payment (whether by or on behalf of the Tenant itself or by an Interested Person) of the sum demanded and interest at the Prescribed Rate thereon and the Landlord's costs and expenses of and in connection with such Material Monetary Breach.

41.1.3 the provisions of this Clause 20.1 are subject to and without prejudice to the provisions of Clause 20.3.

41.2 Material Non-Monetary Breach

41.2.1 In the event of a Material Non-Monetary Breach the Landlord may not terminate this Lease without first having given notice to the Tenant and to the Interested Persons specifying the Material Non-Monetary Breach on which the Landlord is seeking to rely and:

(a) if that Material Non-Monetary Breach is capable of being remedied, specifying a date which shall be reasonable in all circumstances (and shall not in any event be sooner than three (3) months after the date of the Landlord's notice) by which that Non-Monetary Breach must be remedied; or

(b) if that Material Non-Monetary Breach is not capable of being remedied, specifying the measures which the Landlord reasonably requires to be taken to ensure that the detriment to the Landlord's interest caused by that Material Non-Monetary Breach will be removed or materially reduced if there are any such measures which can be taken and a date by which those measures must be carried out.

41.2.2 For the purposes of Clause 20.2.1(b):

(a) the date to be specified in any notice complaining of a Material Non-Monetary Breach which will in any event not be sooner than six (6) months after the date of the Landlord's notice; and

(b) any measure to be taken by the Tenant specified in that notice will be reasonable having regard to the nature and circumstances giving rise to the Material Non-Monetary Breach, the detriment suffered by the Landlord if the breach is not remedied or not capable of remedy compared with the detriment suffered by the Tenant or an Interested Person of this Lease were to be terminated, the practicability of remedying the Non Monetary Breach and the respective interests at that time of the Landlord, the Tenant and any Interested Person under this Lease.

41.2.3 If the Tenant or any Interested Person fails to comply with a notice properly given under Clause 20.2.1 the Landlord may, at any time thereafter apply to the Courts to have it found and declared that the Landlord is in the foregoing circumstances entitled to:

(a) lawfully terminate this Lease after obtaining a final decree or declarator from the Courts to that effect; and

(b) thereupon enter, repossess and enjoy the Property.

41.2.4 For the avoidance of doubt:

(a) any Material Non Monetary Breach may be purgeable at the bar by the Tenant or any Interested Person;

(b) the provisions of this Clause 20.2 are subject to and without prejudice to the provisions of Clause 20.3.

41.3 Insolvency

41.3.1 If prior to the Completion Date an Insolvency Practitioner is appointed in relation to the Tenant (other than in respect of the voluntary liquidation of a solvent company for the

purpose of amalgamation or reconstruction) and if the Landlord shall in that event give notice to the Insolvency Practitioner and to each Creditor and each other Interested Person stating a reasonable time (to be not less than thirty (30) Working Days (the **"Preliminary Period"**) of the Landlord's intention to declare that a Material Non – Monetary Breach has occurred and if Clause 20.3.2 does not apply the Landlord may at any time after the Preliminary Period has expired without such appointment having been terminated (but in any event prior to the Completion Date) declare that by virtue of the appointment of such Insolvency Practitioner, a Material Non – Monetary Breach has occurred and in that event the provisions of Clause 20.2 will apply.

41.3.2 This Clause will apply if there is provided to the Landlord at or prior to the expiry of the Preliminary Period (or prior to the time when the Landlord declares that a Material Non – Monetary Breach has occurred) either a notice by the Insolvency Practitioner containing confirmation that the Insolvency Practitioner intends to complete or procure the completion by others of the Proposed Development, or a notice that a Creditor or another Interested Person has exercised rights of step in order to become the employer under the building contract for the Proposed Development, or such other assurances in writing by the Insolvency Practitioner or Creditor or other Interested Person which are reasonably satisfactory to the Landlord that the Proposed Development will be completed notwithstanding the appointment of the Insolvency Practitioner and in that case the Landlord will suspend and will not exercise its rights under Clause 20.3.1 for a period of twenty four (24) months after the expiry of the Preliminary Period and if during such period:

(a) the Completion Date occurs; or

(b) this Lease is assigned to a person who in the reasonable opinion of the Landlord is of sound financial standing and capable of procuring that the Proposed Development is duly completed

then the Landlord's rights under Clause 20.3.1 shall no longer be exercisable in respect of the appointment of the Insolvency Practitioner to which the notice given under Clause 20.3.1 relates, but without prejudice to the Landlord's whole other rights and remedies under that Clause in the event of any subsequent appointment of an Insolvency Practitioner.

41.3.3 The Landlord will deal with any request for consent to assign this Lease made by the Insolvency Practitioner or Creditor in the same manner *mutatis mutandis* as if the request had been made by the Tenant

41.3.4 For the avoidance of doubt the appointment of an Insolvency Practitioner to or any other insolvency event concerning the Tenant after the Completion Date shall not of itself constitute a Material Non - Monetary Breach, but without prejudice to the Landlord's rights to rely upon Clause 20. 2 in a case of some other event or circumstance that constitutes Material Non – Monetary Breach.

41.4 Preservation of Sub Leases

This Clause applies in the event that the Tenant has granted a Permitted Sub-Lease in accordance with this Lease to another person **("Permitted Sub – Tenant")** (which expression includes the permitted successors and assignees of that person) and the Landlord becomes entitled under and in accordance with Clause 20.1, 20.2 or 20.3 to terminate this Lease; if this Clause applies the Landlord shall not unreasonably refuse a request to enter into a new Lease directly with the Permitted Sub-Tenant for a period equal to the then unexpired period of the Term, at the rent and on the other terms and conditions of this Lease.

41.5 Preservation of other clauses and remedies

The Landlord's rights under this Clause 20 are in addition, and without prejudice, to any other claims and remedies available to the Landlord.

42 PROVISOS

42.1 No implied servitudes

Nothing in this Lease confers or is to be deemed to confer upon the Tenant, by implication of law or otherwise, any servitude, right or privilege over or against any neighbouring property which now or in the future belongs to the Landlord which would or could restrict or prejudicially affect the future rebuilding, alteration or development of the neighbouring property without obtaining any consent from or making any compensation to the Tenant.

42.2 No restrictions on neighbouring property

Nothing in this Lease expressly or impliedly:

(a) imposes any restriction on the use of any land or building or premises not comprised in this Lease; or

(b) gives the Tenant the benefit of or the right to enforce or to have enforced or to permit the release or modification of any undertaking, agreement or condition entered into by any purchaser from or by any tenant or occupier of the Landlord in respect of property not comprised in this Lease; or

(c) prevents or restricts in any way the development of any land not comprised in this Lease

provided always that the quiet enjoyment, possession and use of the Property by the Tenant is not diminished or interfered with to any material extent.

42.3 No compensation

Neither the Tenant nor any subtenant (whether immediate or derivative) or other occupier is entitled to claim any compensation from the Landlord under any laws enacted before or after the date of this Lease on quitting the Property.

43 Notices AND consents

43.1 In writing

Any notice, request or consent under this Lease must be in writing (which for the purposes of this Clause does not include e-mail or fax).

43.2 Notices

43.2.1 Any notice must be:

(a) delivered personally; or

(b) delivered by commercial courier; or

(c) sent by pre-paid recorded delivery post.

43.2.2 Any notice to the Tenant is sufficiently served if sent:

(a) to the registered office of the Tenant if the Tenant is a body corporate; or

(b) to his last known address in the UK or to the Property if the Tenant is a person; or

(c) to the firm and any one or more of the partners of it at the Property if the Tenant is a firm; or

(d) where the Tenant is an unincorporated body not being a firm or partnership (such as a trust or other collective investment scheme) to the address of any manager of such trust or scheme as shall have been notified to the Landlord from time to time;

(e) to the Tenant at the Property in any other case.

43.2.3 Any notice to the Landlord is sufficiently served if sent:

(a) to its registered office if the Landlord is a body corporate; or

(b) to his last known address in the UK if the Landlord is a person; or

(c) to the firm and any one or more of the partners of it at the principal place of business of the firm if the Landlord is a firm.

43.2.4 Subject to Clause 43.2.5, a notice is deemed to have been received:

(a) at the time of delivery, if delivered personally; or

(b) at the time of signature of the courier's receipt, if delivered by a commercial courier; or

(c) 48 hours from the date of posting, if sent by recorded delivery post.

43.2.5 If deemed receipt under Clause 43.2.4 is not within business hours (meaning 9am to 5pm on a Working Day), the notice is deemed to have been received on the next Working Day.

43.2.6 To prove service, it is sufficient to prove that the envelope containing the notice was properly addressed and posted if sent by recorded delivery post.

43.3 Consent

Upon making an application for any consent which is required under this Lease the Tenant must disclose to the Landlord such information as the Landlord may reasonably require.

44 Disclaimer of liability

The Landlord is not liable to the Tenant for any loss, damage or expense sustained by the Tenant by or through any defect, decay, inadequacy, want of repair or decoration or otherwise in the Property or in or arising from the choking, bursting, stoppage or failure of any media for the supply or removal of electricity, gas, heat, water, sewage, energy, telecommunications, data and any other services and utilities or for any loss, damage or expense caused to the Tenant through any act or omission of the proprietors, tenants or occupiers of any neighbouring properties.

45 indemnify Landlord

45.1 Tenant's indemnity

The Tenant must indemnify the Landlord against all liability arising from or in respect of the Property or the Tenant's occupation of the Property (other than that caused by the Landlord's negligence) incurred by the Landlord for its interest as Landlord under this Lease (but not in any other capacity) in connection with or incidental to all actions, proceedings, costs, claims and demands which might be made by any tenant, occupier, neighbouring owner, or any other person whatsoever or any competent authority including those which may be incurred through:

(a) any use of the Property which is not a lawful use in accordance with this Lease or any defect in the Property or in the execution of any alterations or additions to the Property;

(b) any breach by the Tenant or other occupier of the Property of the obligations in this Lease; and

(i) In the event that the Landlord is in receipt of a claim against the Landlord by a third party, as referred to in this Clause (**"Claim"**) the Landlord must (a) give notice to the Tenant as soon as practicable after the Landlord becomes aware of the Claim (b) take reasonable steps to mitigate the Landlord's potential costs and losses and (c) have regard to any reasonable proposals of the Tenant for the conduct of any defence to or rebuttal of such Claim, provided that the Tenant undertakes to free and relieve the Landlord of the consequential costs and fees of any such defence or rebuttal.

45.2 Exclusion from indemnity

The indemnity contained in Clause 45.1 will not apply if and to the extent that the insurance under Clause 40 (*Insurance*) indemnifies the Landlord against the liability.

46 severance

If any provision of this Lease is or becomes illegal, invalid or unenforceable in any jurisdiction, that does not affect:

(a) the legality, validity or enforceability in that jurisdiction of any other provision of this Lease; or

(b) the legality, validity or enforceability in any other jurisdiction of that or any other provision of this Lease.

47 LAW OF SCOTLAND TO APPLY

This Lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) is to be governed by and construed in accordance with the Law of Scotland. Except where a specific alternative provision has been made elsewhere in this Lease the Parties irrevocably agree that the Scottish Courts have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Lease, its subject matter or formation (including non-contractual disputes or claims).

48 CONSENT TO REGISTRATION

The parties consent to registration of this Lease and of any certificate issued under it for preservation and execution: IN WITNESS WHEREOF these presents on this and the [ ] preceding pages and the Schedule in [ ] parts annexed are executed as follows:

SUBSCRIBED and SEALED for and on behalf of
THE CITY OF EDINBURGH COUNCIL

at
on the day
of [ ]

by

..... (authorised signatory)

..... Full Name

SUBSCRIBED for and on behalf of
[*take in name of Tenant*]
at
on the day
of [ ]

by

..... (authorised signatory)

..... Full Name

before this witness

..... Witness

..... Full Name

..... Address

.....

This is the Schedule referred to in the foregoing Lease between [*] and [*]

SCHEDULE

Part 1

The Property

[complete with conveyancing description]

Part 2

Reservations

28 To the Landlord the right to erect or to consent hereafter to any person erecting a new building or to alter any building for the time being on any land adjoining, neighbouring or opposite to the Property notwithstanding that such alteration or erection may diminish the access of light and air enjoyed by the Property and the right to deal with any property adjoining, opposite or near to the Property as the Landlord may think fit, action reasonably.

29 The rights for the Landlord and the owners and occupiers of any neighbouring property, at reasonable times, on giving reasonable notice to the Tenant (or no notice in the case of an emergency) with or without workmen:

(a) to use and connect into the service media which are or may in the future be in, on or under the Property and the use of which is shared by the Property and such neighbouring property (**"Shared Service Media"**); and

(b) the right to enter upon the unbuilt upon portions of the Site, for the purpose of inspecting, repairing, renewing, relaying, cleansing, maintaining and connecting up to the Shared Service Media;

in every case making good all damage caused to the Property as soon as practicable.

3. To the Landlord, its employees, agents and licensees at all reasonable times so far as may be necessary or desirable with or without workmen the right on giving reasonable prior written notice (except in the case of an emergency) to the Tenant to enter and remain temporarily and for as short a time as is reasonably practicable upon the unbuilt on portions of the Site with all necessary tools, appliances and materials (making good all damage occasioned thereby to the Property) for the purposes of installing communication cables and associated services in such location as may be agreed with the Tenant (both acting reasonably) and thereafter inspecting, repairing, renewing and replacing the same subject to causing the Tenant the minimum inconvenience reasonably practicable.

4. To the Landlord, its employees, agents and licensees at all reasonable times so far as may be necessary or desirable with or without workmen the right on giving reasonable prior written notice (except in the case of an emergency) to the Tenant to enter and remain temporarily and for as short a time as is reasonably practicable upon the unbuilt on portions of the Site with all necessary tools, appliances and materials (making good all damage occasioned thereby to the Property) and/or erect scaffolding on (where no other reasonable alternative method can be pursued) for the purposes of inspecting, cleaning, repairing, altering or rebuilding any adjoining or contiguous premises belonging to the Landlord and to cleanse, empty and repair any sewers, drains and gutters belonging to the same provided there is no material impact on the business being run from the Premises.

5. To the Landlord and the owners and occupiers of adjoining or neighbouring properties all rights of light, air and support and all other rights, servitudes and privileges now or hereafter belonging to or enjoyed by all parts of any adjoining or neighbouring properties.

Part 3

Tenant's Rights

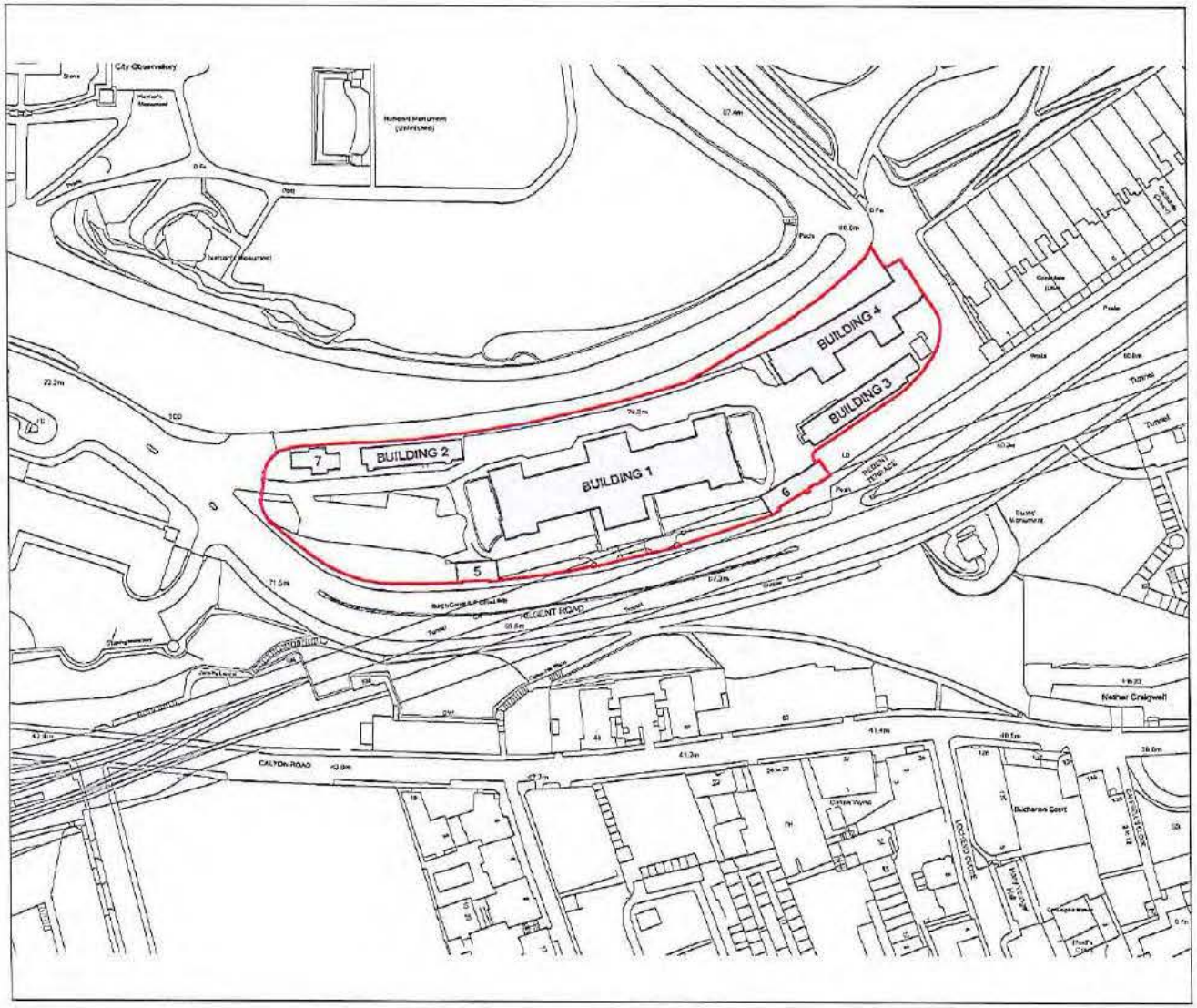
30 The right in common with the Landlord and the owners and occupiers of the neighbouring property of passage and running of water, soil, gas, electricity, telecommunications or other services or supplies from and to the Property through such of the Shared Service Media as serve the Property from time to time.

31 All rights, servitudes and privileges granted in favour of or conferred upon the Property or the occupier of it by the Landlord's title to the Property.

32 The right to support, shelter and protection as provided at the Date of Entry from the adjoining and adjacent premises.

Part 4

Plan



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ALL DIMENSIONS TO BE VERIFIED ON SITE BEFORE PROCEEDING WITH WORK.

GARETH HOSKINS ARCHITECTS (GHA) TO BE NOTIFIED IN WRITING OF ANY DISCREPANCIES PRIOR TO ORDERING MATERIALS OR COMMENCING WORK.

TO BE READ IN CONJUNCTION WITH ALL OTHER GHA DRAWINGS, SCHEDULES AND SPECIFICATIONS.

ALL DRAWINGS TO BE READ IN CONJUNCTION WITH ENGINEER'S DRAWINGS.

REFER TO CONSULTANTS' DRAWINGS FOR STRUCTURAL AND SERVICES INFORMATION.

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REV A (12.03.14) BOUNDARY LINE AMENDED TO MATCH TITLE PLAN (GG)

FIRST ISSUE (05.03.14)

garethhoskinsarchitects

FORMER ROYAL HIGH SCHOOL - HOTEL DEVELOPMENT			
DUDDINGSTON HOUSE PROPERTIES			
RHS AL(00)001	SITE PLAN	A	GG
MAR 2014	PRELIMINARY	1:1250 at A3	

This is the Plan referred to in the foregoing draft lease

[redacted]

for Pinsent Masons LLP

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Part 7

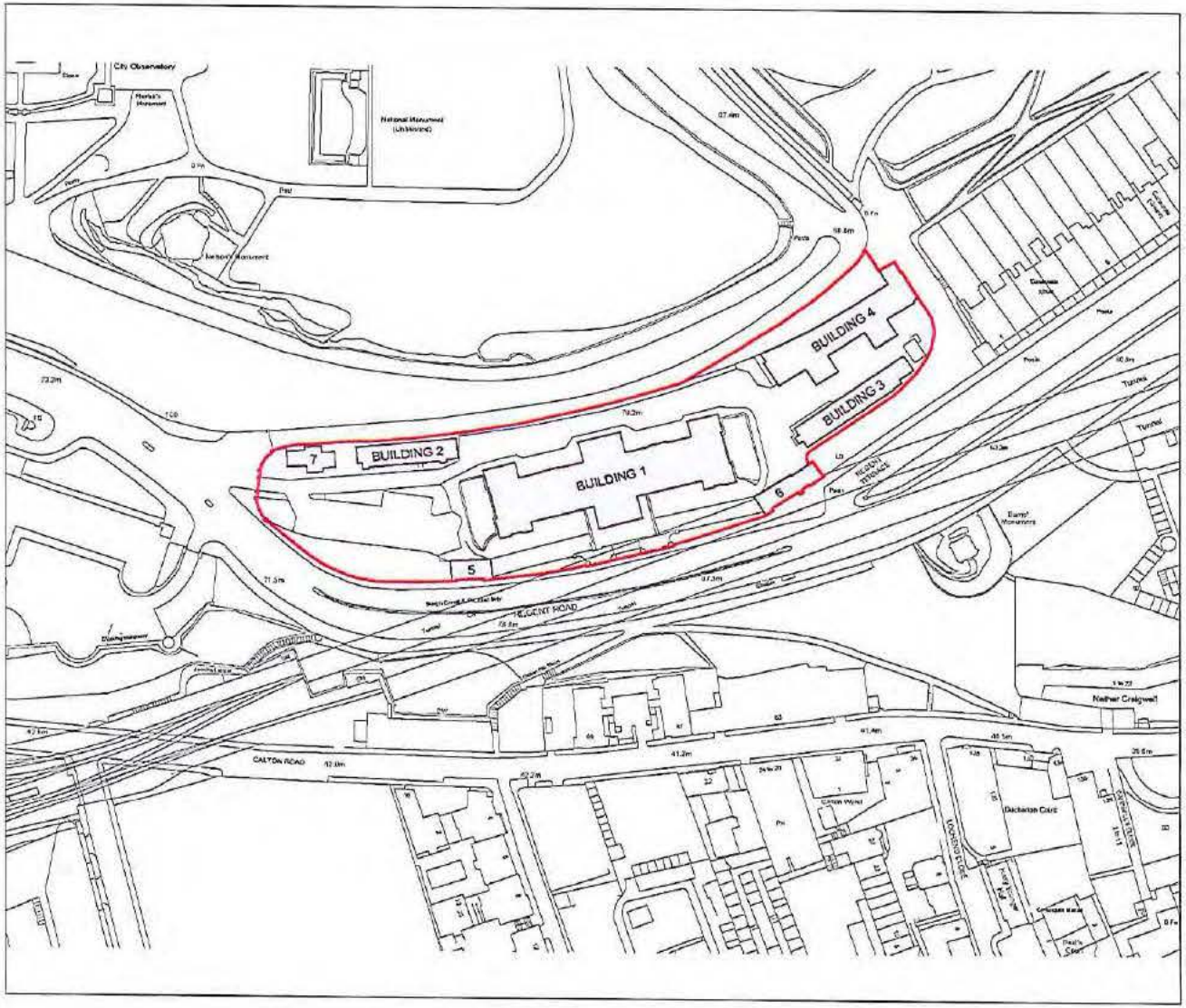
Scope of Works for SI Report

The Scope of Works comprises:

- [redacted]

Part 8

Site Plan



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REV A (12.03.14) BOUNDARY LINE AMENDED TO MATCH TITLE PLAN (GG)

FIRST ISSUE (05.03.14)

gareth**hoskins**architects

FORMER ROYAL HIGH SCHOOL - HOTEL DEVELOPMENT

DUDDINGSTON HOUSE PROPERTIES

RHS AL(90)001	SITE PLAN	A	GG
MAR 2014	PRELIMINARY	1:1250 at A3	

This is the Site Plan referred to in the foregoing Offer from Pinkerton Grange LLP on behalf of Duddingston House Properties Limited to Anderson Strathern LLP on behalf of The City of Edinburgh Council dated 28th March 2014

[redacted]

for Pinkerton Grange LLP