

## LETTER OF INDEMNITY

From : British Film Institute ("BFI")

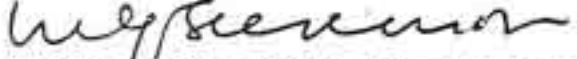
To : Glasshouse Investments Limited ("Glasshouse")

We are acting as guarantor for the London Film and Video Development Agency ("LFVDA") who are negotiating with you for the grant of a lease of a minimum of 10,000 square feet of 2, 3 and 4 Hoxton-Square, London N1 at a rent of £8.00 per square foot.

In consideration of your commissioning architects, design team other consultants and appropriate advisers to draw up plans and specifications for and advise on appropriate accommodation suitable for LFVDA's requirements, we hereby confirm that we will fully and effectually indemnify you against the reasonable professional costs and expenses of those architects incurred in the preparation of those plans and specifications but limited to a maximum amount of £10,000 per month from the date hereof for a maximum period of three months only (and for the avoidance of doubt creating a maximum total liability of £30,000 but such that if the LFVDA shall unreasonably withdraw at any time during that three month period, we shall only be liable on a pro rata basis) if the LFVDA unreasonably withdraw from negotiations and fail to enter into a legally binding commitment to take the lease. It shall be reasonable for the LFVDA to withdraw from negotiations in the following circumstances only:-

1. If City Challenge fail to provide all necessary funding for the project to be completed without imposing onerous conditions
2. Where Glasshouse apply for and are refused planning permission for the completion of the project in accordance with the LFVDA's *reasonable* requirements. M
3. If the LFVDA having used its best endeavours either fails to obtain all necessary entertainment and justices' licences for their intended use of the property or is lawfully prevented from using the property for such use.
4. If notwithstanding all parties having acted reasonably, and in good faith in the negotiations on the same, the form of lease to be entered into, which it is agreed will be on full repairing and insuring terms cannot be agreed.

For the avoidance of doubt, this indemnity only extends to Value Added Tax to the extent the same is irrecoverable by Glasshouse.

Signed by   
for and on behalf of the British Film Institute

the 13<sup>th</sup> day of ~~March~~ April 1994