

DATED

20th September

2012

(1) DAVID MACKOVER

(2) BAILLIE & BEVIS LIMITED

ORIGINAL/COUNTERPART

LEASE

OF GROUND FLOOR, 2 HERMIT PLACE NW6

LEASE dated

20th September

2012

BETWEEN:

- (1) David Mackover (the 'Landlord') of [REDACTED] and
- (2) Baillie & Bevis Limited (the 'Tenant') of [REDACTED]
[REDACTED]

Witnesses as follows -

1 DEFINITIONS AND INTERPRETATION

- 1.1 In these presents except as otherwise provided or where the context otherwise requires the following words and expressions shall have the following meanings -

'Break Date' means 24 March 2017

'Building' means the premises known as 2 Hermit Place, London NW6 of which the Demised Premises forms part

'Demised Premises' means all that known as First Floor in the Building including the inner surfaces of the walls floors and ceilings which bound the Demised Premises the whole of the doors and the interior of the windows (if any) fitted in such walls the Landlord's fixtures and fittings therein and any equipment or apparatus solely serving the Demised Premises and all additions and alterations thereto including all fixtures and fittings now or at any time hereafter attached thereto

'Enactment' means any Act of Parliament law statute rule regulation treaty directive byelaw code of practice circular guidance note and any notice order direction or requirement given or made pursuant thereto for the time being in force

CONTENTS

CLAUSE

1	DEFINITIONS AND INTERPRETATION	1
2	DEMISE AND RENTS	3
3	TENANTS COVENANTS	4
4	LANDLORD'S COVENANTS	9
5	TERMINATION BY THE LANDLORD	10
6	TERMINATION BY THE TENANT	10
7	PROVISOS	10
8	EXCLUSION OF STATUTORY PROVISIONS	13
9	THIRD PARTY RIGHTS	13

SCHEDULE

THE SCHEDULE	14
PART I RIGHTS GRANTED	14
PART II EXCEPTIONS AND RESERVATIONS	14

'Insolvent' means a receiver administrator administrative receiver liquidator mortgagee chargee or other encumbrancer taking possession of or being appointed (except where appointed for the purpose of reconstruction or amalgamation not involving a realisation of assets) in respect of or any distress execution or other process being levied or enforced (and not being discharged within seven days) upon in either case the whole or any part of the property of the Tenant or a trustee in bankruptcy being appointed in respect of the Tenant or any of his assets

'Permitted Use' means storage use within Class B8 of the Town and Country Planning (Use Classes) Order 1987

'Prescribed Rate' means the annual rate of interest which is from time to time four per cent above the base rate of Barclays Bank plc

'Quarter Days' means 25 March 24 June 29 September and 25 December in each year of the Term

'Rents' means the rent reserved by and in accordance with Clause 2

'Services' means gas electricity steam soil water telecommunications telephone electrical and other services (if any)

'Tenant's Covenants' means all covenants and other obligations assumed by the Tenant pursuant to this Lease

'Term' means the term hereby created

1.2 The expression **'Tenant'** include his her its successors in title and assigns

1.3 The expression **'Landlord'** means the reversioner immediately expectant upon the determination of the Term for so long as he holds that interest

- 1.4 A specific Enactment includes every statutory modification consolidation re-enactment and statutory extension for the time being in force
- 1.5 Any covenant by the Tenant not to do or omit any act or thing shall be construed as if it were a covenant not to do or permit or suffer it to be done or omitted
- 1.6 Any approval or consent required of the Landlord and any easement right power or discretion excepted reserved or available to the Landlord where required by this Lease shall be deemed in addition to require the consent of and to except reserve and make the same available to any mortgagee and any Superior Landlord and any costs and expenses of the Landlord payable by the Tenant by virtue of this Lease shall include all costs and expenses that any Superior Landlord or mortgagee can recover from the Landlord
- 1.7 References in this Lease to Clauses Sub-Clauses Paragraphs and Schedules are references to those contained in (and the Schedules are an integral part of) this Lease

2 DEMISE AND RENTS

In consideration of the covenants on the part of the Tenant hereinafter contained the Landlord hereby demises to the Tenant **ALL THAT** building known as First Floor, 2 Hermit Place London NW6 **TO HOLD** unto the Tenant from and including the **20 September 2012** to and including **19 September 2017 TOGETHER WITH** in common with all others so entitled from time to time the rights set out in Part I of the Schedule **EXCEPTING AND RESERVING** unto the Landlord and all other persons so entitled the matters set out in Part II of the First Schedule **AND SUBJECT TO** all rights and easements quasi-easements or reputed easements and privileges belonging to or enjoyed by any adjacent or neighbouring property **YIELDING AND PAYING** without any deduction counterclaim withholding or set off whatsoever **FIRSTLY** the yearly rent for the first (annual) period 20 September 2012 to and including 19 September 2013 of one peppercorn (if demanded) to be paid in advance on the usual Quarter Days together with Value Added Tax (if any) thereon the first such payment to be made on the date hereof, subsequently on 20 September 2013 and on each annual anniversary (annual

period) thereafter if the Landlord shall deem it appropriate the yearly rent shall be reviewed and shall be set at a yearly rent equal to the full rack rental value at which the Demised Premises might reasonably be expected to be let on the open market by a willing landlord to a willing tenant upon the assumption the Demised Premises are in good order and complete repair and utilised for any purpose **SECONDLY** all other moneys payable to the Landlord by the Tenant from time to time pursuant to the Tenant's Covenants when the same shall thereby fall due

3 TENANTS COVENANTS

The Tenant **HEREBY COVENANTS** with the Landlord throughout the Term as follows -

3.1 RENTS

To pay the Rents

3.2 OUTGOINGS

To pay on demand and indemnify the Landlord against all existing and future rates taxes duties charges assessments impositions and outgoings whatsoever which are now or may at any time be charged in respect of or attributable to the Demised Premises or the owner or occupier of the Demised Premises including Value Added Tax (excluding any tax assessable on the Landlord in respect of any of the rents hereby reserved and in respect of any disposal or dealing with the reversion expectant upon the determination of the Term) and not to make an application for the Demised Premises to be separately assessed for non domestic rates.

3.3 INTEREST ON OVERDUE MONEYS

Without prejudice to any other right or remedy of the Landlord if the Tenant fails to pay any of the said rents within fourteen days of the date due to pay to the Landlord on demand interest thereon at the Prescribed Rate from the due date until payment

3.4 SERVICES

To pay upon demand and to indemnify the Landlord against all charges in respect of the Insurance and Services supplied to or consumed (if any) in the Demised Premises and all charges for the hire of meters thereof and to observe and perform all regulations and requirements of the gas electricity water telephone telecommunications and other competent authorities in respect of the Demised Premises and the Services

3.5 REPAIRS AND DECORATION

To repair maintain cleanse and keep the Demised Premises in good and substantial repair and condition and to clean the windows window frames and entrance doors (if any) to the Demised Premises at least once in every month. To pay upon demand to the Landlord 50% of the costs of maintaining, rebuilding or completely repairing the whole of the Building including but not limited to the Building structure, cables, pipes, roofing, flooring, joists, walls, foundations, windows and doors.

3.6 YIELDING UP

Quietly to yield up the Demised Premises and the keys thereto at the expiration or sooner determination of the Term in accordance with the provisions of this Lease and with vacant possession and to reinstate the Demised Premises and to make good all damage occasioned by such removal in a good and workmanlike manner to the satisfaction of the Landlord

3.7 ENTRY BY LANDLORD

To permit the Landlord to enter the Demised Premises at all reasonable times upon giving at least 48 hours prior written notice (except in the case of an emergency) for any reasonable purpose including ascertaining whether the Tenant's Covenants have been observed and performed and exercising the rights hereinbefore excepted and reserved

3.8 COMPLIANCE WITH NOTICES OF BREACH OF TENANT'S COVENANTS

Within one month of the Landlord notifying the Tenant of any breach of the Tenant's Covenants (or sooner if reasonably required by the Landlord) to remedy the same AND if the Tenant shall default in doing so it shall be lawful for the Landlord to enter the Demised Premises to remedy any such breach and all costs and expenses thereby incurred shall be paid by the Tenant to the Landlord on demand as a debt due to the Landlord

3.9 DANGEROUS MATERIALS AND MACHINERY

Not to place on the Demised Premises anything of a combustible inflammable dangerous or offensive nature or which may contravene any Enactment nor to overload any part of the Demised Premises nor to do anything which may be or become a nuisance or which may be or grow or lead to the damage annoyance inconvenience or disturbance of the Landlord or the owners or occupiers of any adjoining or neighbouring property or which may injure the character amenity or value of such property or which may contravene any Enactment and to keep the unbuilt upon parts of the Demised Premises clean and tidy and free from rubbish

3.10 PROHIBITED USES

Not to use the Demised Premises for any illegal or immoral purposes nor any use other than storage.

3.11 AUTHORISED USE

Not to use the Premises except for the Permitted Use.

3.12 OBSTRUCTION AND ENCROACHMENTS

Not to block up hinder or obstruct any shared facilities (and for the avoidance of doubt this includes the right of way granted in the Schedule) and not to allow any encroachment to be made on the Demised Premises

3.13 ADDITIONS AND ALTERATIONS

Not to erect any other building or structure on the Demised Premises and not to carry out or make any alterations additions or improvements to the main structure of the Demised Premises (whether internally or externally) nor to cut maim or remove any of the walls beams columns or other structural parts of the Demised Premises and not without the consent of the Landlord (not to be unreasonably withheld or delayed) to carry out or make any alterations additions improvements to the Demised Premises which are non-structural or make any change in or to the existing design or appearance of the Demised Premises in nature or which are to any of the electrical installations

3.14 LANDLORD'S COSTS

To pay to the Landlord on demand all reasonable and proper costs charges and expenses incurred in connection with any proceedings or the preparation and service of any notice warrant or distress letter before action or other matter in respect of or incidental to Sections 146 and 147 of the Law of Property Act 1925 (notwithstanding that forfeiture is avoided otherwise than by relief granted by the Court) any schedule of dilapidation served at any time during or after the expiration of the Term the non-payment of any sums payable by the Tenant or procuring the remedying of any breach of any of the Tenant's Covenants and further in connection with any application for any consent required under this Lease whether or not such application is withdrawn granted or lawfully refused

3.15 STATUTORY REQUIREMENTS

To comply with all Enactments affecting or relating to the Demised Premises or the user thereof and the requirements of any government department public local authority or other authority or court of competent jurisdiction and not to do anything which may result in the Landlord incurring or becoming liable to pay any penalty damages compensation costs charges or expenses

3.16 PLANNING

Not to apply for any planning permission relating to the Demised Premises but to obtain all other consents licences and approvals which may be required in respect of the Tenant's use of the Demised Premises

3.17 STATUTORY NOTICES

Upon receipt to copy to the Landlord any notice permission order or proposal concerning the Demised Premises or their use or occupier issued by any competent authority to the Tenant

3.18 INDEMNIFYING LANDLORD

To keep the Landlord fully and effectually indemnified from and against all actions demands claims liabilities losses damages costs and expenses whatsoever arising from any breach of the Tenant's Covenants

3.19 INSURANCE

To comply with all requirements of the insurers of the Demised Premises and not do anything which might render void or voidable any policy of insurance effected by the Landlord or as a result of which payment of the policy money might be withheld in whole or part and if any insurance money is wholly or partly irrecoverable solely or partly because of any act or omission of the Tenant or any employees or invitees of the Tenant then to pay the Landlord such irrecoverable insurance moneys on demand and to repay to the Landlord on demand all sums paid by way of increased premiums and all proper expenses incurred by the Landlord in or about the renewal of such policy or policies rendered necessary by the breach of this covenant

3.20 VALUE ADDED TAX

To pay to the Landlord any Value Added Tax at the rate for the time being in force properly payable in respect of any supplies made by the Landlord to the Tenant in

connection with this Lease and all consideration due from the Tenant under the terms of this Lease shall be exclusive of any Value Added Tax properly payable thereon

4 LANDLORD'S COVENANTS

The Landlord hereby covenants as a personal covenant with the Tenant while the Landlord is the Landlord and as long as the Tenant pays the rents and performs and observes the Tenant's Covenants

4.1 QUIET ENJOYMENT

That the Tenant shall peaceably hold and enjoy the Demised Premises without any interruption by the Landlord or any person lawfully claiming under or in trust for it

4.2 LANDLORD TO INSURE

Providing the Tenant has paid the insurance premium or appropriate share as the Landlord deems reasonable to the Landlord the Landlord shall keep the Demised Premises insured against loss or damage by fire lightning explosion aircraft riots civil commotion malicious damage storm tempest flood earthquake bursting or overflowing of water tanks apparatus or pipes impact by any vehicle and such other risks which the Landlord may specify to the full cost of rebuilding and reinstating the Demised Premises and the Building including professional fees demolition site clearance and the loss of rent reserved for two years (subject to such exclusions and limitations as are contained in the policy of insurance) and unless any of the insurance monies are irrecoverable wholly or partly because of any act or omission of the Tenant or any employee or invitee of the Tenant and subject to all necessary consents being obtained to cause all insurance monies received in respect of the Demised Premises and the Building to be laid out in or incidental to the reinstatement of the Demised Premises and the Building the Landlord making up any shortfall from its own funds

5 TERMINATION BY THE LANDLORD

The Landlord may terminate this Lease at any time on or after the Break Date by giving to the Tenant not less than two months' prior notice in writing and upon the expiry of such notice the Tenant shall yield up the Demised Premises in accordance with Clause 3.6 and the term shall immediately cease and end but without prejudice to any claim by either party against the other in respect of any antecedent breach of any covenant or condition contained in this Lease

6 TERMINATION BY THE TENANT

6.1 The Tenant may terminate this Lease at any time on or after the Break Date by giving to the Landlord not less than two months' prior notice in writing and upon the expiry of such notice the Tenant shall yield up the Demised Premises in accordance with Clause 3.6 and the term shall immediately cease and end but without prejudice to any claim by either party against the other in respect of any antecedent breach of any covenant or condition contained in this Lease

6.2 The Tenant shall only be entitled to terminate this Lease under Clause 6.1 if on the Break Date -

- (a) the Rents have been paid in full; and
- (b) the Demised Premises are delivered back to the Landlord free from occupation by any tenant, undertenant and/or third party.

7 PROVISOS

Provided always and it is hereby agreed and declared as follows -

7.1 FORFEITURE

If the rents hereby reserved or any part thereof shall be unpaid for fourteen days after becoming payable (whether formally demanded or not) or if any of the Tenant's Covenants shall not be performed or observed or if the Tenant (or if the Tenant is more

than one person any of them) shall become Insolvent then it shall be lawful for the Landlord or any person duly authorised by the Landlord at any time thereafter to re-enter the Demised Premises or any part thereof in the name of the whole whereupon this demise shall absolutely cease and determine but without prejudice to any right of action or remedy of any party hereto in respect of any prior breach of any of the covenants by any party hereto

7.2 CESSER OF RENT

The Demised Premises or any part thereof is damaged or destroyed by a peril against the risk of which the Demised Premises is insured so as to become unfit for occupation and use or inaccessible in whole or in part and the sum insured is not wholly or partly irrecoverable in consequence of any act or omission of the Tenant or any employee or invitee of the Tenant then the rent firstly reserved or a fair proportion thereof shall be suspended until the Demised Premises or the relevant part thereof is rendered fit for occupation and use or until the insurance effected by the Landlord in respect of loss of rent is exhausted (whichever shall be the earlier)

7.3 NO WARRANTY AS TO PERMITTED USE

Nothing in this Lease or in any consent granted by the Landlord under this Lease shall imply or warrant that the Demised Premises may lawfully be used under any Enactment for the purpose authorised in this Lease

7.4 EXCLUSION OF COMPENSATION

Except where any statutory provision modifies or prohibits the right of the Tenant to compensation being excluded or reduced by agreement the Tenant shall not be entitled on quitting the Demised Premises or any part thereof to claim any compensation from the Landlord under the Landlord and Tenant Act 1954

7.5 NOTICES

Any notice to be given under this Lease shall be in writing and may be delivered to the relevant party or sent by registered first class prepaid letter in the case of a company to the registered office of that party or in the case of an individual to the address of that party specified in this Lease or such other address as may be notified hereunder by that party from time to time and shall be effectual notwithstanding any change of address not so notified and each such notice shall be deemed to have been given or delivered if by letter forty eight hours after posting it if by delivery when left at the relevant address

7.6 REMOVAL OF TENANT'S GOODS

If after the expiration of the Term any property of the Tenant remains in or on the Demised Premises and the Tenant fails to remove it within seven days after the Landlord requests it to do so then the Landlord may as the Tenant's agent (and the Tenant hereby appoints the Landlord to act in that behalf) sell such property and shall hold the sale proceeds after deducting the costs and expenses of removal storage and sale reasonably and properly incurred by it and any other debts owed by the Tenant to the Landlord to the Tenant's order **PROVIDED THAT** the Tenant will indemnify the Landlord against any liability it incurs to any third party whose property the Landlord sells in the bona fide mistaken belief (which shall be presumed unless proved otherwise) that such property belonged to the Tenant

7.7 ACCEPTANCE OF RENTS

No receipt of rent or other payment paid by direct debit standing order or otherwise inadvertently accepted by the Landlord or its personnel after notice or knowledge of any breach of any of the Tenant's Covenants shall operate as a waiver wholly or partially of any such breach

7.8 EFFECT

For the avoidance of doubt the provisions of this document (other than those contained in this Clause) shall not have effect until the document has been dated

7.9 TENANCY

This Lease is a new tenancy for the purposes of Section 1 of the Landlord and Tenant (Covenants) Act 1995

8 EXCLUSION OF STATUTORY PROVISIONS

8.1 The Tenant confirms that before the date of this Lease -

(a) On 10 September 2012 the Landlord served on the Tenant a notice (**the Notice**) in relation to the tenancy created by this Lease in a form complying with the requirements of Schedule 1 to the Regulatory Reform (Business Tenancies) (England and Wales) Order 2003 (**the Order**)

(b) The Tenant, or a person duly authorised by the Tenant, in relation to the Notice made declaration (**the Declaration**) dated 18 September 2012 in a form complying with the requirements of Schedule 2 of the Order

8.2 The Tenant further confirms that, where the Declaration was made by a person other than the Tenant, the declarant was duly authorised by the Tenant to make the Declaration on the Tenant's behalf.

8.3 The Landlord and the Tenant confirm that there is no agreement to which this Lease gives effect.

8.4 The Landlord and Tenant agree to exclude the provisions of Sections 24 to 28 (inclusive) of the 1954 Act in relation to the tenancy created by this Lease.

9 THIRD PARTY RIGHTS

It is hereby agreed and declared that no person who is not a party to this Lease shall be entitled in his own right to enforce any term of this Lease pursuant to the Contracts (Rights of Third Parties) Act 1999

THE SCHEDULE

**PART I
RIGHTS GRANTED**

- 1 The free passage of electricity through the channels sewers drains watercourses pipes and cables belonging to or running through or under the Building
- 2 The right of support and protection for the benefit of the Demised Premises as now enjoyed from other parts of the Building.

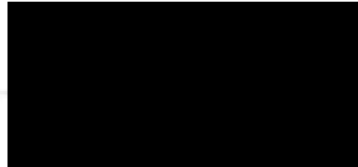
**PART II
EXCEPTIONS AND RESERVATIONS**

- 1 The free passage of water soil gas and electricity through the channels sewers drains watercourses pipes and cables belonging to or running through or under the Demised Premises
- 2 The right to enter after giving not less than forty eight hours' prior written notice (except in emergency when no notice shall be required) upon the Demised Premises at all times -
 - (a) to clean decorate repair or rebuild any part of the Building
 - (b) view and examine the state and condition of the Demised Premises and to take schedules or inventories of the Landlord's fixtures;
 - (c) inspect, cleanse, maintain, repair, connect, remove, lay, renew, re-lay, replace, alter or execute any works to or in connection with the conduits or any other services;
 - (d) execute repairs, decorations, alterations and any other works and to make installations to the Demised Premises or to the Building or to do anything which the Landlord may or must do under this Lease;

- (e) exercise any of the rights excepted and reserved by this Lease; and
- (f) for any other purpose connected with the interest of the Landlord in the Demised Premises or the Building, including valuing or disposing of any interest of the Landlord; and
- (g) for any other purpose in connection with the exercise of the Landlord's rights

Provided that the Landlord makes good in a reasonable manner all damage occasioned to the Demised Premises and causes as little interference to the use and occupation of the Demised Premises as is reasonably practicable

Signed as a deed by
David Mackover
(Landlord)



Signed as a deed on behalf of
Baillie & Bevis Limited
(Tenant)

