

DATED

2006

**(1) THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF
HARINGEY**

(2) FIROKA (ALEXANDRA PALACE) LIMITED

(3) FIROKA (KINGS CROSS) LIMITED

Agreed Draft

LEASE
of

**Alexandra Palace
Alexandra Palace Way
Wood Green
London N22 4AY**

Term: 125 years
Commencing: [see Project Agreement]
Rent: A peppercorn and additional rents

EXECUTED as a deed by the Mayor and)
Burgesses of the London Borough of Haringey)
as Trustee of the Alexandra Palace Charitable)
Trust by affixing its common seal hereunto by
order

Authorised Signatory

EXECUTED as a deed by)
)
FIROKA (ALEXANDRA PALACE) LIMITED)
acting by:

Director

Director/Secretary

EXECUTED as a deed by)
)
FIROKA (KINGS CROSS) LIMITED)
acting by:

Director

Director/Secretary

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ANNEXURE 1

Plans

LR1. Date of lease	[]
LR2. Title number(s)	LR2.1 Landlord's title number(s) NGL365599 LR2.2 Other title numbers None
LR3. Parties to this lease	Landlord The Mayor and Burgesses Borough of Haringey of Civic Centre Wood Green London N22 4LE as Trustees of of the London the Alexandra Palace and Park Charitable Trust. Tenant Firoka (Alexandra) Palace Limited (company no. 5853948 whose registered office is at 1 Kings Cross Road London WC1X 9HX. Firoka (Kings Cross) Limited (company no. 02466578) whose registered office is at 1 Kings Cross Road London WC1X 9HX (Guarantor).
LR4. Property	In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.
	As specified in Schedule 1, Part 1of this lease and defined in this lease as "the Premises".
LR5. Prescribed statements etc	LR5.1 <i>Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.</i>
	As specified in clause 12 of this lease.
	LR5.2 This lease is made under, or by

	reference to, provisions of:
	Not applicable.
LR6. Term for which the Property is leased	The term as specified in this lease at clause 1.1 and referred to in clause 2.4.
LR7. Premium	A deferred premium may be payable in accordance with Schedule 2 Part 2 of this lease.
LR8. Prohibitions or restrictions on disposing of this lease	This lease contains a provision that prohibits or restricts dispositions.
LR9. Rights of acquisition etc	LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land
	None.
	LR9.2 Tenant's covenant to (or offer to) surrender this lease
	None.
	LR9.3 Landlord's contractual rights to acquire this lease
	None.
LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property	As specified in clause 5.4 of this lease.
LR11. Easements	LR11.1 Easements granted by this lease for the benefit of the Property
	As specified in Schedule 1, Part 2 of this lease.
	LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property
	As specified in Schedule 1, Part 3 of this lease.
LR12. Estate rentcharge burdening the Property	None.
LR13. Application for standard form of restriction	None.

LR14. Declaration of trust where there is more than one person comprising the Tenant	Not applicable.
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DATE

2006

PARTIES

- 1 Landlord **THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF HARINGEY** of Civic Centre Wood Green London N22 4LE as Trustees of the Alexandra Park and Palace Charitable Trust;
- 2 Tenant **FIROKA (ALEXANDRA PALACE) LIMITED** (company number 5853948) whose registered office is at 1 Kings Cross Road London WC1X 9HX;
- 3 Guarantor **FIROKA (KINGS CROSS) LIMITED** (company number 02466578) whose registered office is at 1 Kings Cross Road London WC1X 9HX

1 Definitions and interpretation

1.1 Unless the contrary intention appears, the following definitions apply:

Additional Car Park the car park within Alexandra Park shown edged/hatched [] on Plan [] or such other car park area as is designated from time to time by the Landlord and comprising approximately 1,400 car parking spaces for use by the Tenant in common with other users and members of the public;

Additional Rents the payments to be made by the Tenant as reserved in clause 2.5.3;

Alexandra Park the Park gardens, Alexandra Palace Way and car park shown edged [] (for identification only) [] on plan [] annexed;

<i>Alexandra Park Acts</i>	the Alexandra Park and Palace Acts and Orders 1900-2004; a reference to the "Alexandra Park Acts" includes Orders of The Charity Commissioners made pursuant to the Alexandra Park Acts.
<i>Alexandra Palace Way</i>	the private road known as Alexandra Palace Way shown coloured [] on the Plan [];
<i>Conduits</i>	A conduit, pipe, drain, sewer, channel, culvert, gutter, flue, duct, wire, cable, optic fibre or other medium for the passage for transmission of water, soil, gas, electricity, light, information or other matter and all ancillary structures and equipment;
<i>Deferred Premium</i>	such a premium as may be payable by the Tenant to the Landlord in accordance with the clause 3.1.2 and Schedule 2, Part 2;
<i>Development</i>	the works of refurbishment and development of the Premises to be carried out under the Project Agreement;
<i>Encumbrances</i>	the restrictions, stipulations, covenants, rights, reservations, provisions and other matters contained, imposed by, or referred to, in the instruments brief particulars of which are set out in Schedule 1, Part 4;
<i>Entity</i>	A body corporate or other business organisation or partnership of any type;
<i>Existing Underleases</i>	The leases listed in Schedule 1, Part 5;
<i>Group Company</i>	A company that is a member of the same group of companies as the Tenant within the meaning of Section 42 of the Landlord and Tenant Act 1954 (as amended)

<i>Ice Rink</i>	the ice rink situated in the east wing of the Premises and, where the context so requires, any replacement of the ice rink in the Premises either in that location or elsewhere in the east wing of the Premises;
<i>Insured Risks</i>	has the meaning given to it in Schedule 3;
<i>Interest</i>	interest at the rate of 4% over the base rate of Barclays Bank Plc for the time being and from time to time (as well after as before judgment), or such other comparable rate as the Landlord may reasonably designate if that base rate ceases to be published, compounded at quarterly rests on 31 March, 30 June, 30 September and 31 December in each year;
<i>Landlord</i>	includes all persons for the time being entitled to the immediate reversion to this Lease;
<i>Landlord's Adjacent Land</i>	the land comprised in Title Number NGL365599 other than the Premises;
<i>Lease</i>	includes any instruments supplemental to this Lease;
<i>Non-Operational Parts</i>	are defined in clause 3.4.1;
<i>Operational Parts</i>	are defined in clause 3.4.1;
<i>Outgoings</i>	all non-domestic rates, water rates, water charges and all existing and future rates, taxes, charges, assessments, impositions and outgoings whatsoever (whether parliamentary, municipal, parochial or otherwise) which are now or may at any time be payable, charged or assessed on property or the owner or occupier of property, but "taxes" in this context does not include value added tax, nor any taxes imposed on the Landlord in respect of the rents reserved by this Lease or in

respect of a disposal of the reversionary interest in the Premises.

Perpetuity Period

the period of eighty years from the date of grant of this Lease

¹ Plan[s]

[]

Planning Acts

"the consolidating Acts" as defined in the Planning (Consequential Provisions) Act 1990 and any other legislation relating to town and country planning in force from time to time in England and Wales;

Planning Permission

a detailed planning permission for the Development issued pursuant to an application in that regard to be made by the Tenant under the Project Agreement which expression includes any variation to that permission which has been approved by the Landlord under the terms of this Lease;

Premises

the property described in Schedule 1, Part 1;

references to the *Premises* are to each and every part of the Premises as the context allows and include all buildings and other structures now or from time to time during the Term constructed on them;

Project Agreement

an agreement between the Landlord and the Tenant dated [] 2006 for the refurbishment and development of the Premises;

Refurbished Parts

are defined in clause 3.4.1;

Rents

the rents and Additional Rents set out in clause 2.6;

¹ Plan(s) awaited

<i>Schedule of Condition Survey</i>	the Report on Condition evidencing the state and condition of the Premises as at September 2005 prepared by King Sturge LLP a copy of which is set out in Annexure [];
<i>Services</i>	has the meaning given to it in Schedule 4;
<i>Service Charge</i>	the charge payable in respect of the provision of the services calculated in accordance with Schedule 4;
<i>Tenant</i>	includes the Tenant's successors in title and assigns in whom this Lease is for the time being vested;
<i>Term</i>	the term of 125 years granted by this Lease from and including [] and expiring on the [] day of [];
<i>Terrorism</i>	such acts or events of terrorism or civil unrest in respect of which insurance cover is available from time to time on the London Insurance Market;
<i>Theatre</i>	the existing theatre situate in the eastern section of the Premises;
<i>Uninsured Risks</i>	has the meaning given to it in Schedule 3, paragraph 5;
<i>Use Classes Order</i>	the Town and Country Planning (Use Classes) Order 1987 as amended by the Town and Country Planning (Use Classes) (Amendment) (England) Order 2005;
<i>Willis Organ</i>	the Willis Organ situated in the Premises;
<i>Working Days</i>	Monday to Fridays inclusive but excluding any days which are bank or public holidays.

1.2 Obligations and restrictions

An obligation of the Tenant in this Lease to do any act, matter or thing imposes a duty to procure that it is done; a restriction on the Tenant in this Lease imposes a duty not to permit or allow the infringement of the restriction by any person.

1.3 Clause Headings

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

1.4 Clause numbering

Unless the context otherwise requires, references:

1.4.1 to numbered clauses and Schedules are references to the relevant clause in or schedule to this Lease; and

1.4.2 in any schedule to a numbered paragraph are references to the relevant paragraph in that Schedule.

1.5 Single and plural references

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

1.6 References to Statutes

Unless the context otherwise requires, references in this Lease to any statutes or statutory instruments include and refer to any statute or statutory instrument amending, consolidating or replacing them respectively from time to time in force; references to a statute include statutory instruments and regulations made pursuant to it.

1.7 Gender

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

1.8 **Joint and several obligations**

At any time that a Tenant comprises two or more persons, the expression "the Tenant" includes the plural number and obligations in this Lease expressed or implied to be made by the Tenant are to be treated as made with or by those persons jointly and severally.

1.9 **Rights**

References to rights exercisable by the Tenant shall be construed as being exercisable by the Tenant, any sub-tenant or sub-tenants and all persons properly authorised by them.

2 **The Demise**

In consideration of the Premium and Deferred Premium payable by the Tenant to the Landlord and the payment of rents reserved by and the covenants of the Tenant in this Lease, the Landlord **LETS** to the Tenant:

1.1 ALL the Premises;

2.1 **TOGETHER** with the rights set out in schedule 1 part 2; and

2.2 **EXCEPT AND RESERVED** to the Landlord the rights set out in schedule 1 part 3;

2.3 **SUBJECT** to and with the benefit of the Existing Underleases;

2.4 for the **TERM**;

2.5 the Tenant **PAYING** during the Term:

2.5.1 the yearly **RENT** of a peppercorn, if demanded;

2.5.2

2.5.3 as **ADDITIONAL RENT**:

2.5.3.1 insurance premiums payable by the Landlord in insuring the Premises under clause 5.2 and Schedule 3 payable as from the date of this Lease; and

2.5.3.2 service charge payable by the Tenant under Schedule 4 payable as from the date of this Lease; and

2.5.4 such value added tax as may be chargeable in respect of the Profit Rent, Additional Rents and other payments for the taxable supply of goods and services by the Landlord under this Lease.

3 **Tenant's Covenants**

The Tenant **COVENANTS** with the Landlord as follows:

3.1 **Premiums, Rent and Interest**

3.1.1

3.1.2

3.1.3 To pay the Additional Rents reserved by this Lease, free from any deductions and rights of set-off, at the times and in the manner required specified in relation to each of them.

3.1.4 To pay the insurance premiums and the service charge in accordance with the obligations of the Tenant in Schedules 3 and 4 respectively.

3.1.5 To pay Interest to the Landlord on so much of the Premium, the Deferred Premium, the Additional Rents or other monies due under this Lease as remains unpaid fourteen days after they have respectively become due for payment until payment is made to the Landlord, and for this purpose:

3.1.5.1 unless a time is specified in this Lease in respect of a payment, a sum is to become due for payment on demand if demand is to be made for it, or otherwise on the date on which it would otherwise become due for payment by the Tenant; and

3.1.5.2 Interest is to be payable with effect from the date that the sum on which it accrues became due for payment.

3.2 **Outgoings**

3.2.1 To pay and discharge Outgoings in respect of the Premises.

3.2.2 To pay for the gas, electricity and water consumed on the Premises, charges for meters and standing charges.

3.3 **Development obligations In the Project Agreement**

3.3.1 To observe and perform the obligations of the Tenant and conditions in the Project Agreement.

3.3.2 The completion of the Development is to be treated as having occurred at the date of issue of the certificate of practical completion in accordance with the Project Agreement.

3.3.3 References in this Lease to completion of the Development are to construed accordingly, but do not relieve the Tenant from obligations in the Project Agreement which remain to be observed or performed thereafter.

3.4 **Repair**

3.4.1 In this clause 3.4:

"Operational Parts" are those parts of the Premises which are used by the Tenant for the purposes of its business or which are underlet;

"Non-operational Parts" are those parts of the Premises which have not been underlet and which are not for the time being used by the Tenant for or in connection with the Tenant's business;

a part of the Premises which is used by the Tenant only as space for the storage of goods, which is not required as part of or ancillary to a specific business activity of the Tenant, and which is not underlet, is to be treated for this purpose as a Non-operational Part;

Non-operational Parts become Operational Parts once they are used by the Tenant for the purposes of its business or once they are underlet.

"Refurbished Parts" are those parts of the Premises in respect of which works of refurbishment and development have been carried out and completed in accordance with the Project Agreement or, those parts of the Premises which, after the completion of the Development, have not been refurbished or developed but which have later in the Term been refurbished or repaired to a good and substantial standard.

Operational Parts and Non-operational Parts become Refurbished Parts at such time as the works of refurbishment and development have been carried out and substantially completed in respect of them respectively.

- 3.4.2 Before the substantial completion of the Development and subject to clause 3.4.3:
- 3.4.2.1 to keep and maintain all Operational Parts in no worse condition than that as reported and warranted to be the condition by King Sturge LLP in the Schedule of Condition Survey and repaired at least to that standard; and
 - 3.4.2.2 to keep wind and watertight and in a safe condition all Non-operational Parts.
- 3.4.3 Following substantial completion of the Development:
- 3.4.3.1 well and substantially to maintain, clean and keep in repair all Refurbished Parts;
 - 3.4.3.2 to keep and maintain all Operational Parts which have not become Refurbished Parts in the condition referred to in clause 3.4.2.1 and repaired at least to that standard until such time later in the Term that they become Refurbished Parts; and
 - 3.4.3.3 to keep wind and watertight and in a safe condition the Non-Operational Parts, subject to clause 3.4.4
- 3.4.4 To keep and maintain in at least the condition referred to Schedule of Condition Survey as reported and warranted to be the condition by King Sturge LLP, those Non-Operational Parts still subsisting at the expiration of the first fifteen years of the Term and to keep them in that condition during such part of the remainder of the Term as they remain Non-Operational Parts.
- 3.4.5 Damage caused by an Insured Risk is excepted from the obligations of the Tenant in this clause 3.4 unless and to the extent that the liability of the insurer is vitiated by the Tenant (as dealt with in Schedule 3).

3.5 Landlord's right of inspection and right of repair

- 3.5.1 To permit the Landlord and its employees or agents at all reasonable times on reasonable notice to enter into, inspect and view the Premises and examine their condition the Landlord procuring that as little inconvenience or disturbance as is practicable is caused to the Tenant and lawful occupiers of the Premises.
- 3.5.2 If any breach of covenant, defects, disrepair or unauthorised alterations or additions are found on such inspection for which the Tenant is liable then, on notice by the

Landlord to the Tenant to execute all repairs, works, replacements or removals required within such reasonable period of time as is specified in such notice received by the Tenant and to the proper satisfaction of the Landlord or its surveyor.

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

3.5.4 To pay to the Landlord on demand the proper expenses incurred pursuant to clause 3.5.3 with Interest on them, or so much of them as may from time to time remain unpaid, from the date of notification of the expenditure until the date they are paid by the Tenant to the Landlord (The expenses and Interest to be recoverable by the Landlord as if they were rent in arrear).

3.6 **Yield up in repair at the end of the Term**

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

3.7 **Alterations**

As from the completion of the Development in accordance with the Project Agreement, not to make any alterations or additions to or affecting the structure or exterior of the Premises without the consent of the Landlord, consent not to be unreasonably withheld or delayed subject to the taking into account of the need for:

3.7.1 compliance with the Alexandra Park Acts; and

3.7.2 the consent to the proposed alterations and additions of English Heritage (if requisite).

3.8 **Alienation**

3.8.1 Not to assign or charge part of this Lease.

3.8.2 Not to assign this Lease before the Tenant has carried out the refurbishment and development of the Premises to the extent specified in clause 5 of the Project Agreement.

3.8.3 Subject to clause 3.8.2, not to assign this Lease otherwise than to an assignee of required status.

An "assignee of required status" is an Entity which fulfils the following requirements:

3.8.3.1 an Entity which has at least equivalent financial status to that of the assignor and clauses 3.8.3.2 to 3.8.3.4 apply in relation to determining financial status;

3.8.3.2 the financial status of the assignor is to be assessed as at the time that the assignor became the Tenant, and that of the assignee is to be assessed as at a time during the month immediately preceding the proposed assignment; and

3.8.3.3 the comparison of the financial status of the assignor with the financial status of the assignee, is to be assessed by reference to its credit rating from a recognised reputable rating agency as at the time immediately before the proposed assignment; but

3.8.3.4 where the assignor was supported by a guarantee at the time that it became the Tenant, or the assignee is to be supported by a guarantee at the time of assignment, the references in preceding sub-clauses of this clause 3.8.3 to the assignor, or (as the case may be) to the assignee, are to be treated as references to its guarantor at the time that the guarantee was given.

3.8.4 The disposal by any means of the control of the Tenant, as a result of which the benefit of this Lease in effect would become vested in an Entity which would not in the case of an assignment of this Lease qualify as an assignee of required status, is to be treated as a breach of clause 3.8.3; for this purpose, "control" has the meaning give to it under section 840 of the Income and Corporation Taxes Act 1988.

3.8.5 Not to assign this Lease before having given at least 28 days prior notice to the Landlord of the Tenant's intention to do so accompanied by details of the terms of the proposed assignment and sufficient information to establish that the requirements of clause 3.8.3 would be satisfied.

3.8.6 Until the completion of the Development, not to charge this Lease otherwise than to a reputable bona fide funding or banking institution (or to such other person with

the approval of the Landlord, approval not to be unreasonably withheld or delayed) for the purpose of providing finance for the Development or for the Tenant's future operational requirements in respect of the Premises which is to be applied solely for that purpose.

3.8.7 Not to grant an underlease of the whole of the Premises before the completion of the Development.

3.8.8 Not to grant an underlease of the whole of the Premises after the completion of the Development, or an underlease of part at any time, otherwise than in accordance with the following provisions:

3.8.8.1 to reserve a rent or other revenue return in accordance with good practice in the open market at the time of grant;

3.8.8.2 not to reserve or take a premium or fine;

3.8.8.3 to include provisions in the case of reservation of a specified initial rent for the revision of rent in an upward direction (or, if not upward only, subject to the approval of the Landlord of the terms of the revision which is not to be unreasonably withheld or delayed) at intervals no less frequent than in accordance with then current open market practice throughout the term of the underlease;

3.8.8.4 as an alternative to the requirements of clause 3.8.8.3, to include provisions for the reservation of rent related to turnover in whole (or in part plus a basic proportion of the market rent which is subject to periodic revision consistent with clause 3.8.8.3)) in accordance with good market practice, then current, applicable for the purpose of the business of the underlessee;

3.8.8.5 to grant rent concessions to underlessees no greater than in accordance with prevailing market conditions for which the premises comprised in the underlease are to be used and consistent with the objective of obtaining an open market rental return on the relevant parts of Premises;

3.8.8.6 to reserve payments of rent quarterly or more frequently, in advance throughout the term of the underlease, and to reserve rent exclusive of outgoings, insurance premiums, and service charges whether or not they are reserved separately by way of additional rent;

- 3.8.8.7 to require a full repairing liability (or, in the case of a part of the Premises, an interior repairing liability, but subject to a pro-rated contribution to the cost of repairs, maintenance and upkeep of the Premises) to be undertaken by the underlessee; but the Tenant may depart from imposing such a repairing obligation where market conditions dictate otherwise so long as the Tenant's repairing liability, or ability to carry out repairs, under this Lease is not thereby diminished.
- 3.8.8.8 not to part with possession of the whole or part of the Premises otherwise than by assignment or underletting in accordance with this clause 3.8, but the Tenant may grant licences or concessions for the use of parts of the Premises in respect of events in the ordinary course of the Tenant's business activities without otherwise complying with the provisions of clause 3.8; and
- 3.8.8.9 to underlet the Premises or part of them upon terms and conditions which are not inconsistent with the observance and performance obligations of the Tenant to the Landlord in this.
- 3.8.9 Not to underlet the whole or part of the Premises before having given at least 28 days prior notice to the Landlord of the Tenant's intention to do so accompanied by details of the terms of the proposed underlease and sufficient information to establish that the requirements of clause 3.8.8 would be satisfied.

3.9 Registration of dispositions of this Lease

To produce to and leave with the solicitors for the time being of the Landlord within one month after any disposition of this Lease or the Premises (whether by assignment, charge, transfer, or underlease, or assignment or surrender of any underlease) a certified copy for retention by the Landlord of the document effecting the disposition.

3.10 Sharing with a Group Company

Notwithstanding clause 3.8 the Tenant may share the occupation of the whole or any part of the Premises with a Group Company provided that the relationship of landlord and tenant is not thereby created and on the basis that such occupation shall cease once that company ceases to be a Group Company.

3.11 **User**

*different
to rest of
contract
with Blair Park*

3.11.7 Nothing in this Lease implies or is to be treated as a warranty to the effect that the use of the Premises for those purposes is in compliance with all town planning laws and regulations or other relevant legislation regulating or restricting use now or from time to time in force.

3.12 **Restrictions affecting use of the Premises**

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

3.12.2 Not to hold sales by auction on the Premises.

3.12.3 Not to use or carry on business in the Premises in such a manner as to cause nuisance to the owners, tenants and occupiers of neighbouring properties, but the proper use of the Premises in accordance with this Lease is not to be treated as a cause of nuisance.

3.12.4 Not to do in or upon the Premises anything which is not in accordance with or would infringe the provisions of the Alexandra Park Acts.

3.13 **Active trading and availability to the Public**

To trade actively and, so far as may be practicable, continuously from those facilities of the Premises which are intended to be made available to the public, except to the extent that:

3.13.1 the Tenant may be prevented from doing so by reason of destruction or damage to the Premises or by some other reason beyond the Tenant's control;

3.13.2 closure may be necessary diligently to carry out repairs, alterations or additions to the Premises or, where necessary, to comply with the terms of the Project Agreement;

3.13.3 closure may be necessary to complete an assignment of this Lease or grant of an underlease; or

3.13.4 to do so would be unlawful.

3.14 **Compliance with statutes, etc**

3.14.1 With effect from the date of this Lease, to comply in all respects with the requirements of all statutes for the time being in force and requirements of any competent authority relating to the use and occupation of the Premises or anything done in or upon them; provided that nothing in this clause imposes upon the Tenant liability for any claim arising before the date of this Lease pursuant to any law to protect the environment.

3.14.2 To indemnify the Landlord against actions, proceedings, claims or demands which may be brought or made under or in respect of those requirements or any failure to comply with the provisions of clause 3.14.1 above.

3.15 **Compliance with town planning and environmental requirements**

3.15.1 To the extent that compliance is not the obligation of the Landlord under this Lease (and subject to clause 3.14.1 above), to perform and observe all the provisions and requirements of all statutes and regulations relating to town and country planning in relation to the Premises, and to obtain any development or other consent, permit or licence which may be requisite for the development or manner of use of or on the Premises.

3.15.2 To indemnify the Landlord against any loss or expense suffered by the Landlord by reason of the Tenant's failure so to comply with the requirements of such statutes and regulations.

3.15.3 To give full particulars to the Landlord of any notice, or proposal for a notice, or order or proposal for an order, made, given or issued to the Tenant under or by virtue of any statute or regulation relating to town and country planning, environmental protection or otherwise as soon as is reasonably practicable following the receipt of any such by the Tenant, and if so required by the Landlord to produce such notice, order, or proposal for a notice or order, to the Landlord.

3.15.4 Subject to clause 3.15.1 as soon as is reasonably practicable to take all reasonable and necessary steps to comply with any such notice or order.

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

3.16 **Claims made by third parties**

3.16.1 To indemnify the Landlord against any claims, proceedings, damages or demands and costs and expenses so incurred which may be brought against the Landlord by any employees, workpeople, agents or visitors of the Tenant in respect of any accident, loss or damage to person or property caused or occurring in or on the Premises, unless caused by the Landlord or by anyone for whom the Landlord is vicariously liable.

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

3.17 **Expenses of the Landlord**

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

3.17.1 incidental to or in contemplation of the lawful and proper preparation and service of a schedule of dilapidations and/or a notice under sections 146 of the Law of Property Act 1925, even if forfeiture is avoided otherwise than by relief granted by the court; and

3.17.2 in the recovery or attempted recovery of arrears of the Premium, the Deferred Premium and the Additional Rents due from the Tenant;

and the reasonable and proper costs incurred by the Landlord in connection with an application for consent or approval made under this Lease unless the same is unlawfully or unreasonably withheld or delayed or offered subject to unlawful or unreasonable conditions.

3.18 **Obstruction of windows or lights**

3.18.1 Not to permit any encroachment on the Premises.

3.18.2 Not to permit any easement to be made or acquired into, against or over the Premises.

3.18.3 Where any window, light, opening, doorway, path, passage, drain or other restriction, encroachment or easement is made or attempted to be made or acquired, as soon as is reasonably practicable to give notice of the circumstances to

the Landlord and to adopt such course as may reasonably be required or deemed proper by the Landlord for preventing the restriction, encroachment or the acquisition of any such easement.

3.19 Value added tax

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

3.20 Encumbrances

By way of indemnity only, to observe and perform the obligations and liabilities comprising the Encumbrances so far as they relate to the Premises and are capable of being enforced.

3.21 Annual fireworks display

3.21.1 To stage an annual fireworks display for the benefit of local residents in the week of 5 November on such day as the Landlord chooses (following the giving of not less than twelve months written notice in that regard), to be of a content, length and scale as is consistent with high quality public Guy Fawkes displays.

3.21.2 To account to the Landlord for any profit after all expenses incurred by the Tenant in staging the annual fireworks display have been applied in full against all revenue secured to the Tenant from such event upon condition that all such profit is applied by the Landlord for the purposes of the Alexandra Palace Charitable Trust.

3.22 Willis Organ

3.22.1 To assist the Alexandra Park Organ Appeal Society ("the Society") to raise funds for the improvement and retention of the Willis Organ at the Premises.

3.22.2 To meet from time to time with the Society to discuss methods of fund-raising and promotional activities for the purpose.

3.23 The Theatre

To bring the theatre back into use for an operator in accordance with the obligations in but subject to the other provisions contained in the Project Agreement.

3.24 **Broadcast / Heritage Museum**

To make available accommodation in the south-eastern wing of the Property for a Broadcasting and a Recording Studio in accordance with clause 9 of the Project Agreement.

Proviso for re-entry

4.1.1 The Landlord may terminate this Lease by re-entering the Premises (or a part of them) itself or by an authorised agent if:

4.1.1.1 an instalment of the Premium, the Deferred Premium, Profit Rent, Additional Rent or other payment due from the Tenant remains unpaid 28 days after becoming due for payment (whether or not formally demanded) except to the extent of any withholding in respect of which the Tenant has a proper claim of right to do so;

4.1.1.2 the Tenant materially fails to perform or observe any of its covenants or the conditions in this Lease or the Project Agreement; or

4.1.1.3 at any time before the completion of the Development, an event of Insolvency occurs in relation to the Tenant or the Guarantor.

4.1.2 Re-entry in exercise of the rights in clause 4.1.1 does not affect any other right or remedy of the Landlord for breach of covenant or condition by the Tenant occurring before the termination of this Lease.

4.1.3 The expression *an event of insolvency* in clause 4.1.1.3 includes:

4.1.3.1 (in relation to a body corporate) inability of the body corporate to pay its debts, entry into liquidation whether compulsory or voluntary (except for the purpose of amalgamation or reconstruction), the passing of a resolution for a creditors' winding-up, the making of a proposal to the body corporate and its creditors for a composition in satisfaction of its debts or a scheme of arrangement of its affairs, the application to the court for an administration order, the giving of a notice of appointment or intention to appoint an administrator or liquidator and the appointment of a receiver or administrative receiver; and

4.1.3.2 (in relation to an individual) inability to pay or having no reasonable prospect of being able to pay his debts, the presentation of a

bankruptcy petition, the making of a proposal to his creditors for a composition in satisfaction of his debts or a scheme of an arrangement of his affairs, the application to the court for an interim order, and the appointment of a receiver or interim receiver;

and in relation to the various events of insolvency they are, wherever appropriate, to be interpreted in accordance and conjunction with the relevant provisions of the Insolvency Act 1986.

4.1.4 If the Tenant has charged this Lease and has given notice of the charge to the Landlord in accordance with clause 3.9:

4.1.4.1 the Landlord may not exercise the right of re-entry under this clause 4.1 unless it has first given notice to the chargee of the breach of obligation or condition in respect of which the Landlord claims against the Tenant the right to terminate this Lease by re-entry and its intention to exercise that right;

4.1.4.2 the Landlord is not to be treated as waiving its right to re-enter unless and to the extent that the right is overridden by the following provisions of this clause 4.1.4;

4.1.4.3 the right of the Landlord is to be overridden if the breach of covenant is capable of remedy and, within 90 days after the said notice of the Landlord has been given, the chargee:

(a) gives notice to the Landlord requiring it not to re-enter the Premises;

(b) acknowledges to the Landlord by deed in a form reasonably required by the Landlord that the chargee is assuming and undertaking the obligations of the Tenant under this Lease;

(c) takes substantive steps acceptable to the Landlord, who is to act reasonably, by way of remedy of the breach with reasonable expedition; and

(d) pays to the Landlord any unpaid arrears of monies due from the Tenant under this Lease;

and the rights of a chargee under this clause 4.1.4 are in addition and without prejudice to such rights as it may have to claim relief against forfeiture which are accorded to it by law.

4.1.5 In the event that an event of insolvency occurs in relation to the Guarantor, but not to the Tenant, at any time while the guarantee in clause 6 is subsisting, it is a condition of this Lease that the Tenant is to replace the Guarantor with an Entity of sufficient financial status as to be able to meet the liability of the Guarantor for the relevant periods while the guarantee remains subsisting.

4.2 **Notices**

A notice served under or in connection with this Lease must be in writing and is to be treated as properly served if compliance is made with the provisions of section 196 of the Law of Property Act 1925 (as amended by the Recorded Delivery Service Act 1962).

4.3 **Landlord's consents**

A consent or approval required under this Lease is to be obtained before the act or event to which it applies is carried out or done and is to be effective only if it is given in writing.

4.4 **No warranty of fitness of the Premises**

Nothing in this Lease implies or is to be treated as a warranty that the Premises are fit for the purpose of Development and the Tenant relies entirely on its own such inspection and investigations as to site and structural suitability as it has made before the grant of this Lease.

4.5 **Landlord's breach of management obligations**

The following conditions are to apply if the Landlord is in substantial or persistent breach of the covenants in clause 5, the Tenant has given notice to the Landlord specifying the breach and has allowed a reasonable time within which to remedy the breach:

4.5.1 the Tenant may comply with the obligation of the Landlord of which it is in breach after the expiry of a reasonable period without compliance by the Landlord;

4.5.2 the Landlord shall bear the proper cost properly incurred by the Tenant in doing so; and

- 4.5.3 the exercise of this right by the Tenant is to be without prejudice to any other right or remedy of the Tenant against the Landlord for the breach, non-observance or non-performance of the Landlord's covenants; but
- 4.5.4 the exercise of the right by the Tenant for such a breach of covenant by the Landlord may not be exercised in such a way as would otherwise place the Landlord in breach of the covenant of the Landlord to comply with the Alexandra Park Acts or any other covenant of the Landlord under this Lease.
- 4.5.5 The costs incurred by the Tenant during any Accounting Period pursuant to this clause 5.5 are to be deducted from the Tenant's Profit Rent payable in respect of that Accounting Period, unless and to the extent such costs have been reimbursed by the Landlord. "Accounting Period" has the same meaning as set out in Schedule 2 Part 1.

5 **Landlord's covenants**

The Landlord **COVENANTS** with the Tenant as follows:

5.1 **Quiet enjoyment**

That the Tenant, paying the Premium, the Deferred Premium and the Rents reserved, and performing the Tenant's covenants in this Lease, may lawfully and peaceably enjoy the Premises throughout the Term without lawful suit, eviction or interruption by the Landlord or by any person lawfully claiming through, under or in trust for the Landlord.

5.2 **Insurance**

To keep the Premises insured and comply with the obligations contained in the Third Schedule

5.3 **Services**

Subject to the payment by the Tenant to the Landlord of the Service Charge, to observe and perform the obligations of the Landlord in Schedule 4.

5.4 **Management of the Alexandra Palace Park**

- 5.4.1 Properly to manage and maintain Alexandra Park as a place of public resort and recreation and for no other purpose;

- 5.4.2 to comply with the Alexandra Park Acts except to the extent that they apply to the Premises and are to be observed and performed by the Tenant under this Lease;
- 5.4.3 as trustee of the Alexandra Park and Palace Charitable Trust, not to seek or promote any amendment variation or revision to the Acts without the consent of the Tenant, such consent not to be unreasonably withheld or delayed; and
- 5.4.4 not to use Alexandra Park for any use that would materially and detrimentally affect the Tenant's business at the Premises from time to time in accordance with the terms of this Lease.

5.5 Exercise of rights of entry by the Landlord

In exercising the rights reserved to the Landlord by this Lease which involve entry on to the Premises, the Landlord shall:

- 5.5.1 cause as little damage as is possible to the Premises and as little disturbance and inconvenience as possible to the Tenant and occupier of the Premises; and
- 5.5.2 make good (at its sole cost and expense) any damage caused in the exercise of such right;
- 5.5.3 indemnify the Tenant and any other occupiers of the Premises and keep them indemnified against all damage suffered by them arising directly out of the exercise of such right.

6 Guarantee

6.1 Guarantee provisions

6.1.1 For the purposes of this clause 6:

- 6.1.1.1 references to the "Tenant" are to the Tenant in relation to whom the Guarantor's covenant is given (In this context meaning the party named as "Tenant" in the parties clause of this Lease) but not to a lawful assignee of that Tenant;
- 6.1.1.2 the covenant in clause 6.1.2 remains in force for so long as, and to the extent that that Tenant is not released by operation of law (otherwise than by disclaimer) from liability for the Tenant's covenants in this Lease or as provided in clauses 6.4 and 6.5; and
- 6.1.1.3 references to "this guarantee" are to the provisions of this clause 6.

6.1.2 Subject to clause 6.4, the Guarantor covenants with the Landlord as primary obligor that the Tenant will pay the rents reserved by, and perform and observe the Tenant's covenants in, this Lease, and the Guarantor shall pay and make good to the Landlord on demand any proper losses, damages, costs, and expenses suffered or incurred by the Landlord if the Tenant fails to do so.

6.2 **No waiver or release of liability**

The liability of the Guarantor under this guarantee is not to be affected by:

- 6.2.1 forbearance, the granting of time or other indulgence of the Landlord;
- 6.2.2 any variation of this Lease, whether or not made with the consent of the Guarantor;
- 6.2.3 any act which is beyond the powers of the Tenant; or
- 6.2.4 the existence of or dealing with, varying, exchanging or failing to perfect or enforce any rights against the Tenant or of any other rights or security which the Landlord may have or acquire against the Tenant or any other person who is liable in respect of its obligations under the Lease.

6.3 **Subordination of rights of the Guarantor**

The provisions of this clause 6.3 are to apply whilst this guarantee is subsisting and unless the Landlord has no subsisting claim against the Tenant for non-payment of rent or for breach of obligation under this Lease.

6.3.1 The Guarantor may not:

- 6.3.1.1 seek to recover from the Tenant, or any third party whether directly or by way of set-off, lien, counterclaim or otherwise or accept any money or other property or security, or exercise any rights in respect of any sum which may be or become due to the Guarantor on account of the failure by the Tenant to observe and perform the tenant covenants in this Lease;
- 6.3.1.2 (in competition with the Landlord) claim, prove or accept any payment in a winding-up, liquidation, bankruptcy, composition with creditors or other form of arrangement on the insolvency of the Tenant, for money owing to the Guarantor by the Tenant; or

6.3.1.3 exercise any right or remedy in respect of any amount paid by the Guarantor under this Lease or any liability incurred by the Guarantor in observing, performing or discharging the obligations and covenants of the Tenant.

6.3.2 The Guarantor warrants that It has not taken, and undertakes with the Landlord that it will not without the consent of the Landlord take, any security from the Tenant in respect of this guarantee and, if security is nevertheless taken, it is to be held on trust for the Landlord as security for the respective liabilities of the Guarantor and the Tenant.

6.4 **Limits on the liability of the Guarantor**

The liability of the Guarantor is subject to the various limits, applying at different times, as set out in the following provisions of this sub-clause and subject to release under clause 6.5.

6.4.1 The various limits on the liability of the Guarantor before the Development is completed are set out in clause 6 of the Project Agreement.

6.4.2 The limit on the liability of the Guarantor, during the period commencing on the completion of the Development and ending at the time that the last instalment of the Premium is paid to the Landlord, is £2,500,000.

6.4.3 The limit on the liability of the Guarantor, during the period commencing on the date of payment by the Tenant of the last instalment of the Premium until the time of release of this guarantee in accordance with clause 6.5, is £1,500,000.

6.4.4 The limits on liability referred to in the preceding sub-clauses operate on claims :

6.4.4.1 made by the Landlord against the Guarantor under this guarantee which the Guarantor itself meets and to the extent that it has borne the liability after such rights of redress against third parties as it may have;

6.4.4.2 met by the Guarantor in the aggregate in respect of each individual band of limit on liability; and

6.4.4.3 in respect of breach of obligation of the Tenant taking place during the relevant period, irrespective of when the claim is made against, or notified to the Guarantor.

6.5 Release of the Guarantor

6.5.1 The Guarantor is to be released from further liability under this guarantee at a time after the last instalment of the Premium has been paid if and at such time

6.5.1.1 as the financial test of release in clause 6.5.2 is passed by the Tenant; or

6.5.1.2 upon the Tenant or the Guarantor proposing a suitable alternative guarantor of no lesser standing than the Guarantor calculated as at the date of this Lease who is approved by the Landlord, approval not to be unreasonably withheld or delayed, and who enters into a direct covenant with the Landlord to observe and perform the continuing obligations of the Guarantor under this Lease.

6.5.2 The financial test for release is that:

6.5.2.1 the profits of the Tenant before interest, depreciation, amortisation and tax have reached the level of at least £1,500,000 for three consecutive accounting years (each of twelve months' duration); and

6.5.2.2 at the end of the third such accounting year, the net asset value of the Tenant is not less than £1,500,000.

The profits and net asset value of the Tenant are to be calculated in accordance with the principles and requirements set out in Schedule 2, Part 1.

6.5.3 In applying the financial test referred to in clause 6.5.2, the profits performance of the Tenant during the last three years that the instalments of the Premium are due to be paid, may be taken into account if relevant.

7 Expert Determination

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

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

- 7.2.1 the president from time to time of the Royal Institution of Chartered Surveyors; or
- 7.2.2 the president from time to time of the Institute of Chartered Accountants in England and Wales;
- or in either case the duly appointed deputy of the president, or other person authorised by him to make appointments on his behalf.
- 7.3 The person so appointed is to act as an expert, and not as an arbitrator.
- 7.4 The expert so appointed must afford the parties the opportunity within such a reasonable time limit as he may stipulate to make representations to him (accompanied by professional rental valuations, reports or other appropriate evidence in the relevant circumstances) and permit each party to make submissions on the representations of the other.
- 7.5 Neither the Landlord nor the Tenant may without the consent of the other disclose to the expert correspondence or other evidence to which the privilege of non-production ("without prejudice") properly attaches.
- 7.6 The fees and expenses of the expert, including the cost of his nomination, are to be borne as the expert may direct (but in the absence of such a direction, by the parties in equal shares), but (unless they otherwise agree) the parties shall bear their own costs with respect to the determination of the issue by the expert.
- 7.7 One party may pay the costs required to be borne by another party if they remain unpaid for more than 21 days after they become due and then recover these and any incidental expenses incurred from the other party on demand.
- 7.8 If the expert refuses to act, becomes incapable of acting or dies, the Landlord or the Tenant may request the appointment of another expert in his stead under clause 8.2.
- 7.9 The reasoned determination of the independent expert, except in case of manifest error of fact or law, is to be binding on the Landlord and the Tenant.

8 **Operation of the Schedules**

The Landlord and the Tenant shall observe and perform their respective obligations in the Schedules to this Lease.

9 **Status of tenancy and Agreement for Lease**

This Lease is a new tenancy within the meaning of section 1 of the Landlord and Tenant (Covenants) Act 1995.

10 **Third party rights**

10.1 Unless the right of enforcement is expressly granted, it is not intended that a third party should have the right to enforce a provision of this Lease under the Contracts (Rights of Third Parties) Act 1999.

10.2 The parties may rescind or vary this Lease without the consent of a third party to whom an express right to enforce any of its terms has been provided.

11 **Registration of leases**

The Tenant shall:

11.1 take all steps necessary to procure that the Tenant is registered at the Land Registry as proprietor of the Lease as soon as reasonably possible; and

11.2 subject to the Landlord on completion providing a completed Form AP1 (and a cheque for the requisite fee in respect of the same) submit simultaneously with any application for first registration of the Lease any application to register the easements reserved in schedule 1 part 3 paragraph [] as appurtenant to the Landlord's other registered title being title no NGL365599; and

11.3 deliver to the Landlord within ten days of registration, official copy entries of the registered title evidencing that the Tenant is the registered proprietor of this Lease.

12 **Disposition by a Charity**

The land demised by this Lease is held by The Mayor and Burgesses of the London Borough of Haringey in trust for the Alexandra Park and Palace Charitable Trust, a non-exempt charity, but this Lease is one falling within paragraph (a) of Section 36(9) of the Charities Act 1993.

DELIVERED as a deed on the date at the beginning of this document.

SCHEDULE 1

Part 1

Description of the Premises

All that land and buildings shown edged red on the annexed plan numbered 1, Alexandra Park, Wood Green in the London Borough of Haringey and known as Alexandra Palace.

Part 2
Rights enjoyed with demise

- 1 The right to connect into and use Conduits situated in or on the Landlord's adjacent land for the supply of services and for drainage.
- 2 The free and uninterrupted passage of water, steam, soil, air, gas and electricity from and to any part of the Premises through such Conduits which are now or may in the future during the Perpetuity Period be in, on or under the Landlord's Adjacent Land.
- 3 The right to access the Conduits, on reasonable notice except in emergency when prior notice cannot be given, at reasonable hours for the purpose of inspecting, repairing, maintaining, cleaning and replacing them.
- 4 The right of support and protection for the benefit of the Premises that is enjoyed from the Landlord's Adjacent Land
- 5 The right in common with the Landlord, members of the public and the Tenant's underlessees, licensees, visitors and invitees at all times and for all purposes connected with the use and enjoyment of the Premises to pass on foot over Alexandra Park, and on foot and with vehicles over the Alexandra Palace Way and for access to and egress from the Additional Car Park only over other roadways within Alexandra Park .
- 6 The right in common with the Landlord and members of the public to park in the Additional Car Park, subject to observing the reasonable and proper rules of the Landlord for orderly parking of vehicles and use of the Additional Car Park and the Landlord co-operating so far as is reasonably practicable for it to do so to accommodate the Tenant's requirements for such parking in connection with events carried out at the Premises from time to time.
- 7 The right to erect signage at the entrances of the Alexandra Park and at other appropriate locations within the Alexandra Park to promote the Premises, the location content and size of such signage to be approved by the Landlord (approval not to be unreasonably withheld or delayed).
- 8 Such right, if any, as the Landlord may enjoy, to pass with or without vehicles over and along the roadway shown coloured brown on the plan annexed to and referred to in a conveyance dated 23 July 1967 made between (1) The British Railways

Board and (2) Grosvenor Trust Limited being the Conveyance referred to in the property and charges registers of title number NGL365599.

Part 3

Exceptions and reservations

- 1 The right to connect into and use Conduits situated in or on the Premises or constructed during the Perpetuity Period for the supply of services and drainage and the free and uninterrupted passage of water, steam, soil, air, gas and electricity from and to any part of the Landlord's Adjacent Land or neighbouring property through such Conduits as are now or may in the future during the Perpetuity Period be in, on or under the Premises.
- 2 The rights of entry upon the Premises referred to in clause 3.
- 3 The right of support and protection for the benefit of the Landlord's Adjacent Land from the Premises.

Part 4
The Encumbrances

The matters referred to in the registers of title number NGL365599 at the Land Registry

Part 5
The Underleases

Date	Parties
8 December 1992	The Mayor and burgesses of the London Borough of Haringey (1) Eastern Electricity plc (2)
21 July 1982	The Mayor and burgesses of the London Borough of Haringey (1) The British Broadcasting Corporation (2)
8 February 2002	The Mayor and burgesses of the London Borough of Haringey (1) The Trustees of the Community Use for the Old Station (2)

SCHEDULE 3

Insurance provisions

1 Insured Risks and other definitions

- 1.1 *Insured Risks* means the risks and other contingencies against which the Premises and the Development are required to be, or which may be, insured under this Lease, but subject to any exclusions, limitations and conditions in the policy of insurance as are accepted as common practice in the insurance market.
- 1.2 Insured Risks include - fire, lightning, explosion, storm, tempest, flood, bursting and overflowing of water tanks, apparatus or pipes, earthquake, aircraft (but not hostile aircraft) and devices dropped from aircraft, riot and civil commotion, malicious damage, Terrorism, subsidence, heave, landslip and such other risks whether or not in the nature of the foregoing against which a reasonably prudent landlord would normally insure.
- 1.3 If a risk or contingency itemised, or otherwise included, as an Insured Risk, can no longer be insured in the London Insurance Market, the risk or contingency shall cease to be treated as an Insured Risk from the time that cover is withdrawn until cover again becomes available in the London Insurance Market.
- 1.4 In this schedule:
- 1.4.1 references to the Development and the Premises include alterations, additions and improvements only if made by or at the expense of the Landlord or which the Landlord and the Tenant agree to treat as landlords' fixtures and fittings[, but does not include tenants' fixtures and fittings;
- 1.4.2 references to the act or default of the Tenant include the act or default of any person deriving title under or through the Tenant or its or their respective employees, agents and visitors;
- 1.4.3 references to "vitiating by the Tenant" include any event occurring by the act or default of the Tenant (to be interpreted as in paragraph 1.4.2) as a result of which the insurance monies otherwise payable under the policy of insurance of the Landlord become wholly or partially irrecoverable, and "vitiating" and "vitiating" have corresponding meanings; and

1.4.4 references to damage or destruction of the Premises include the essential means of access to and egress from the Premises or any essential services to the Premises.

2 Tenant's liability for insurance premiums

2.1 The Tenant shall pay to the Landlord on demand the insurance premiums incurred by the Landlord.

2.2 Insurance premiums are to include all monies expended, or required to be expended by the Landlord in effecting and maintaining cover against:

2.2.1 Insured Risks;

2.2.2 Loss of the Additional Rent for a period of three years from the date damage or destruction of the Premises;

2.2.3 such professional fees as may be incurred in connection with rebuilding or reinstatement of the Premises;

2.2.4 the costs of demolition, shoring up, and site clearance works;

2.2.5 employers', third party and public liability risks;

2.2.6 value added tax liability on such items; and

2.2.7 tax charged on the premiums for these insurances.

2.3 The Tenant shall pay to the Landlord the reasonable professional fees for insurance valuations of replacement cost carried out at reasonable intervals but not more frequently than once in every year.

2.4 The Landlord may retain any discount on the insurance premiums or commission offered to it by its insurer for its exclusive benefit.

3 Tenant's obligations in relation to insurance cover

3.1 The Tenant will not do anything which may render void or voidable the insurance on the Premises or which may cause insurance premiums to be increased.

3.2 If the insurance of the Landlord is vitiated by the Tenant, the Tenant shall pay to the Landlord on demand a sum equal to the amount of the insurance monies which has in consequence become irrecoverable.

3.3 The Tenant will notify the Landlord Immediately of the occurrence of damage to the Premises by any of the Insured Risks.

4 **Landlord's obligation to insure and reinstate**

4.1 The Landlord shall keep the Premises insured at all times throughout the term in the joint names of the Landlord and the Tenant with an insurer of repute against Insured Risks and other items referred to in paragraph 2.2 for the cost of reinstatement as advised to it on the most recent insurance valuation or for such greater amount as the Tenant requires, subject to such uninsured excess as the insurer may properly apply.

4.2 The Tenant is entitled to be a party to the negotiations undertaken by the Landlord with the insurers and shall be entitled to make representation to the identity of the insurer and the basis of the terms of insurance which the Landlord is to be obliged to take into account.

4.3 Following damage to or destruction of the Premises by an Insured Risk, the Landlord and the Tenant shall diligently apply, or procure the application of, the proceeds of the insurance covering reinstatement and rebuilding costs for those purposes. The Landlord is not obliged to make good a deficiency in the proceeds of insurance unless it arises from a failure on its part to carry out in full its obligations to insure in accordance with the provisions of this paragraph 4.

4.4 The Landlord shall produce to the Tenant on demand a copy of the policy and the last premium renewal receipt or other satisfactory evidence of payment.

4.5 The Landlord shall notify the Tenant of any material change in the risks covered by the policy from time to time and the exclusions and excesses applicable to the policy from time to time.

4.6 The Landlord must use reasonable endeavours to ensure that any policy effected pursuant to its obligations in this sub-clause shall contain provisions confirming that the policy cannot be made void or voidable by the Tenant or any undertenant or any other lawful occupier of the Premises or its or their representatives employers agents so that no act or omission of the Tenant or any undertenant or any other lawful occupier or its respective employees or agents or anyone at or in the Premises with the express or implied permission of them could cause the policy to become void or voidable or render irrecoverable the whole or any part of the insurance money secured under the policy so effected.

5 Uninsured risks

5.1 In this paragraph 5, an "Uninsured Risk" means:

5.1.1 any risk which does not fall within the risks specifically identified in the definition of "Insured Risks";

5.1.2 any risks, or some aspect of any of them, which would be covered by the risks specifically identified in the definition of "Insured Risks" but which:

5.1.2.1 are excluded from doing so for the time being by reason of withdrawal of cover by the insurer which is not otherwise available to be insured on the London Insurance Market;

5.1.2.2 is withdrawn from cover by the Landlord on the grounds that cover cannot be placed on the London Insurance Market at reasonably commercial rates and on reasonably commercial conditions; or

5.1.2.3 is excluded, or partially excluded, from cover in relevant circumstances by reason of the operation of policy conditions; but

5.1.3 an Insured Risk does not become an Uninsured Risk for the purposes of this paragraph 5.1 by reason only of:

5.1.3.1 normal exclusion provisions in relation to a level of excess liability;

5.1.3.2 rejection by the insurer of liability, or some part of it, due to vitiation by the Tenant; or

5.1.3.3 infringement by the Landlord of policy conditions for the maintenance of cover.

5.2 The provisions of this paragraph 5 apply if the Premises or a substantial part of it (whether or not directly affecting the Premises) are destroyed or damaged by an Uninsured Risk so as to make the continued use of the Premises impracticable.

5.3 If the Tenant elects to rebuild or reinstate the Premises by giving notice to the Landlord to that effect, the Tenant shall as soon as may reasonably be practicable use its reasonable endeavours to rebuild or reinstate the Premises providing the cost of doing so out of its own resources;