (by court action only and not by peaceable re-
entry) the Premises or any part of them in the name of the whole and the Term
will then immediately determine but without prejudice to the rights of the
Landlord in respect of any prior breach of the Tenant's obligations in this Lease
or any surety for them

PROVIDED THAT if:

6.1.3 at any time an event occurs which gives rise to a right of re-entry in
accordance with the foregoing provisions ("Relevant Event") and

the
6.1.4 at the date of occurrence of the Relevant Event ("Relevant Date") there is subsisting any charge over or affecting the Tenant's interest in the whole of the Premises ("the Charge") and

6.1.5 on or before the Relevant Date the Landlord or its solicitors have received written notification of the name of the person entitled to the benefit of the Charge ("the Chargee") and of the address for service of the Chargee ("Address for Service")

THEN unless the Landlord has first given to the Chargee at its Address for Service not less than 28 days' notice of its intention to do so the Landlord shall not be entitled to exercise any right of re-entry in respect of the Relevant Event nor shall the Landlord exercise such right until the expiry of such notice but so that this proviso shall not affect or restrict in any way:

6.1.6 the Landlord's right on or at any time after the expiry of such notice to re-enter in respect of the Relevant Event without further notice to the Chargee

6.1.7 the exercise by the Landlord at any time and without notice to the Chargee of any other right or remedy which the Landlord may have in respect of the Relevant Event or

6.1.8 any right of the Chargee in respect of any re-entry by the Landlord in respect of the Relevant Event

No implied rights

6.2 Save for any rights expressly granted by this Lease the Tenant is not and shall not be entitled by implication of law or otherwise to any right or privilege whatsoever over or against any neighbouring property which belongs to the Landlord now or in the future

No restrictions on adjoining property

- 6.3 Nothing contained or implied in this Lease shall impose or be deemed to impose any restriction on the use of any land or building (other than the Premises) or give the Tenant the benefit of or prevent the release or modification of any obligation entered into by any purchaser lessee or occupier of any neighbouring property

Release of Landlord

- 6.4 Each of the Tenant and its successors in title hereby releases each person now or hereafter included in or comprising the Landlord from liability for any breach of the Landlord's obligations in this Lease or any collateral agreement occurring while that person is not the Tenant's immediate landlord

Service of notices

- 6.5 Any notice served under this Lease:

6.5.1 shall be in writing

6.5.2 may be addressed to "the Landlord" or "the Tenant" by that designation without naming the person who is the Landlord or the Tenant

6.5.3 shall be validly served if left at the addressee's last known place of abode or business in the United Kingdom

6.5.4 shall be validly served on the third day (excluding Saturdays Sundays and statutory bank holidays) after being posted if it is posted to the addressee's (in the case of a body corporate) registered office or last known place of abode or business in the United Kingdom in a registered letter or by recorded delivery service unless returned through the post office undelivered

Representations

- 6.6 The Tenant acknowledges that it has not entered into this Lease in reliance wholly or partly on any written oral or implied representation by or on behalf of the Landlord other than the Landlord's solicitor's replies to the Tenant's solicitor's written enquiries and all liability of the Landlord and remedies of the Tenant for any other non-fraudulent misrepresentation are excluded
- 6.7 Clause 6.6 only excludes or restricts any liability or remedy for misrepresentation to the extent that (notwithstanding the exclusion or restriction) it would be a fair and reasonable term to include in this Lease having regard to the circumstances which at the date of this Lease were or ought reasonably to have been known to or in the contemplation of the parties hereto

Exclusion of third party rights

- 6.8 It is not intended that any term of this Lease is enforceable by a third party under Section 1 of the Contracts (Rights of Third Parties) Act 1999

Sums due to Landlord treated as rent

- 6.9 Any sum due from the Tenant to the Landlord under this Lease shall be additional rent hereby reserved and paid by the Tenant (save where otherwise provided) on demand and shall be recoverable by action or distress and the word "Rents" shall be construed accordingly

Alterations to the Mews

- 6.10 (Subject to the Tenant being able at all times to pass to and from the Premises over the Mews on foot or by car) the Landlord may:
- 6.10.1 restrict or deny access to the Mews temporarily by any vehicle or any class of vehicle

6.10.2 amend the extent of the Mews or permit encroachment on the Mews and/or

6.10.3 take such steps as it thinks fit to prevent members of the general public having access to the Mews

Stamp duty certificate

6.11 It is hereby certified that there is no agreement for lease to which this Lease gives effect

Existing Leases provisions

6.12 Where the provisions of the Existing Lease (or any extension thereof granted pursuant to the provisions of Part II of the Landlord and Tenant Act 1954 (as amended) but not any other extension) are inconsistent with the provisions of this Lease to the extent that any act or omission would not be a breach of any covenant or condition contained in the Existing Leases but would be a breach of some covenant or condition on the part of the Tenant contained in this Lease then for so long as the Existing Leases (or any such extension thereof as aforesaid which itself contains any such inconsistencies notwithstanding the Tenant having used all such reasonable endeavours as hereinafter mentioned) shall be subsisting the Tenant shall not incur any liability to the Landlord hereunder in respect of such matters subject to the Tenant at all times using all reasonable endeavours (as it hereby expressly covenants so to do) to procure consistency between the terms of any Existing Leases and this Lease (whether upon extension or at renewal of the Existing Leases or whenever opportunity should present)

IN WITNESS whereof this Lease has been duly executed by the parties hereto and is delivered as a Deed the day and year first before written

SCHEDULE 1

(Calculation and payment of Basic Rent)

PART I

(Definitions)

Defined Terms

1. In this Schedule the following expressions have the meanings set against them:

“Base Rent” for each Rent Period £58,750 per year subject to upwards only review in accordance with paragraph 4

“Basic Income” all rent and licence fees received by (or on behalf of) the Tenant from undertenants or licensees of the Premises (or any guarantor of them) and all other income received by (or on behalf of) the Tenant in respect of the use and occupation of the Premises excluding the items listed as exclusions at the end of the definition of Income below

“Deemed Rent” for so long as the whole or any part or parts of the Premises are subject to Owner Occupation (“the Occupied Premises”) an amount equal to the Open Market Rent for the Occupied Premises calculated at the date of the start of each period of Owner Occupation
PROVIDED THAT:

(a) (if such Owner Occupation then still subsists) the Deemed Rent shall be recalculated at five yearly intervals from the date the Owner Occupation started to the higher of:

(i) the Open Market Rent for the Occupied

Premises on the first day of each such five year period ("the Recalculation Date") and

- (ii) the Deemed Rent in the twelve months before that Recalculation Date
- (b) the Deemed Rent shall be treated as received by equal quarterly payments in advance on the date of start as aforesaid and on each subsequent Quarter Day (subject to apportionment as appropriate in respect of any period less than a complete quarter)
- (c) if Owner Occupation starts on different dates in relation to different parts of the Premises the Open Market Rent shall be assessed separately and paragraphs (a) and (b) above shall apply separately in relation to each such part

"Income"

for each Rent Period (or as the context requires other period) the following sums received by (or on behalf of) the Tenant in that Rent Period (or other period respectively):

- (a) Basic Income
- (b) consideration (including forfeited deposits) in relation to any option or pre-emption rights relating to the Premises
- (c) (to the extent not part of Basic Income) consideration for or otherwise relating to any

licence concession agreement or other agreement relating to the Premises not constituting an underlease including payments and fees for the use of facilities in on or above the Premises or the right to carry out any promotion of goods or services in on or above the Premises

- (d) consideration for or otherwise relating to the grant waiver release or variation by or surrender of any underlease licence covenant or other obligation relating to the Premises or anything above the Premises or the obligations of any guarantor therefor
- (e) mesne profits and damages for trespass to the Premises (so far as they represent value for use and occupation of the Premises as distinct from physical damage)
- (f) interest on increased rent following a rent review relating to the Premises which is settled after the relevant review date
- (g) sums relating to the use or occupation of the Premises or the other items mentioned in this definition by way of damages or compensation for loss of rent only and interest on them awarded by a court or arbitrator or other person exercising a judicial quasi-judicial or arbitral function or an expert or negotiated by (or on behalf of) the Tenant

- (h) sums for or otherwise relating to compromising or settling any judicial quasi-judicial arbitral or expert proceedings brought or threatened by (or on behalf of) the Tenant relating to the use or occupation of the Premises or the loss of rent from other items mentioned in this definition
- (i) proceeds of insurance for loss of Income
- (j) any other income attributable to use and occupation of the Premises
- (k) sums paid by way of capitalisation or for commutation of rents or other sums under any underlease licence or other document relating to the use or occupation of the Premises
- (l) interest on late payments of any of the other items in this definition
- (m) distributions in the liquidation bankruptcy or insolvency of any person relating to claims (or a guarantee of claims) founded on any entitlement or alleged entitlement to any of the other items in this definition
- (n) a sum equal to any withholding tax properly withheld by any person on any of the other items in this definition by reason of a statutory requirement binding that person which shall be treated as received by the Tenant at the time of receipt of the payment on which that person is obliged to withhold the tax

- (o) sums paid by any guarantor of or otherwise relating to any of the foregoing items

EXCLUDING:

- (i) contributions or reimbursements to the Tenant of service charges insurance premiums or Outgoings or other expenses spent or to be spent by (on or behalf of) the Tenant in relation to the Premises (whether or not reserved as rent) which are separately payable from and distinguished from the rent (or other rent(s) or licence fee(s)) reserved by an underlease or licence
- (ii) Value Added Tax
- (iii) costs recovered in the course of pursuing legal remedies relating to the Premises
- (iv) management charges made by the Tenant to undertenants for the management of the Premises to the extent only that they represent fair and competitive charges for the provision of services in and to the Premises in accordance with good management practice at the relevant time
- (v) consideration for the assignment of this Lease or any pre-emption or option right relating to any such assignment
- (vi) Basic Income relating to any part of the Premises in respect of any period while it is subject to Owner Occupation

- (vii) insurance proceeds (other than for loss of Income) to the extent (in the case of proceeds relating to damage or destruction to the Premises) they are actually spent pursuant to Clause 5.5 in rebuilding the Premises

“Inclusive Net Rent”

for each Rent Period the amount (if positive) resulting from the following formula:

$$I - IUE$$

where:

I = Income for that Rent Period relating to each part of the Premises which the Tenant became entitled to while that part was underlet by an Inclusive Underlease

IUE = Inclusive Underlease Expenses incurred in that Rent Period

“Inclusive Underlease”

any underlease of the whole or part of the Premises under which Inclusive Underlease Expenses are in whole or part:

- (a) not payable by the undertenant to the Tenant separately from and in addition to the annual rent for the use and occupation of the part of the Premises thereby demised and
- (b) are not payable by the undertenant to a third party or otherwise the responsibility of the undertenant

"Inclusive Underlease
Expenses"

for each Rent Period the aggregate of the following reasonably incurred by the Tenant in that Rent Period (other than recoverable Value Added Tax) to the extent that under the terms of underleases of the parts of the Premises subsisting at the time they are incurred ("Inclusive Premises") they are not payable by the undertenant to the Tenant separately from and in addition to the annual rent for the use and occupation of the Inclusive Premises and are not payable by the undertenant to a third party or otherwise the responsibility of the undertenant:

- (a) Outgoings insofar as they relate to Inclusive Premises (or in the case of Outgoings which relate to the Inclusive Premises and other parts of the Premises a fair proportion of them)
- (b) a fair proportion of the insurance premium payable by the Tenant under Clause 2.2
- (c) a fair proportion of the costs incurred by (or on behalf of) the Tenant in:

- (i) complying with its obligations in:

Clauses 3.3 (Outgoings) and 3.4 (Common outgoings) (insofar as not falling within paragraph (a) of this definition)

Clause 3.5 (Common items)

Clauses 3.8 (Gas electricity and other services)

Clauses 3.9 to 3.11 (Repair)

Clause 3.12 (Cleaning windows)

Clause 3.13 (Internal decorations)

Clauses 3.14 to 3.16 (External decorations)

Clause 3.38 (Refuse)

Clauses 3.39 and 3.40 (Fire precautions)

Clauses 3.41 to 3.43 (Plant and machinery)

Clauses 3.51 to 3.53 (Statutory obligations) and

- (ii) otherwise in providing in the course of the management operation and running of the Premises such floor coverings in the common parts of the Premises and other services and equipment as it would be reasonable for a landlord to provide for premises similar to the Premises which benefit the undertenants of the Inclusive Premises EXCLUDING the

costs of any capital improvements works or plant or machinery (other than running costs) which the Tenant is not obliged to provide or undertake under this Lease

PROVIDED THAT:

- (A) each such fair proportion shall be the proportion which the Landlord and the Tenant agree (or (if they do not agree) which the Surveyor decides) it would be fair for the Inclusive Premises to bear if the other lettable parts of the Premises which benefit from the service or item to which the relevant cost relates were underlet and were bearing the remainder of the cost of it
- (B) no item of expenditure shall be treated more than once as an Inclusive Underlease Expense

"Independent Part"

each part of the Relevant Premises (as defined in paragraph 2) (or each combination of such parts as the Landlord specifies) which at any Relevant Date (as defined in paragraph 2) is in the reasonable opinion of the Landlord suitable for being let for independent occupation in accordance with the terms of this Lease as to alienation use and occupation AND the Surveyor shall decide any dispute as to whether the Landlord is acting reasonably under this definition

"Owner Occupation"

actual use and occupation by the Tenant or a body corporate in the same Group as the Tenant (other than on terms (i) of an underlease complying with paragraph 3 of Schedule 5 or (ii) (pursuant to Clause 3.20.4) by sharing occupation with the tenant under such an underlease)

PROVIDED THAT:

(a) if and for so long as:

- (i) one or more parts of the Premises are subject to such actual use and occupation and
- (ii) the aggregate net internal floor area of such part or parts comprises 50% or more of the net internal floor area of the Premises and
- (iii) the Landlord so elects by notice to the Tenant

such parts (which may be the whole) of the Premises as the Landlord specifies in the notice shall be deemed subject to Owner Occupation and the phrase "Owner Occupation" in this Lease construed accordingly

(b) the Landlord may as often as it desires:

- (i) make a new election under proviso (a) or
- (ii) revoke any such election

(c) (if the Premises are multi-let) the following parts of the Premises shall not (under proviso (a) above or otherwise) be treated as subject to Owner Occupation:

- (i) the common parts of the Premises and

- (ii) any parts of the Premises used or occupied in connection with the full-time management of the Premises (including in this exclusion any part of the Premises used to provide residential accommodation for staff employed full time in the management of the Premises)

“Rent Period”

- (a) the period of the Term starting on the date of this Lease and ending on 24 December 2002 and thereafter
- (b) each subsequent year of the Term starting on 25 December

“Review Date”

25 December 2006 and thereafter the day after the date of expiry of each fifth Rent Period

“Shared Income”

for each Rent Period (or as the context requires other period) the aggregate of:

- (a) Deemed Rent treated (under paragraph (b) of its definition) as received in that Rent Period (or other period respectively)
- (b) Income for that Rent Period relating to each part of the Premises which the Tenant received while that part of the Premises was not leased by an Inclusive Underlease
- (c) Inclusive Net Rent for that Rent Period

“Surveyor”

a surveyor for the time being appointed under and acting in accordance with Part III (or if none is at any relevant time appointed and acting a surveyor appointed under and acting in accordance with paragraphs 1.1 to 1.7 of Part III) who in deciding any matter referred to him under a provision in this Part shall decide what is appropriate for the purpose of that provision having regard to the purpose and intent of this Schedule

Definition of Open Market Rent

2. In this Schedule “Open Market Rent” for the whole or each part of the Premises for which it is necessary to calculate it (“the Relevant Premises”) means the rent per year at which the Relevant Premises (together with to the extent applicable the rights hereby granted) might reasonably be expected to be let in the open market on the date when it is necessary under this Schedule to calculate it (“the Relevant Date”) as a whole (or (if greater) the aggregate of the rents per year at which each Independent Part of the Relevant Premises might reasonably be expected to be let in the open market on the Relevant Date):

2.1 by a willing lessor to a willing lessee

2.2 with vacant possession

2.3 without taking a fine or premium

2.4 for a term of years starting on the Relevant Date equal to:

2.4.1 ten years or

2.4.2 (if it is not then customary on lettings of premises comparable to the Relevant Premises (or the Independent Part respectively) to grant leases for a term of ten years) the length of term of occupational

lettings which at the Relevant Date it is the practice to grant in the open market on lettings of premises comparable to the Relevant Premises (or the Independent Part respectively) to occupational tenants as agreed by the Landlord and the Tenant or (if they do not agree) decided by the Surveyor

2.5 on a lease:

2.5.1 under which such rent is payable by equal quarterly payments in advance on the Quarter Days

2.5.2 which is not an Inclusive Underlease

2.5.3 but which includes in any event provision for upward only review of rent at five yearly intervals

2.5.4 which (subject to paragraphs 2.5.1 to 2.5.3) is substantially in the form of lease then being normally and reasonably granted:

2.5.4.1 by institutional landlords

2.5.4.2 to occupational tenants of premises similar to the Relevant Premises (or the Independent Part respectively) in Central London

2.5.4.3 for the term mentioned in paragraph 2.4 and

2.5.4.4 for the purposes permitted by this Lease insofar as they apply to the Relevant Premises (or the Independent Part)

2.5.5 (subject to paragraphs 2.5.1 to 2.5.3) as agreed by the Landlord and the Tenant or (if they do not agree) decided by the Surveyor

ON THE ASSUMPTIONS that at the Relevant Date:

- 2.6 the Landlord and the Tenant have fully complied with their respective obligations in this Lease
- 2.7 the Premises and all other necessary services and facilities are in good and substantial repair and condition and fit and available for immediate beneficial occupation and use
- 2.8 no work has been carried out and nothing has occurred on or directly relating to the Premises which has diminished their rental value
- 2.9 if the Premises have been damaged they have been fully rebuilt

BUT DISREGARDING:

- 2.10 the fact that the Tenant any undertenants (however remote) or their respective predecessors in title shall have been in occupation of the Premises or any part thereof
- 2.11 any goodwill that shall have become attached to the Premises or any part thereof from the carrying on of the business of the Tenant any undertenants (however remote) or their respective predecessors in such business

PROVIDED THAT:

Rent free periods

- 2.12 the Open Market Rent for the Relevant Premises (or each Independent Part) shall be ascertained without making any discount reduction or allowance to reflect (or compensate the Tenant or the hypothetical tenant for the absence of) any rent-free period or concessionary rent period during which fitting-out works

would be carried out which it might then be the practice in open market lettings for a landlord to make so that the Open Market Rent for the Relevant Premises (or the Independent Part respectively) shall be that which would be payable after the expiry of any such rent-free or concessionary rent period

Exclusion of additional rents etc

- 2.13 the Open Market Rent shall not include sums payable under the form of lease referred to in paragraph 2.5 by way of Value Added Tax or contributions or reimbursements of service charges insurance premiums or Outgoings or other expenses which would have been or be spent by (or on behalf of) the landlord thereunder in relation to the Premises which would be separately payable from and distinguished from the rent (or other rent(s)) reserved by that lease (whether or not reserved as rent)

Review pattern in Deemed Rent

3. If in order to accord with current market patterns for rent review periods at that time:
- 3.1 Owner Occupation starts and
- 3.2 at the date it is started it is then the practice in the open market for lettings by institutional landlords to occupational tenants of premises similar to the Relevant Premises (or any Independent Part) to have rent reviews at intervals other than five years as agreed by the Landlord and the Tenant in writing or (if they do not agree) decided by the Surveyor ("the Relevant Review Period")

THEN in relation to Deemed Rent for the Relevant Premises (or the Independent Part respectively) at the start of that Owner Occupation and for so long as it subsists:

- 3.3 the reference to "five year period" in paragraph (a) of the definition of Deemed Rent shall be deemed a reference to the Relevant Review Period and

- 3.4 the references to "five yearly intervals" in that paragraph and at the end of paragraph 2.5.3 shall be deemed references to intervals equal to the Relevant Review Period

Review of Base Rent

4. The Base Rent for each Rent Period starting on or after a Review Date shall be the greater of:
- 4.1 the Base Rent (as if applicable increased under this paragraph) for the Rent Period immediately before that Review Date and
- 4.2 5% (five per cent) of the Open Market Rent of the Premises as at that Review Date

PART II

(Calculating the Basic Rent)

Rent

1. The rent payable under Clause 2.1 shall be for each Rent Period the greater of either ten per cent (10 %) of Shared Income for that Rent Period or the Base Rent for that Rent Period payable in each case in accordance with this Part

On-account payments

2. On each Quarter Day during the Term the Tenant shall pay to the Landlord two point five per cent (2.5%) of the greater of either Shared Income or (subject to paragraph 6) Base Rent for the immediately preceding Rent Period (in the case of payments in the second Rent Period as divided by the number of days in the first Rent Period and then multiplied by 365) PROVIDED THAT:

2.1 if Shared Income for the preceding Rent Period is not ascertained before any Quarter Day paragraphs 4.1 to 4.3 shall apply to the payment due on that Quarter Day as if the references to:

2.1.1 "Deemed Rent for the part of the Premises the subject of Owner Occupation" and "Open Market Rent" were to Shared Income for that Rent Period and

2.1.2 "the Reconciliation Date" were to the day before that Quarter Day

2.2 during the first Rent Period the Tenant shall pay the sum of £14,687.50 on each Quarter Day and an apportionment thereof on the date of this Lease for the period from and including that date to and including the day before the next Quarter Day

2.3 if the Landlord or the Tenant reasonably anticipates that Shared Income for one Rent Period ("the Relevant Period") will be significantly higher or lower than Shared Income for the previous Rent Period (whether as a result of refurbishment redevelopment voids or otherwise):

2.3.1 the Landlord (if it reasonably anticipates that Shared Income for the Relevant Period will be significantly higher) or the Tenant (if it reasonably anticipates that it will be significantly lower) may require the payments to be made in the Relevant Period under this paragraph 2 to be 10% of its reasonable estimate of Shared Income for the Relevant Period

2.3.2 the Tenant shall supply the Landlord with such information and forecasts as the Landlord reasonably requests to make or verify the calculations under paragraph 2.3.1 and

- 2.3.3 the Surveyor shall decide any dispute as to whether the Landlord or the Tenant is acting reasonably as required by this sub-paragraph

Final reconciliation

- 3.1 Within one month after the end of each Rent Period the Tenant shall calculate the rent for that Rent Period in accordance with paragraph 1 and serve the calculation upon the Landlord
- 3.2 If the aggregate of the amounts payable under paragraph 2 in a Rent Period exceed the amount for that Rent Period calculated under paragraph 3.1 THEN within fourteen days of the calculation being served on the Landlord the Landlord shall repay the excess over the amount calculated under paragraph 3.1 to the Tenant with interest at 4% below the Prescribed Rate from the end of that Rent Period to repayment
- 3.3 If the amount calculated under paragraph 3.1 for a Rent Period exceeds the aggregate of the amounts payable under paragraph 2 in that Rent Period THEN within fourteen days of the calculation being served on the Landlord the Tenant shall pay the excess to the Landlord with interest at 4% below the Prescribed Rate from the end of that Rent Period to payment

Interim arrangements - Owner Occupation

4. If any part of the Premises is subject to Owner Occupation during a Rent Period and the Open Market Rent for that part during that Rent Period has not been agreed by the date one month after the end of that Rent Period ("the Reconciliation Date") then for the purpose of paragraph 3.1:
- 4.1 the Deemed Rent for the part of the Premises the subject of Owner Occupation shall be treated as such amount as is agreed by the Landlord and the Tenant or (in default of agreement) as is reasonably and properly calculated by the Landlord and notified in writing to the Tenant

4.2 on the Quarter Day after the Open Market Rent for that part of the Premises is agreed or determined there shall be paid to the Landlord or repaid to the Tenant (as the case may be):

4.2.1 the difference (if any) between the amounts payable under paragraph 4.1 and the amounts that would have been payable had the Open Market Rent been agreed by the Reconciliation Date and

4.2.2 interest on the difference at 4% below the Prescribed Rate:

4.2.2.1 (in the case of any additional payment due to the Landlord) from the date or dates on which any further Basic Rent would have fallen due if the Open Market Rent for that part of the Premises had been agreed by the Reconciliation Date until the date of payment to the Landlord

4.2.2.2 (in the case of any sum repayable to the Tenant) from the date or dates upon which any overpayment was made by the Tenant until the date of repayment to the Tenant

4.3 the Surveyor shall decide any dispute as to whether any calculation by the Landlord under paragraph 4.1 is reasonable

Interim arrangements: Inclusive Underlease Expenses

5. If any Inclusive Underlease Expenses have not been finally agreed by the Reconciliation Date (as defined in paragraph 4.1) then for the purpose of paragraph 3.1:

5.1 they shall be treated as an amount equal to such amount as is agreed by the Landlord and the Tenant or (in default of agreement) as is reasonably calculated by the Tenant and notified in writing to the Landlord

- 5.2 within seven days after they have been finally agreed or determined the Tenant shall serve a recalculation of the rent for that Rent Period on the Landlord and paragraphs 3.2 and 3.3 apply to the recalculation and the sum so recalculated as if they were "the calculation" referred to in paragraph 3 or "the amount calculated" under that paragraph
- 5.3 the Surveyor shall decide any dispute as to whether any calculation by the Tenant under paragraph 5.1 is reasonable

Interim arrangements - Base Rent

6. If the Open Market Rent for the Premises as at any Review Date has not been ascertained before that Review Date then:
- 6.1 the Tenant shall until the first Quarter Day after the date on which it is ascertained continue to make the payments under paragraph 2 at the rate which would have been applicable but for the review due at that Review Date
- 6.2 within seven days after the date on which it is ascertained the Tenant shall pay to the Landlord as additional rent :
- 6.2.1 the amount (if any) of the shortfall between (a) the amount of the rent payable by the Tenant under paragraph 6.1 down to such Quarter Day and (b) the amount which would have been payable under paragraph 2 if the Open Market Rent for the Premises as at that Review Date had been ascertained before that Review Date and
- 6.2.2 interest at 4% below the Prescribed Rate on each further payment of rent which would have been payable under paragraph 2 if it had been ascertained before that Review Date for the period from when such payment would have been payable until due for payment under this sub-paragraph

Interim arrangements: inter-relationship

7. The calculations required under paragraphs 4, 5 and 6 of this Part II of this schedule shall be carried out ignoring the other paragraphs of this Part II of this schedule

PART III

(General provisions)

Disputes

1. If the Landlord and the Tenant fail to agree the Open Market Rent for the whole or any part of the Premises whenever it requires to be determined then:
 - 1.1 the determination may be referred by either party to an independent chartered surveyor with at least ten years' experience in the letting of office premises in Central London
 - 1.2 the Surveyor shall be appointed by the Landlord and the Tenant jointly or (if they fail to agree) nominated at the request of the Landlord or the Tenant by or on behalf of the President (or Senior Officer) ("the President") for the time being of The Royal Institution of Chartered Surveyors
 - 1.3 if the Surveyor dies delays or becomes unwilling unfit or incapable of acting or if for any other reason the President thinks fit he may on the application of the Landlord or the Tenant by writing discharge the Surveyor and appoint another in his place
 - 1.4 the costs and expenses of the Surveyor (including the costs of his appointment) shall be borne as he shall direct or in default of direction by the Landlord and the Tenant equally
 - 1.5 the Surveyor shall act as an independent expert and not arbitrator

- 1.6 the Surveyor's decision shall be final and binding
- 1.7 the Surveyor shall afford the Landlord and the Tenant an opportunity to make representations to him and to comment to him on the other's representations

Time not of the essence

2. Time shall not be or be deemed to be of the essence of the time limits in this Schedule

Records

3. The Tenant shall:
 - 3.1 maintain sufficient books accounts and records reasonably required so as to enable the Basic Rent and other sums payable to or by the Landlord under the terms of this Schedule to be determined and
 - 3.2 (when reasonably required to do so) produce all such books accounts and records for inspection by or on behalf of the Landlord to enable the figures supplied for the calculations required by this Schedule to be verified

Accounts for Inclusive Underlease Expenses

4. As soon as practicable after (and in any event within three months after) the end of each Rent Period the Tenant shall deliver to the Landlord a statement of account in relation to Inclusive Underlease Expenses for that Rent Period which shall:
 - 4.1 show in reasonable detail all sums which have been included as an Inclusive Underlease Expense in respect of each Inclusive Underlease
 - 4.2 show the basis on which any apportionment has been calculated
 - 4.3 be prepared on the same basis as service charge accounts would have been prepared if Inclusive Underlease Expenses were not included in the annual rent

and had been separately payable by any undertenant (as agreed by the Landlord or the Tenant or (if they do not agree) as decided by the Surveyor) and

4.4 (if required by the Landlord) be audited by a chartered accountant

Memoranda

5. Whenever the Open Market Rent for the whole or any part of the Premises has been agreed or determined in accordance with this Schedule memoranda of it shall be signed by or on behalf of the Landlord and the Tenant and attached to this Lease and its counterpart (each party being responsible for its own costs)

SCHEDULE 2

(Particulars of the Premises)

The premises are delineated with dimensions (which may be a little more or less) and coloured pink on the attached plan and form part of the land registered at H M Land Registry under title number NGL 534181

INCLUDING:

1. (so far as the Landlord has title to them) any ancillary cellars or vaults shown hatched black on the attached plan
2. all additions and alterations thereto
3. all fixtures from time to time annexed thereto
4. one half severed vertically of party walls dividing such building from adjoining premises
5. all walls and fences forming the boundaries of the Premises

EXCEPTING the airspace above the buildings thereon at the date of this Lease

SCHEDULE 3

(Rights granted)

Conduits

1. (So far as the Landlord can grant them and subject to temporary interruption for repair alteration or replacement) the passage of water soil gas electricity and other services to and from the Premises in and through the Conduits which now serve the Premises and are in or over neighbouring property

Support

2. Support shelter and protection for the Premises from adjoining buildings

Right of Way

3. Of way over Mews with or without vehicle to gain access to and egress from the Premises

SCHEDULE 4

(Exceptions and reservations)

Conduits

1. The passage of water soil gas electricity and other services to and from all neighbouring property whether belonging to the Landlord or not in and through the Conduits which are now or hereafter in or over the Premises

Easements

2. All other easements or other rights in the nature of easements or quasi-easements now enjoyed by any neighbouring property of the Landlord over the Premises

Support

3. Support shelter and protection from the Premises for adjoining buildings or structures now or hereafter erected against or over the Premises

Emergency access

4. In case of emergency to pass through the Premises in accordance with the requirements of any competent authority

Entry

5. To enter the Premises for the purposes mentioned in this Lease

To build

6. To build or rebuild or alter any buildings on any neighbouring land in any manner whatsoever notwithstanding that as a result there is a diminution in the present or future access of light or air to the Premises which it is hereby agreed is and shall be enjoyed with the consent of the Landlord or other the owner or occupier of such land and not as of right

SCHEDULE 5

(Management and letting obligations)

Underletting

1. The Tenant shall insofar as is consistent with good estate management use all reasonable endeavours to procure:
 - 1.1 that (save during periods of redevelopment rebuilding or refurbishment and reasonable periods (not exceeding in each case three years) in the contemplation of redevelopment rebuilding or refurbishment) all parts of the Premises (other than those for the time being subject to Owner Occupation (as defined in Schedule 1)) from time to time available for letting are underlet and kept underlet by the Tenant by underleases complying with this Schedule and

- 1.2 the prompt recovery by the Tenant of all sums payable under them and due compliance with the obligations in them

Maximisation of Income

2. The Tenant shall:

- 2.1 use all reasonable endeavours to maximise the amount of Basic Income so far as is consistent with the principles of good estate management and this Lease on the basis of long term investment
- 2.2 (without limiting the foregoing) operate properly any provisions for the review of sums payable under any underlease or other document relating to the whole or part of the Premises so as to maximise the rent or other sums payable under them
- 2.3 at the reasonable request of the Landlord keep the Landlord informed of the progress of those reviews
- 2.4 within fourteen days of settlement notify the Landlord in writing of the result of any such review together with a copy of the relevant review memorandum (or a copy thereof within fourteen days of it being signed if later)

No premiums

3. The Tenant shall not grant or permit the grant of any underlease of the whole or part of the Premises at a fine or premium or other than at the then full open market rent for the premises underlet payable quarterly in advance on the Quarter Days

Number of occupancies

- 4.1 In paragraphs 4 and 5 "underlease" means an underlease or sub-underlease (or remoter lease) of the whole or any part of the Premises

- 4.2 The Tenant shall not grant or permit the grant of any underlease if as a result the Premises would be or become occupied in more than 14 units of occupation PROVIDED THAT the basement of the Premises and each part thereof may only be used in conjunction with one or more upper floors of the Premises

Exclusion of security of tenure

5. If the Landlord shall so reasonably require before completion of any underlease of any part of (as distinct from the whole of) the Premises and the occupation by any proposed undertenant of the premises to be demised thereby a valid court order shall be made authorising the exclusion of the provisions of Sections 24 to 28 (inclusive) of the 1954 Act in relation to the tenancy to be created by such underlease and a declaration to that effect shall be included in it and a certified copy of the order and the application for it shall be supplied to the Landlord

Conditions as to residential parts

6. As to that part of the Premises referred to in Clause 3.25 no underlease shall be granted:
- 6.1 for a term of less than six months nor exceeding twenty years
- 6.2 unless (in the case of the grant of an underlease for a term of twenty years or less) it shall contain reviews of rent (upwards only) to full open market rent at intervals no less frequent than every three years and it shall contain an absolute prohibition against any further assignment underletting charging or parting with or sharing possession or occupation of the premises underlet (save where subsequent legislation prohibits or varies such requirements)

Enforcement

7. The Tenant shall use its reasonable endeavours to enforce the obligations of each undertenant of the Tenant in any underlease of the whole or part of the Premises

No exempt land

8. (Notwithstanding the other provisions of this Schedule) the Tenant shall not grant any underlease of the whole or part of the Premises if the supplies to which that underlease would give rise for Value Added Tax purposes would (if a valid election were made under paragraph 2 of Schedule 10 to the Value Added Tax Act 1994 to waive exemption from Value Added Tax in relation to the Premises) not be taken by virtue of that election to be taxable supplies under paragraph 2(3AA) of that Schedule

SCHEDULE 6

(The Existing Leases)

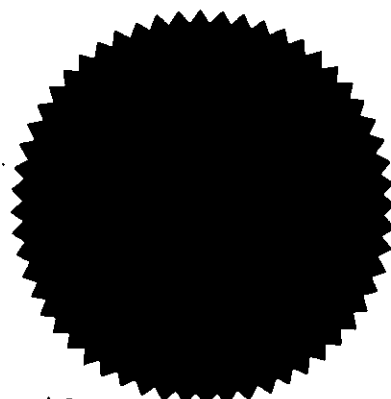
9/11 Grosvenor Gardens, London, SW1
(Leases to which the property is subject)

<u>Premises</u>	<u>Date</u>	<u>Document</u>	<u>Parties</u>
Basement and part Ground Floor	13.04.2000	Underlease	Ashtome Properties Ltd (1) Hobs Reprographics Ltd (2)
	04.05.2001	Supplemental Underlease	Prizeother Ltd (1) Hobs Repographics Ltd (2)
Part Ground Floor	06.04.2001	Underlease	Prizeother Ltd (1) Carlson Capital (UK) Ltd (2)
Part First Floor	15.06.2001	Underlease	Prizeother Ltd (1) Dawnay Day Lander Ltd (2)
Second Floor	14.12.2001	Underlease	Prizeother Ltd (1) Friedman Billings Ramsey International Ltd (2)
Third Floor	14.12.2001	Underlease	Prizeother Ltd (1) Friedman Billings Ramsey International Ltd (2)
Fourth Floor	21.11.2001	Underlease	Prizeother Ltd (1) Onvista Ltd (2)
	24.06.2002	Surrender of Part	Prizeother Ltd (1) Onvista Ltd (2)

Fifth Floor and 23.05.2002 Underlease
Sixth Floor
Conference Room

Prizeother Ltd (1)
Dawnay Day Olympia Ltd (2)

THE COMMON SEAL of GROSVENOR)
ESTATE BELGRAVIA was hereunto)
affixed in the presence of:)

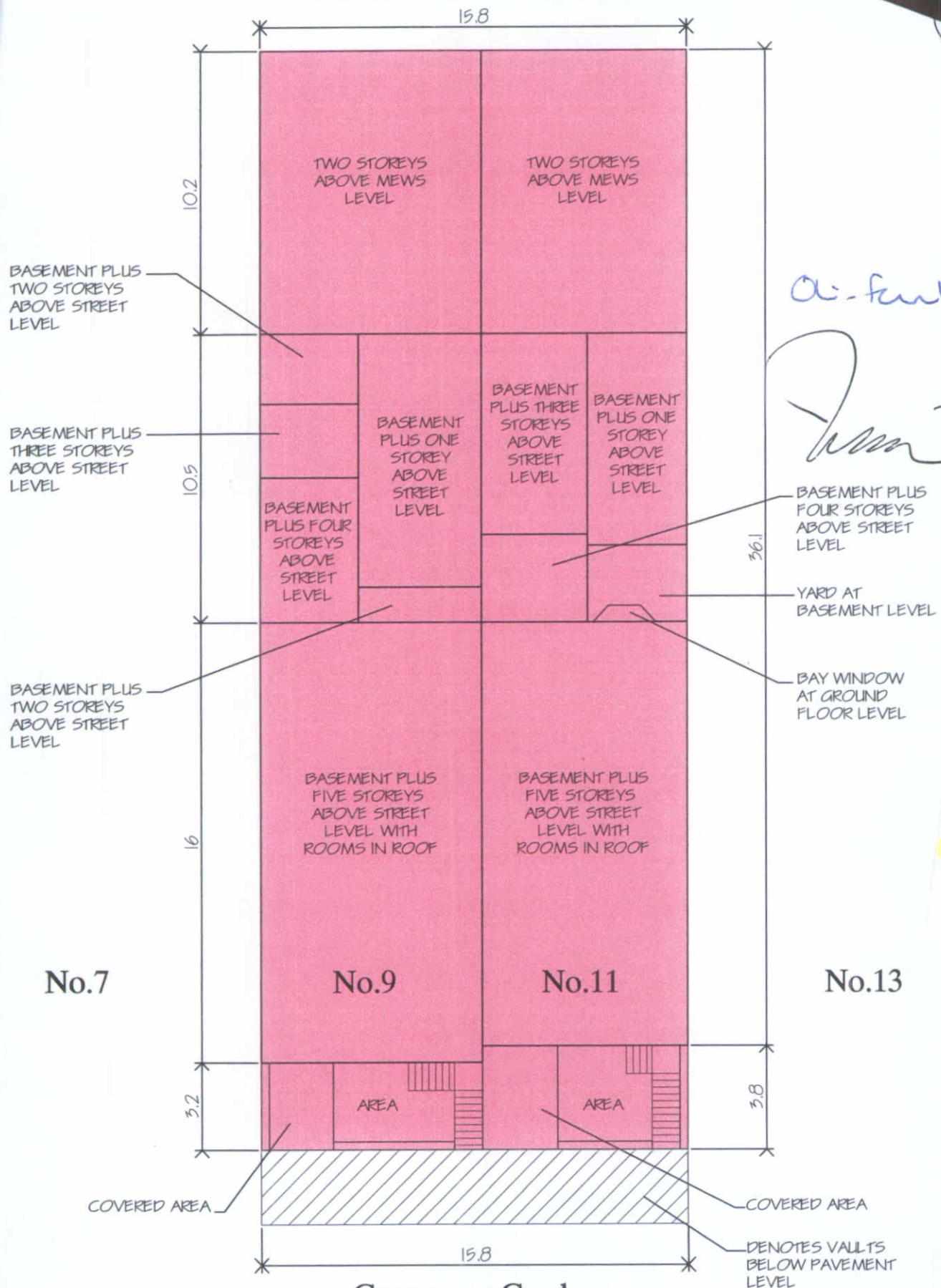


Director X *Oliver* X

Director X *[Signature]* X

No.9/11 Grosvenor Gardens & No.9/11 Grosvenor Gardens Mews East

Grosvenor Gardens Mews East



SCALE 1:200

17 Jul 02