

DATED _____ 2015

TRANSPORT FOR LONDON

LONDON UNDERGROUND LIMITED

LS 21 MOORFIELDS DEVELOPMENT MANAGEMENT LIMITED

LS 21 MOORFIELDS LIMITED

LAND SECURITIES PROPERTY HOLDINGS LIMITED

AGREEMENT – FOIA MARK-UP

RELATING TO 21 MOORFIELDS, LONDON EC2Y



Freshfields Bruckhaus Deringer

Freshfields Bruckhaus Deringer LLP

65 Fleet Street

London EC4Y 1HS

CONTENTS

CLAUSE	PAGE
1. DEFINITIONS AND INTERPRETATIONS	1
2. NOT USED	10
3. REDACTED	10
4. REDACTED	10
5. REDACTED	12
6. PRE DEVELOPMENT OVERAGE.....	12
7. PLANNING OVERAGE.....	13
8. REDACTED	13
9. REDACTED	13
10. REDACTED	14
11. RIGHT TO CHANGE NEW HEADLEASE GEARING	14
12. REDACTED	15
13. REDACTED	15
14. ASSIGNMENT.....	16
15. GUARANTEE	17
16. REDACTED	19
17. CONFIDENTIALITY AND TRANSPARENCY	20
18. DISPUTES RESOLUTION PROCEDURES	22
19. FREEDOM OF INFORMATION	24
20. RELEASE.....	24
21. VALUE ADDED TAX	25
22. EFFECT OF THIS AGREEMENT.....	26
23. NOTICES.....	26
24. ENTIRE AGREEMENT.....	27
25. GOVERNING LAW AND JURISDICTION	27
26. SEVERABILITY	28
27. NON FETTER	28
28. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999	28
SCHEDULE 1 - REDACTED	29
SCHEDULE 2 - PRE DEVELOPMENT OVERAGE.....	33
SCHEDULE 3 - PLANNING OVERAGE.....	40
SCHEDULE 4 – REDACTED	41

SCHEDULE 5 - REDACTED	66
SCHEDULE 6 - REDACTED	69
SCHEDULE 7 - RIGHT TO CHANGE NEW HEADLEASE GEARING	74
SCHEDULE 8 - REDACTED	75
SCHEDULE 9 - REDACTED	78
APPENDIX 1 – REDACTED.....	78
APPENDIX 2 – REDACTED	
APPENDIX 3 – REDACTED	
APPENDIX 4 – REDACTED	
APPENDIX 5 – REDACTED	
APPENDIX 6 – REDACTED	
APPENDIX 7 – REDACTED	
APPENDIX 8 – SITE SPECIFIC TERMS	

THIS AGREEMENT is dated _____ 2015

PARTIES

- (1) **TRANSPORT FOR LONDON** of Windsor House, 42-50 Victoria Street, London SW1H 0TL ("**TfL**");
- (2) **LONDON UNDERGROUND LIMITED** of (No. 01900907) whose registered office is at Windsor House, 42-50 Victoria Street, London SW1H 0TL ("**LUL**");
- (3) **LS 21 MOORFIELDS DEVELOPMENT MANAGEMENT LIMITED** (No. 08072478) whose registered office is at 5 Strand, London WC2N 5AF ("**LS21DM**");
- (4) **LS 21 MOORFIELDS LIMITED** (No. 08072492) whose registered office is at 5 Strand, London WC2N 5AF ("**LS21**"); and
- (5) **LAND SECURITIES PROPERTY HOLDINGS LIMITED** (No. 05075022) whose registered office is at 5 Strand, London WC2N 5AF ("**LSPH**");

RECITALS

- A. The parties have entered into the Development Agreement on the date of this Agreement.
- B. [Reason: 4].

IN CONSIDERATION OF LS21DM'S, LS21'S, LUL'S AND TFL'S RESPECTIVE OBLIGATIONS UNDER THIS AGREEMENT, THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATIONS

1.1 DEFINITIONS

[Certain terms have been redacted because they are used in substantive provisions which themselves have been redacted, for the reasons there given.]

Terms defined in the Development Agreement shall have the same meaning where used in this Agreement unless otherwise defined herein, and in addition, in this Agreement, the following words and expressions have the following meanings:

Base Rate has the same meaning as set out in the New Headlease;

Building 1 means the land and buildings shown for the purposes of identification only shaded blue on the plans attached to the New Headlease;

Building 1 Tenant means the LS Group Company to which the New Headlease of Building 1 is granted, or to which such lease has been lawfully assigned from time to time;

Building 2 means the land and buildings shown for the purposes of identification only shaded orange on the plans attached to the New Headlease;

Building 2 Tenant means the LS Group Company to which the New Headlease of Building 2 is granted, or to which such lease has been lawfully assigned from time to time;

Confidential Information means the information contained in, arising out of, or disclosed prior to or pursuant to this Agreement, and includes the existence of this Agreement and the contents of this Agreement;

Connected Party means any person or company connected with LS21 and/or LS21DM or any director of LS21 and/or LS21DM and "connected" has the same meaning as in Section 346 of the Companies Act 1985 or Section 839 of the Income and Corporation Taxes Act 1988;

Corporate Interest means all shares, voting rights, partnership interest or other interest of whatever nature in LS21 and/or LS21DM and/or the Building 1 Tenant and/or the Building 2 Tenant (as the case may be) and which shall in each case include all shares, voting rights, partnership interests or other interests of whatever nature in any person or entity or body holding shares or a partnership or other interest in LS21 and/or LS21DM and/or the Building 1 Tenant and/or the Building 2 Tenant and/or any parent or holding company or companies or any member(s), trustee(s) of LS21 and/or LS21DM and/or the Building 1 Tenant and/or the Building 2 Tenant (other than Land Securities Group plc) where a disposal of shares, voting rights, partnership or other interest in such entity achieves a disposal of LS21 and/or LS21DM and/or the Building 1 Tenant and/or the Building 2 Tenant (as the case may be);

Developer's Interest means all rights and interests of LS21DM in the capital receipts, revenue and income arising from or in connection with its rights pursuant to the Development Agreement or otherwise in connection with the Development, but excluding (for the avoidance of doubt) the Corporate Interest in LS21DM;

Development Agreement means an agreement between Transport for London, London Underground Limited, Crossrail Limited, LS 21 Moorfields Development Management Limited, LS 21 Moorfields Limited and Land Securities Property Holdings Limited entered into on the same date as this Agreement;

Excluded Transfer means any of the following:

- (a) the grant of a security interest (including any mortgage, charge, pledge or lien) or an assignment by way of security in respect of the Developer's Interest, the Tenant's Interest and/or the Corporate Interest in LS21, LS21DM, the Building 1 Tenant and/or the Building 2 Tenant as the case may be; or
- (b) a Transfer, or grant of an Investment Underlease, to or in favour of an LS Group Company; or
- (c) an underlease or agreement to underlet, or any other rights of occupation granted out of the Tenant's Interest (other than an Investment Underlease); or
- (d) (Reason: 2)

- (e) (for the avoidance of doubt) the surrender of the Existing Headlease and the Supplemental Lease and the grant of the New Headlease(s) to an LS Group Company; or
- (f) a disposal of a Corporate Interest which has an equivalent effect to any of the disposals set out in paragraphs (a) to (e) above;

Existing Headlease means the lease dated 8 April 1974 between (1) The London Transport Executive and (2) The Prudential Assurance Company Limited as varied from time to time;

Ground Rent means the Ground Rent reserved by the New Headlease and/or (as the case may be) the principal rent reserved by the Existing Headlease;

Group Company means, in relation to any company:

- (a) a company which is either a holding company or a subsidiary of such company; or
- (b) a company which is a subsidiary of a holding company of which such company is also a subsidiary,

and for these purposes, holding company and subsidiary shall have the respective meanings given to them in section 1159 of the Companies Act 2006 save that it shall not include any JV Undertaking;

Investment Underlease means any underlease which is not an underlease granted to an occupational undertenant without a premium;

Let means, in relation to any premises comprised within the Development, that LS21 and/or LS21DM has entered into an underlease or an agreement for underlease with an occupational tenant in respect of such premises which is either unconditional, or conditional only upon the Development or the relevant part thereof reaching Practical Completion;

LS21 includes any LS Group Company to which the Tenant's Interest has been lawfully assigned or novated pursuant to the terms of the Development Agreement and/or the New Headleases and this Agreement;

LS21DM includes any LS Group Company to which the Developer's Interest has been lawfully assigned or novated pursuant to the terms of the Development Agreement and this Agreement;

LS Change of Control means the acquisition (whether by purchase, transfer, renunciation or otherwise) by any person or entity or body which is not an LS Group Company (an **Acquirer**) of any interest in any shares or in any partnership or other interest in:

- (a) LS21 and/or LS21DM; or
- (b) any person or entity or body directly holding shares or a partnership or other interest in LS21 and/or LS21DM; or

- (c) (other than Land Securities Group plc) any parent or holding company or companies or any member(s) or trustee(s) of LS21 and/or LS21DM or such person entity or body referred to in (b),

if upon completion of that acquisition the Acquirer together with any Connected Party of that Acquirer would hold or control more than 50% of the total voting rights conferred by all of the shares in the capital of LS21 and/or LS21DM or more than 50% of the partnership interest in LS21 and/or LS21DM or more than 50% of the voting rights in LS21 and/or LS21DM and includes the entry into any binding obligation for such LS Change of Control save where such binding obligation is conditional on TfL approving (where such approval is required) the disposal by the relevant seller of any interest in LS21 and/or LS21DM (as the case may be);

LS Group Company means any of Land Securities Group Plc (company number 4369054) and its Group Companies;

LS Interest means both the Tenant's Interest and the Developer's Interest and includes (where the context permits) the Corporate Interest in LS21 (or in the Building 1 Tenant and the Building 2 Tenant) together with the Corporate Interest in LS21DM;

Main Terms means the terms of this Agreement other than the Site Specific Terms (each as varied from time to time);

Net Internal Area means the net internal area of the Development measured in accordance with the Code of Measuring Practice last published by the Royal Institution of Chartered Surveyors prior to the date of this Agreement;

New Headleases means the lease or leases to be granted pursuant to the Development Agreement;

Option means the option granted in clause 3.1 of the Development Agreement;

OSD Works Commencement means the commencement of the OSD Works, not including (for the avoidance of doubt) the Demolition Works the Substructure and Enabling Works, the Preliminary Investigations and the Pre-Demolition Works;

Permitted Disposal means any Transfer that is permitted under the Development Agreement and/or the Existing Headlease and/or the Supplemental Lease and/or the New Headleases and/or this Agreement;

Property means the premises demised from time to time by the Existing Headlease, the Supplemental Lease and/or the New Headleases (as applicable);

Site Specific Terms means the terms of this Agreement which are shown deleted in the version of this Agreement set out in Appendix 8 which LS21 and LS21DM consider fall within the exemptions from disclosure in the FOI Legislation applicable at the date of this Agreement;

Souzel means Souzel Properties Limited (in administration);

Souzel Agreements means the conditional sale and purchase agreement and the asset and development management agreement each dated 20 December 2012 and made

between (among others), LS21, LS21DM and Souzel (each as varied from time to time);

Supplemental Lease means the supplemental lease to be granted by LUL to LS21 pursuant to clause 15.1 of the Development Agreement;

Tenant's Interest means all rights, title and interests of LS21 (or where the New Headleases have been granted to two separate entities the Building 1 Tenant and the Building 2 Tenant, so long as the Building 1 Tenant and the Building 2 Tenant are LS21, or each an LS Group Company) in the capital receipts, revenue and income arising from or in connection with the Property including, without limitation, its contractual and property rights under this Agreement, the Development Agreement, the Existing Headlease (as varied from time to time), the Supplemental Lease and the New Headleases, but excluding (for the avoidance of doubt) the Corporate Interests in LS21, the Building 1 Tenant and the Building 2 Tenant;

TfL Change of Control means the acquisition (whether by purchase transfer renunciation or otherwise) by any person or entity or body which is not a TfL Group Company (an **Acquirer**) of any interest in any shares or in any partnership or other interest in:

- (a) TfL and/or LUL; or
- (b) any person or entity or body directly holding shares or a partnership or other interest in TfL and/or LUL; or
- (c) any parent or holding company or companies or any member(s) or trustee(s) of TfL and/or LUL or such person entity or body referred to in (b),

if upon completion of that acquisition the Acquirer together with any Connected Party of that Acquirer would hold or control more than 50% of the total voting rights conferred by all of the shares in the capital of TfL and/or LUL or more than 50% of the voting rights in TfL and/or LUL and includes the entry into any binding obligation for such TfL Change of Control save where such binding obligation is conditional on LS21 approving (where such approval is required) the disposal by the relevant seller of any interest in TfL and/or LUL (as the case may be);

TfL Group Company means Transport for London and its Group Companies;

Third Party means a party who is neither a LS Group Company nor a TfL Group Company;

Transaction Agreements means the Development Agreement and each other agreement entered into on or about the date of this Agreement between (among others) TfL, LUL, LS21 and/or LS21DM, and each other agreement or other instrument to be entered into pursuant to any of such agreements (each as may be varied from time to time);

Transfer means any sale, assignment, transfer or novation (other than an Excluded Transfer) of the Developer's Interest and/or the Tenant's Interest, and/or any sale, assignment or transfer (other than an Excluded Transfer) of the Corporate Interest in LS21DM, LS21, the Building 1 Tenant and/or the Building 2 Tenant, and/or the grant

of an Investment Underlease out of the Tenant's Interest (other than an Excluded Transfer), in each case whether legally or beneficially.

Working Day means any day which is not a Saturday, a Sunday or a public holiday in London.

1.2 INTERPRETATION

- (a) In this Agreement unless the context otherwise requires:
- (i) the clause headings do not affect its interpretation;
 - (ii) unless otherwise indicated, references to clauses and schedules are to clauses of and schedules to this Agreement and references in a clause or Schedule to a paragraph are to a paragraph of that clause or schedule;
 - (iii) references to any statute or statutory provision include references to:
 - (A) all Legislation; and
 - (B) any subsequent statutes directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute and also include any orders, regulations, instruments or other subordinate legislation made under that statute;
 - (iv) the words "include" and "including" shall be deemed to be followed by the words "without limitation";
 - (v) any covenant by a party not to do any act or thing shall include an obligation not knowingly to permit or suffer such act or thing to be done;
 - (vi) any reference to the "New Headlease" is a reference to the New Headlease in relation to Building 1 and the New Headlease in relation to Building 2 or the New Headlease in respect of Building 1 and Building 2;
 - (vii) any reference to "LSPH" is a reference to LSPH and any entity substituted as guarantor in accordance with clause 16; and
 - (viii) any reference to "LS21", "LS21DM", the "Building 1 Tenant" and the "Building 2 Tenant" is to be construed in accordance with Clause 14.
- (b) (Reason: 5]

2. **NOT USED**
3. **REDACTED (Reason: 2)**
4. **REDACTED (Reason: 2)**
5. **REDACTED (Reason: 3)**
6. **PRE DEVELOPMENT OVERAGE**

If LS21 completes a Transfer of the Tenant's Interest and/or there is a Transfer of the Corporate Interest in LS21 and/or the Building 1 Tenant and/or the Building 2 Tenant (and/or any parent or holding company of the relevant entity (other than Land Securities Group plc) which achieves such disposals), (Reason: 3)

then [Reason: 3] the provisions of Schedule 2 shall apply.

7. **PLANNING OVERAGE**

If:

- (a) LS21 completes a Transfer of the Tenant's Interest or there is a Transfer of the Corporate Interest in LS21 (and/or any parent or holding company of LS21 (other than Land Securities Group plc) which achieves such Transfer) to a Third Party at any time prior to OSD Works Commencement; or
- (b) the Option is validly exercised by an LS Group Company;

LS21 will notify LUL and the provisions of Schedule 3 shall apply.

8. **REDACTED (Reason: 3)**
9. **REDACTED (Reason: 3)**
10. **REDACTED (Reason: 3)**
11. **RIGHT TO CHANGE NEW HEADLEASE GEARING**

Where:

- (a) the Option has been exercised and Practical Completion of the OSD Works in relation to Building 1 and/or Building 2 has occurred or is expected to occur within the following three months; and
- (b) LS21 proposes to sell one or both of the New Headleases or if it is proposed that the Corporate Interest in LS21 and/or the Building 1 Tenant and/or the Building 2 Tenant (and/or any parent or holding company of the relevant entity (other than Land Securities Group plc) which achieves such disposals) should be sold or LS21 proposes to grant an Investment Underlease of the whole of Building 1 and/or the whole of Building 2 to a Third Party, in each

case on or after Practical Completion of the OSD Works in relation to Building 1 and/or Building 2; and

(c) (Reason: 3)

LS21 will notify LUL and the provisions of Schedule 7 shall apply, (Reason: 3).

12. **REDACTED (Reason: 3)**

13. **REDACTED (Reason: 3)**

14. **ASSIGNMENT**

14.1 The provisions of this Agreement are, unless expressly indicated otherwise, personal to LS21, LS21DM, TfL and LUL, and may not be assigned or held on trust for, and shall not be binding on another person.

14.2 If there is an LS Change of Control in respect of LS21 or in respect of LS21 and LS21DM together, in accordance with the terms of this Agreement the provisions of clauses 5, 9 10, 11, 12 and 13 and Schedules 1, 5, 6, 7, 8 and 9 and (Reason: 5) of clause 8 and Schedule 4 shall each cease to have effect from the date of such LS Change of Control.

14.3 If there is an LS Change of Control in respect of the Building 1 Tenant in accordance with the terms of this Agreement the provisions of clauses 5, 9, 10, 11, 12 and 13 and Schedules 1, 5, 6, 7, 8, and 9 and (Reason: 5) of clause 8 and Schedule 4 shall each cease to have effect from the date of such LS Change of Control in respect of Building 1 only but shall continue to apply to Building 2 and to the Developer's Interest.

14.4 If there is an LS Change of Control in respect of the Building 2 Tenant in accordance with the terms of this Agreement the provisions of clauses 5, 9, 10, 11, 12 and 13 and Schedules 1, 5, 6, 7, 8 and 9 and (Reason: 5) of clause 8 and Schedule 4 shall each cease to have effect from the date of completion of such Transfer in respect of Building 2 only but shall continue to apply to Building 1 and the Developer's Interest.

14.5 If there is a TfL Change of Control in respect of TfL or LUL which is not effected by statute, this Agreement shall cease to have effect from the date of such TfL Change of Control.

14.6 Any termination of any of the provisions of this Agreement pursuant to this clause shall be without prejudice to any pre-existing right of action of any party in respect of any breach by any other party if its obligations under this Agreement which accrued prior to such termination.

15. **GUARANTEE**

15.1 LSPH hereby guarantees and covenants with TfL (by way of primary obligation and not merely as a guarantor or collateral to that of LS21 and LS21DM) that the obligations on the part of the LS21 and LS21DM shall be duly performed and observed in the manner and at the times specified and in case of default or delay on the part of the LS21 and LS21DM, LSPH will pay and make good to TfL on demand

anything whatsoever which ought to be paid, performed, observed or complied with as aforesaid including all losses, damages and expenses thereby arising or incurred by TfL in respect of any of the aforementioned matters and (subject to paragraph 15.7)) indemnify TfL against any non-payment, breach, non-observance, non-performance or non-compliance.

15.2 LSPH's liability under this Agreement shall not be discharged, affected or impaired by:

- (a) any neglect, delay or forbearance on the part of TfL in endeavouring to obtain payments as and when the same become due or in taking steps to enforce any of the said obligations; or
- (b) any time which may be given to the LS21 and LS21DM; or
- (c) any variation of the terms of this Agreement to which LSPH is a party;
- (d) LS21 and LS21DM or any other party who may have guaranteed or otherwise may be liable in respect of all or any of the obligations of LS21 and LS21DM or any assignee ceasing to exist or having an administrator appointed in respect of it or all or any of the covenants, conditions or obligations on the part of LS21 and LS21DM or any other party as aforesaid ceasing (whether permanently or temporarily) to be enforceable against LS21 and LS21DM or other party as aforesaid (as the case may be) or being released or compromised except where they cease to be enforceable by reason of a release under the Landlord and Tenant (Covenants) Act 1995 or under this Agreement; or
- (e) LS21 and LS21DM or any other party who may have guaranteed or otherwise may be liable in respect of any of the obligations of LS21 and LS21DM entering into a company voluntary arrangement, scheme of arrangement or other arrangement with its creditors; or
- (f) the existence or validity of any other security taken by the Landlord in respect of any of the obligations or covenants of LS21 and LS21DM or any release of such security or any enforcement or failure to enforce such security or any part of it or any remedies TfL may have in respect of it against any third party or the release in whole or part of any guarantor or of all or any of the obligations of any guarantor; or
- (g) any omission or other matter which but for this provision would or might operate to affect, reduce or extinguish the liability of LSPH under this Agreement in whole or in part,

and the obligations of LSPH shall subsist in relation and by reference to the obligations on the part of LS21 and LS21DM as from time to time varied, to the extent LSPH is a party to such variations.

15.3 Subject to clause 15.9, the obligations of LSPH under this Agreement shall be a continuing guarantee in addition to any other guarantee or security now or hereafter held by TfL in respect of any of the obligations on the part of LS21 and LS21DM and

shall continue until all of the obligations on the part of LS21 and LS21DM pursuant to this Agreement have been discharged and performed or validly released in full and this covenant shall impose upon LSPH the same obligations as if this Agreement had been entered into directly with it as LSPH and it is hereby agreed and declared that the liability of LSPH is as principal covenantor with TfL and not merely collateral to the principal liability of LS21 and LS21DM.

- 15.4 TfL shall not be obliged to take any steps or proceedings or obtain any judgment against LS21 and LS21DM or any third party before exercising any of its rights against LSPH under this Agreement nor to make or file any claim in any bankruptcy or liquidation of LS21 and LS21DM or any third party and the liabilities of LSPH under this Agreement may be enforced irrespective of whether any demands, steps or proceedings are being or have been made or taken against LS21 and LS21DM or any third party or whether the obligations of any other guarantor or third party are released or waived in whole or in part.
- 15.5 LSPH covenants with TfL that it shall not, without first obtaining TfL's written consent:
- (a) seek to recover, whether directly or by set off, lien, counterclaim or otherwise, nor accept any money or other property, nor exercise any rights, in respect of any sum or security which may be or become due to LSPH on any account by LS21 and LS21DM, nor claim, prove for or accept any payment in any composition by, or any winding up of LS21 and LS21DM;
 - (b) claim as a creditor of LS21 and LS21DM in competition with TfL.
- 15.6 Without prejudice to the foregoing LSPH agrees that it shall not seek to discharge, affect, compromise or impair the LS21's and LS21DM's liability under this Agreement in any voluntary arrangement, scheme of arrangement, or other arrangement with creditors proposed by or entered into by LS21 and LS21DM nor be a party to any such arrangement.
- 15.7 As a separate, additional, continuing and primary obligation, if LSPH proposes or enters into any voluntary arrangement, scheme of arrangement, or other arrangement with its creditors which has the effect directly or indirectly of discharging, affecting, compromising or impairing its liability or LS21's and LS21DM's liability under this Agreement LSPH agrees to indemnify TfL on demand against any losses, damages or expenses (including legal fees) incurred by or on behalf of TfL as a result of any such discharge, affect, compromise or impairment.
- 15.8 LSPH agrees that any decision of any court and/or any agreement reached between TfL and LS21 and LS21DM in respect of or in connection with this Agreement shall be binding on LSPH, Provided Always That LSPH shall have available to it such rights of appeal or challenge as LS21 and LS21DM would have or would have had.
- 15.9 Notwithstanding the foregoing, the liability of LSPH under this Agreement shall cease and be released on the earliest to occur of:
- (a) discharge of LS21's and LS21DM's obligations under this Agreement,
 - (b) the issue of the Defects Certificate; and

- (c) a substitution of LSPH in accordance with Clause 16,

and TfL shall, if requested, confirm such release in writing to LSPH, provided that LSPH shall remain liable to the extent that any claim on LSPH under this Agreement has been notified to LSPH prior to the ceasing of LSPH's liability under Clause 15.9(b) and is at that time outstanding.

16. **REDACTED (Reason: 2)**

17. **CONFIDENTIALITY AND TRANSPARENCY**

17.1 Each Party agrees in respect of the Confidential Information:

- (a) to keep the Confidential Information in strict confidence;
- (b) not to use the Confidential Information save for complying with its obligations under this Agreement;
- (c) subject to Clause 17.1(d), not to disclose the Confidential Information to a third party without prior written consent of the other Party, save that:
 - (i) LS21 and LS21DM may disclose Confidential Information to:
 - (A) their respective professional advisers; and
 - (B) HM Revenue and Customs or any other tax authority in connection with their respective tax affairs; and
 - (C) (Reason: 3); and
 - (ii) TfL may disclose Confidential Information (Reason: 3) to its professional advisors,

subject in each case to each such person undertaking to keep the Confidential Information disclosed to it confidential in like terms to the provisions of this Clause 17.1; or

- (d) to restrict the disclosure of the relevant and necessary parts of the Confidential Information to such of its employees, contractors and consultants who need the same in the performance of this Agreement.

17.2 The obligations set out in Clause 17.1 shall not apply to any Confidential Information which:

- (a) the relevant Party can show by documentary evidence was already in its lawful possession and at its free disposal otherwise than directly or indirectly from the other Party;
- (b) is lawfully disclosed to the relevant Party without any obligations of confidence by the other Party;
- (c) is or has come into the public domain through no fault of either Party or its personnel;

- (d) is required by law (including the FOI Legislation) or by order of a court of competent jurisdiction or by any competent authority or appropriate regulatory body or recognised securities exchange, to be disclosed but only to the extent required by such law or order, authority, body or exchange;
 - (e) is properly required to be disclosed by TfL to the Mayor of London, the London Assembly or any department of the UK Government; or
 - (f) is disclosed with the prior written consent of the relevant Party.
- 17.3 Each Party acknowledges that damages may not be an adequate remedy for any breach of this Clause 17 and that (without prejudice to all other rights, powers and remedies which the other Party may be entitled to as a matter of law) that other Party shall be entitled to seek the remedies of injunction, specific performance and other equitable relief to enforce the provisions of this Clause 17.
- 17.4 The Parties' obligations of confidentiality in this Clause 17 shall survive the termination of this Agreement and last for a period of six years thereafter.
- 17.5 The Parties acknowledge that Clause 19 shall take precedence over this Clause 17 to the extent of any inconsistency.
- 17.6 LS21 and LS21DM acknowledge that TfL is subject to the Transparency Commitment. Accordingly, each of LS21 and LS21DM hereby gives its consent for TfL to publish the Main Terms to the general public. TfL may redact all or part of the Main Terms prior to its publication. In so doing TfL may take account of the exemptions/exceptions that would be available in relation to information requested under the FOI Legislation. To the extent permitted by law, TfL shall consult with LS21 and LS21DM regarding any redactions to the information to be published pursuant to this Clause 17.6.
- 17.7 The parties acknowledge and agree that some of the Confidential Information provided by LS21 or LS21DM (including in particular information relating to decisions before such decisions are formally taken and, where necessary, announced) is or is likely to be price sensitive information.
- 17.8 Confidential Information given to any Third Party and received and provided in respect of any Third Party shall be treated by the parties in accordance with this Clause 17.

18. **DISPUTES RESOLUTION PROCEDURES**

Executive Dispute Procedure

- 18.1 If a dispute arises under this Agreement (*Dispute*) (other than in relation to Schedule 1, Schedule 5, Schedule 6, Schedule 8 and/or Schedule 9 in respect of which disputes shall be referred to the Independent Person pursuant to paragraph 18.3), LS21's Representative and TfL's Representative shall first consult in good faith in an attempt to come to an agreement in relation to the dispute.
- 18.2 If the LS21's Representative and TfL's Representative fail to resolve the Dispute through such consultation within ten (10) Working Days, either Party may refer the

matter to the Executives by giving written notice to the TfL's Representative or LS21's Representative, as the case may be. The Executives shall consult in good faith in an attempt to come to an agreement in relation to the dispute.

Reference to Independent Person

18.3 If a Dispute cannot be resolved under Clause 18.2 (or a Dispute relates to Schedule 1, Schedule 5, Schedule 6, Schedule 8 and/or Schedule 9), such dispute shall if any party to this Agreement so requires at any time from expiry of ten (10) Working Days after any reference to the Executives by notice served on the others (the *Determination Notice*) be referred to and determined by an independent person (the *Independent Person*) who shall have been qualified in respect of the general subject matter of the dispute or difference for not less than ten (10) years and who shall be a specialist in relation to such subject matter.

Appointment of Independent Person

18.4 The Independent Person shall be appointed by agreement between the Parties to this Agreement or (if within ten (10) Working Days after service of the Determination Notice the Parties have been unable to agree) on the application of any of the Parties by such one of the following persons as the Parties shall agree to be appropriate having regard to the nature of the dispute or difference in question:

- (a) the Chairman for the time being of the Bar Council;
- (b) the President for the time being of the Royal Institute of British Architects;
- (c) the President for the time being of the Royal Institution of Chartered Surveyors;
- (d) the President for the time being of the Chartered Institute of Arbitrators;
- (e) the President for the time being of the Institute of Chartered Accountants in England and Wales; or
- (f) the President for the time being of the Law Society,

or (in each such case) the duly appointed deputy of such President or any other person authorised by him to make appointments on his behalf.

Failure to agree Independent Person

18.5 If within fifteen (15) Working Days after service of the Determination Notice the Parties have been unable to agree which of the persons referred to in Clause 18.4 is appropriate to appoint the Independent Person then the Independent Person shall be appointed on the application of any of the Parties by the President for the time being of the Law Society or his duly appointed deputy or any other person authorised by him to make appointments on his behalf.

Independent Person to act as expert

18.6 Except as mentioned in Clause 18.7 any person appointed under this Clause 18 shall act as an expert and the following provisions shall have effect:

- (a) the Independent Person shall act as an expert and not as an arbitrator and his decision shall be final and binding upon the Parties to the dispute;
- (b) the Independent Person shall consider (inter alia) any written representations made on behalf of any party (if made reasonably promptly) but shall not be bound thereby;
- (c) the Independent Person shall be independent and shall act impartially and fairly between the Parties;
- (d) the Parties to this Agreement shall use all reasonable endeavours to procure that the Independent Person shall give his decision as speedily as reasonably possible;
- (e) the Parties hereby consent to any hearing in connection with any such independent determination not being held in public and the decision of the Independent Person not being pronounced in public;
- (f) the costs of appointing the Independent Person and his costs and disbursements in connection with his duties under this Agreement shall be shared between the Parties to the dispute in such proportion as the Independent Person shall determine or in the absence of such determination then equally between the Parties; and
- (g) if the Independent Person shall be or become unable or unwilling to act then the procedure contained in this Clause 18 for the appointment of an expert may be repeated as often as necessary until a decision is obtained.

Independent Person to act as an arbitrator

18.7 Whenever the Parties have agreed in writing prior to his appointment that the Independent Person to be appointed under this Clause 18 shall act as an arbitrator or this Agreement expressly so provides then the following provisions shall have effect:

- (a) the Independent Person shall act as an arbitrator in accordance with the provisions of the Arbitration Act 1996; and
- (b) the Independent Person shall have the power to order a provisional award but the Parties agree that any arbitrator appointed under this Clause 18 shall not have the powers set out in section 48(5) of the Arbitration Act 1996 and shall not be entitled to order the rectification setting aside or cancellation of this Agreement or any part of it.

19. FREEDOM OF INFORMATION

19.1 LS21 and LS21DM acknowledge that TfL:

- (a) is subject to the FOI Legislation and agree to co-operate with TfL (at TfL's cost, which cost is properly incurred by LS21 and LS21DM) to enable TfL to comply with its obligations under the FOI Legislation; and

- (b) may be obliged under the FOI Legislation to disclose Information without consulting or obtaining consent from LS21 and/or LS21DM.

Provided That (subject to Clause 19.2) TfL will not disclose Information relating to the Development or to LS21DM, LS21 or LSPH without consulting with or notifying LS21 and LS21DM to the extent that it is permitted and there is reasonable time available to do so.

19.2 LS21 and LS21DM shall use reasonable endeavours to procure that their consultants and contractors (if any) shall:

- (a) transfer to TfL each Information Request relevant to this Agreement that it or they (as the case may be) receive as soon as practicable after receiving such Information Request; and
- (b) in relation to Information held by LS21 or LS21DM on behalf of TfL, provide TfL with details about and/or copies of all such Information that TfL requests and such details and/or copies shall be provided as soon as reasonably practicable following a request from TfL (subject to consulting with LS21 and LS21DM and having regard to its reasonable representations).

19.3 TfL shall consult with LS21 and LS21DM and have regard to its reasonable representations with regard to whether Information in relation to the Development or to LS21DM, LS21 or LSPH is Exempt Information under the FOI Legislation, to the extent that it is permitted and there is reasonable time available to do so. LS21 and LS21DM acknowledge that TfL is responsible for determining whether Information is Exempt Information under the FOI Legislation and for determining what Information will be disclosed in response to an Information Request in accordance with the FOI Legislation. The Site Specific Terms are the terms of this Agreement that LS21DM and LS21 would like to be considered Exempt Information under the FOI Legislation and not disclosed in response to an Information Request in accordance with the FOI Legislation. LS21 and LS21DM shall not themselves respond to any person making an Information Request, save to acknowledge receipt, unless expressly authorised to do so by TfL.

19.4 This Clause 19 shall survive termination of this Agreement.

20. **RELEASE**

20.1 With effect on and from the date(s) that a Permitted Disposal is made in respect of the Corporate Interest in LS21 and/or the Corporate Interest in LS21DM and/or of the Corporate Interest in any other LS Group Company which has given a direct covenant pursuant to Clause 4.5 in accordance with the provisions of this Agreement (the **Relevant Date**), the parties agree that:

- (a) TfL and LUL each irrevocably release LS21 and/or LS21DM and/or such other LS Group Company (as relevant) from its respective past, present and future obligations under this Agreement, and if requested by LS21 and/or LS21DM and/or such other LS Group Company, TfL and LUL shall enter

into a deed of release (on terms reasonably acceptable to the parties) in respect of such obligations on the Relevant Date; and

- (b) if LS21 and/or LS21DM and/or such other LS Group Company have any ongoing or further obligations under this Agreement arising after the Relevant Date, such obligations shall be carried out by LSPH on and from the Relevant Date.

21. VALUE ADDED TAX

Definitions

- 21.1 For the purposes of this clause 20 the expressions "**supply**" "**taxable supply**" "**input tax**" and "**VAT invoice**" shall bear the same meanings as they do in the VATA. References in this Agreement to any person, or any right, entitlement or obligation of any person under the laws in relation to VAT, shall (where appropriate and unless the context otherwise requires) be construed, at any time when such person is treated as a member of a group for the purposes of VAT, to include a reference to the representative member, or the right, entitlement or obligation under such laws of the representative member, of that group at such time (the term "**representative member**" to be construed in accordance with the relevant legislation).

VAT Exclusive

- 21.2 Unless expressly stated to the contrary in this Agreement, any amount stated as payment for a supply made under this Agreement is exclusive of any VAT chargeable on that payment.

Payment of VAT and Invoices

- 21.3 Where, pursuant to the terms of this Agreement, a Party (for the purposes of this clause 20, the "**Supplier**") makes or is deemed to make a supply to another Party (for the purpose of this clause 20, the "**Recipient**") for VAT purposes and VAT is or becomes chargeable on such supply, the Recipient shall, in addition to and at the same time as the other consideration payable for such supplies pay to the Supplier a sum equal to the amount of such VAT subject to the Supplier having provided the Recipient with a VAT invoice in respect of such supply and if the Supplier fails to do so the Recipient shall not be obliged to pay to the Supplier a sum equal to such VAT until three (3) Working Days after receipt of the VAT invoice.

Reimbursement of VAT

- 21.4 Where, pursuant to the terms of this Agreement, a Party (for the purposes of this clause 20, the "**Payer**") is required to pay, repay or reimburse another Party (for the purpose of this clause 20, the "**Payee**") for any cost, fee, charge, disbursement or expense (or any proportion of it) incurred by the Payee, the Payer shall also reimburse the Payee for any part of such costs, fee, charge, disbursement or expense (or proportion of it) which represents VAT that the Payee is not entitled to recover (whether by way of credit, repayment or otherwise).

22. **EFFECT OF THIS AGREEMENT**

22.1 No modification, variation or waiver of any of the terms of this Agreement will be effective unless made in writing and signed by the Parties to this Agreement.

22.2 This Agreement does not create and is not in any circumstances to be taken as having created a partnership between any of the Parties to this Agreement.

23. **NOTICES**

23.1 Any notice to be given by one Party to any other Party under, or in connection with, this Agreement shall be in writing and signed by or on behalf of the Party giving it. It shall be served by delivering it by hand, or sending it by pre-paid recorded delivery, special delivery or registered post (or registered airmail in the case of an address for service outside the United Kingdom), to the address set out in Clause 22.4 and in each case marked for the attention of the relevant Party (or as otherwise notified from time to time in accordance with the provisions of Clause 22.5). Any notice so served by hand, or post shall be deemed to have been duly given:

- (a) in the case of delivery by hand, when delivered;
- (b) in the case of prepaid recorded delivery, special delivery or registered post, at 10.00 a.m. on the second Working Day following the date of posting; and
- (c) in the case of registered airmail, at 10.00 a.m. on the fifth Working Day following the date of posting,

Provided That in each case where delivery by hand occurs after 5.00 p.m. on a Working Day or on a day which is not a Working Day, service shall be deemed to occur at 9.00 a.m. on the next following Working Day.

23.2 References to time in this clause are to local time in the country of the addressee.

23.3 In proving such service it shall be sufficient to prove that the envelope containing such notice was addressed to the address of the relevant Party set out Clause 22.4 (or as otherwise notified by the party hereunder) and delivered either to that address or into the custody of the postal authorities as a pre-paid recorded delivery, special delivery or registered post.

23.4 The addresses of the Parties for the purpose of this Clause 22.4 are as follows:

LS21 and LS21DM

Address: 5 Strand, London WC2N 5AF

For the attention of: [Reason: 6] and the Company Secretary

TfL and LUL

Address: Windsor House, 42-50 Victoria Street, London SW1H 0TZ

For the attention of: The Company Secretariat

LSPH

Address: 5 Strand, London WC2N 5AF

For the attention of: [Reason: 6] and the Company Secretary

- 23.5 A Party may notify any other Party to this Agreement of a change to its name, relevant addressee, address for the purposes of this Clause 23.5, Provided That, such notice shall only be effective on:
- (a) the date specified in the notice as the date on which the change is to take place; or
 - (b) if no date is specified or the date specified is less than five (5) Working Days after the date on which notice is given, the date following five (5) Working Days after notice of any change has been given.
- 23.6 All notices under or in connection with this Agreement shall be in the English language.
- 23.7 Notice given under this Agreement shall not be validly served if sent by email (save in the case of the provision of consents to any matter by either Party).

24. **ENTIRE AGREEMENT**

This Agreement, the documents entered into between the Parties on the same date as this Agreement and the documents to be entered into pursuant to this Agreement contain the entire agreement between the Parties relating to the transactions contemplated by it or them and all other prior or contemporaneous agreements, understandings, representations and statements, whether oral or written relating to the transactions so contemplated, are merged in this Agreement.

25. **GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed interpreted and construed in accordance with English law and subject to Clause 18, the Parties give the courts of England exclusive jurisdiction to settle any dispute (including claims for set-off and counterclaims) which may arise in connection with the validity effect interpretation or performance of or the legal relationships established by this Agreement or otherwise arising in connection with this Agreement.

26. **SEVERABILITY**

If any provision of this Agreement is held to be invalid or unenforceable then such provision shall (so far as invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement, provided that in no event shall any party become entitled to any of the benefits of this Agreement if it is not then bound by substantially all of the obligations (or does not provide another Group Company which is bound by substantially all of the obligations).

27. **NON FETTER**

Subject always to the proviso to clause 26, for the avoidance of doubt nothing herein contained or implied shall prejudice or affect the statutory rights, powers, duties and obligations of Tfl in the exercise of their statutory functions, and provided further that to the extent legally possible Tfl will exercise its rights and powers and perform its duties and obligations in a manner which is consistent with the terms of this Agreement.

28. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a Party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

29. **NO WARRANTY**

29.1 Each party acknowledges and agrees it has entered into this Agreement solely on the basis of its own diligence, investigation and judgment and the terms of this Agreement, and except as expressly provided in this Agreement, not in reliance wholly or partly upon any statement, representation or warranty whether written or implied made by or on behalf of any other party, save (in the case of reliance by LS21 and LS21DM) for replies given in writing by Tfl's Solicitors in response to written enquiries by the Developer's Solicitors.

29.2 This clause 29 shall not exclude any liability for fraudulent misrepresentation.

30. **GOOD FAITH**

Each of the parties to this Agreement shall act in good faith in relation to their respective obligations in this Agreement.

31. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

IN WITNESS whereof this Agreement has been executed as a deed on the date first above written.

Schedule 1

REDACTED (Reason: 3)

Schedule 2 **- PRE DEVELOPMENT OVERAGE**

1. Definitions

1.1 In this Schedule 2 (*Pre-Development Overage*):

Act of Avoidance means any act of or at the direction of or permitted by LS21 or transaction or series of transactions entered into by LS21 with any person the purpose of which is (i) to avoid or depress the amount of the PD Overage which but for such act transaction or series of transactions would otherwise actually fall due to LUL, or (ii) to delay the recoverability or potential receipt in whole or in part of the PD Overage.

Cash Flow means the appraisal (Reason: 5) (but notwithstanding their description in the proforma the costs and receipts to be shown therein shall only comprise Project Costs and Receipts) for the Expenditure Period and, if applicable, the Extended Period showing all Project Costs as negatives when paid or, if paragraph 2.4(b) shall apply, anticipated to be paid and all Receipts as positives when received or, as the case may be, anticipated to be received.

Expenditure Period means the period from and including the date on which Project Costs were first incurred (for these purposes being 1 June 2011) to, but excluding, the Settlement Date.

Extended Period means the period from and including the Settlement Date to and including the earlier of (i) the first date upon which all Project Costs have been paid and all Receipts have been received and (ii) the second or any subsequent anniversary of the Settlement Date provided that, as at such anniversary, LUL and LS21 (each acting reasonably) agree or (in the absence of agreement) the expert determines at the referral of either party under clause 18 that there is no reasonable prospect of any further payment by way of the PD Overage becoming due to LUL.

Gross Internal Area means the gross internal area of Building 1 and Building 2 measured in accordance with the Code of Measuring Practice last published by the Royal Institution of Chartered Surveyors prior to the date of this Agreement.

IRR means the annualised compound discount rate from the start of the Expenditure Period and expressed as a percentage which, when applied to the entries in the Cash Flow on the Settlement Date, produces a net present value of zero at the commencement of the Expenditure Period, having adopted the convention of designating costs as negatives and receipts as positives and where the Permitted Disposal is of Building 1 or Building 2 only or the Corporate Interest in the Building 1 Tenant or the Building 2 Tenant only costs and receipts will be allocated by the Quantity Surveyor and otherwise apportioned between Building 1 and Building 2 on the basis of Gross Internal Area.

Payment Date means the twentieth Working Day after the Settlement Date, and such other dates as and when payments are due from time to time after the Settlement Date.

PD Overage means the sum (if any) calculated in accordance with paragraph 2.1 (the **PD Overage**).

Project Costs has the meaning assigned to it in paragraph 4 (Project Costs).

Receipts has the meaning assigned to it in paragraph 5 (Receipts).

Sale Proceeds means the gross proceeds of a Permitted Disposal excluding VAT, received by or on behalf or at the direction of LS21 (and/or any other relevant LS Group Company) on a Permitted Disposal.

Settlement Date means the date of completion of the Permitted Disposal to a Third Party.

Underlease means, in this Schedule only, an underlease of the Property granted by LS21 and underlet and any cognate word shall be construed accordingly.

2. **PD Overage**

2.1 The PD Overage is:

- (a) payable if the IRR exceeds (Reason: 1)%; and in that event shall be
- (b) (Reason: 1)% of such sum that when debited to the Cash Flow on the Settlement Date would reduce the IRR to (Reason: 1)%, (Reason: 5) subject always to paragraphs 2.4 and 2.5).

2.2 Subject to paragraph 2.4 below, LS21 shall pay the PD Overage to LUL on the Payment Date by direct credit to a bank account nominated by LUL.

2.3 At the end of the Expenditure Period and/or, if applicable, the Extended Period, or as soon afterwards as may be practicable, the Cash Flow shall be compiled by LS21 and submitted to LUL, and the IRR and the PD Overage shall be ascertained by agreement between LUL and LS21 or, if either or both of them so require, determined by an expert in accordance with clause 18.

2.4 If on the Payment Date the amount of the PD Overage has not been or cannot be fully calculated because the Project Costs and/or the Receipts have not been finally ascertained, and there has not been agreement or determination under paragraph 2.3 or otherwise, then:

- (a) LS21 will pay to LUL on the Payment Date the PD Overage calculated by reference to the estimate under paragraph 2.4(b);
- (b) until the PD Overage is finally ascertained, LS21 and LUL will use their reasonable and proper endeavours on the Settlement Date, the Payment Date and thereafter when it is reasonably anticipated by either LS21 or LUL that the balance of the PD Overage or a further payment on account of the PD Overage is due to LUL, to agree fully or, if that is not practicable, estimate anything that remains to be ascertained in order to make the necessary entries in and adjustments to the Cash Flow for the purpose of compiling a final or

interim Cash Flow and enabling the calculation or the making of an estimate or a further estimate of the PD Overage; and

- (c) pending agreement or any determination of any dispute between LS21 and LUL under paragraph 2.4(b), LS21 will make payment under paragraph 2.4(a) by reference to its estimate under paragraph 2.4(b).

2.5 If upon any calculation of the PD Overage under paragraph 2.4(b), LUL is shown to have been:

- (a) overpaid, LUL will within ten Working Days of demand repay to LS21 the amount of the overpayment, together with interest at 2% above Base Rate for the period that it has held the overpayment, or
- (b) underpaid, LS21 will within ten Working Days pay to LUL the amount of the underpayment, together with interest at 2% above the Base Rate in respect of the period beginning on the Payment Date and ending on the date of payment of any underpayment.

3. **Souzel Agreements**

To the extent that it has not done so already LS21 shall provide a certified copy of the Souzel Agreements to LUL prior to the Settlement Date on the basis set out in clause 2.4 of the Development Agreement.

4. **Project Costs**

4.1 The Project Costs comprise all items of expenditure properly incurred by or on behalf of or as agent of LS21 or LS21DM, during or in respect of the Expenditure Period and the Extended Period (as the case may be) in relation to the Property and the Development, and include (without limitation):

- (a) all consideration or other monies paid in respect of the acquisition of the LS Interest or otherwise in respect of the right to carry out the Development;
- (b) stamp duty land tax and Land Registry fees paid in respect of the transfer of the Existing Headlease and/or in respect of the grant of the Supplemental Lease and the New Headleases to LS21;
- (c) the legal costs and agent's fees in connection with this Agreement, the other Transaction Agreements, the Souzel Agreements, and the acquisition of the Existing Headlease, the Supplemental Lease and the New Headleases together with the legal costs, agents' fees and other expenses of third parties incurred by LS21 in connection with the Development;
- (d) the cost of site investigations, surveys and tests and sums payable for or in connection with archaeological investigations;
- (e) the cost of demolition of structures on the Property and any sub-structure and enabling works at the Property.
- (f) the planning and other application costs and payments made by or on behalf of or as agent of LS21 pursuant to an agreement made under Section 106 of

the Town and Country Planning Act 1990 and/or by way of Community Infrastructure Levy and/or other costs and payments made to public bodies providing consents and approvals for the Development;

- (g) the fees of the professional consultants, other than a project manager whose services duplicate those to be provided by an LS Group Company under paragraph (h) below, surveyors and contractors engaged by or on behalf of or as agent of LS21 and/or LS21DM in connection with the Development;
- (h) development and project management costs, whether comprising the overheads and internal costs of LS21 or a LS Group Company or the fees of a consultant project manager;
- (i) LS21's and/or LS21DM's legal fees in connection with the demolition and building contracts for and the appointment of the consultants referred to in paragraph 4(g) in connection with the Development;
- (j) sales and letting agents' fees and reasonable and proper legal fees in connection with the Permitted Disposal and with any Underlease;
- (k) advertising and marketing costs in connection with lettings and sales;
- (l) the cost of tenants' incentives (including any contributions to works) incurred at the Settlement Date;
- (m) costs of entering into any planning, highways, walkways or statutory agreements to facilitate the Development;
- (n) costs of completing off site works to facilitate the Development;
- (o) legal and surveyors' costs on abortive lettings and sales;
- (p) the cost of void rates and irrecoverable service charge and insurance costs;
- (q) rates, taxes and charges payable for the supply of services (such as water, drainage, electricity, gas and telephone) imposed on the Property or the Development and other similar impositions until the Settlement Date;
- (r) recoverable VAT paid on items of expenditure which are Project Costs until it is repaid, credited or otherwise allowed to LS21 or LS21DM by H M Revenue & Customs and all irrecoverable VAT on such items of expenditure;
- (s) cost of insurances (including deductibles) and of making good any damage or destruction of the Property (whether or not due to insured or uninsured risks);
- (t) costs of procuring valuations of the Property for insurance purposes, and costs of settling of any insurance claims;
- (u) the cost of extinguishment or variation of or the grant of any necessary consents or waivers or releases or the arrangement of any insurance in connection with any rights of light or other rights in, over or against the Property, the lawful exercise of which could prevent or impede or render more expensive the carrying out of the Development, including of any

arrangements made with the Corporation of London pursuant to Section 237 of The Town and Country Planning Act 1990;

- (v) costs of recovering possession of the Property from occupiers;
- (w) rents under the Existing Headlease and/or the Supplemental Lease and/or the New Headleases (as appropriate);
- (x) irrecoverable expenditure under the Souzel Agreements;
- (y) the costs of pursuing any claims for compensation or damages against third parties and, except to the extent it has been debited to the Cash Flow, the loss against which LS21 is seeking compensation or damages in such proceedings;
- (z) payments made to the buyer under an agreement for a Permitted Disposal;
- (aa) payments made or to be made to LUL pursuant to clause 7 and Schedule 3;
- (bb) payments made to Souzel by way of overage or additional purchase price consequential upon the Permitted Disposal;
- (cc) the premium paid in respect of the exercise of the right to connect into the Super Pile pursuant to the Supplemental Lease or the Development Agreement;
- (dd) costs associated with complying with statutory obligations;
- (ee) all costs associated with any approvals required from the holder of any interest in reversion to the Existing Headlease and the Supplemental Lease or the New Headleases and/or from the Operator; and
- (ff) all costs associated with holding the Property prior to commencement of the Development

and where the Permitted Disposal is of Building 1 or Building 2 only or the Corporate Interest in the Building 1 Tenant or the Building 2 Tenant only Project Costs will be allocated by the Quantity Surveyor and otherwise apportioned between Building 1 and Building 2 on the basis of Gross Internal Area.

4.2 Any costs that are met or reimbursed by payments from third parties shall not be included in Project Costs unless such third party payments are also treated as Receipts.

5. Receipts

5.1 Subject to paragraph 5.2, Receipts are all monies paid to or received by or on behalf or as agent of LS21 beneficially (and in particular not as agent for Souzel) in respect of the Property during and in respect of the Expenditure Period and the Extended Period (as the case may be) and include:

- (a) all Sale Proceeds;

- (b) the rents, licence fees and any other sums paid for use and occupation of any part of the Property;
- (c) any premiums or contributions received from any tenant or other occupier of the Property in consideration of the grant, surrender, variation or renewal of any Underleases or other interests in the Property;
- (d) any monies received pursuant to any of the insurance policies relating to damage or destruction and/or loss of rent or income from the Property before the Settlement Date;
- (e) any damages, compensation or expenses in respect of the Property, together with any interest recovered thereon;
- (f) interest received in respect of the late payment of any Receipts;
- (g) any monies paid to LS21 or any LS Group Company pursuant to Clause 23 of the Development Agreement;
- (h) VAT received on all monies comprising Receipts pending payment or credit to H M Revenue & Customs.

and where the Permitted Disposal is of Building 1 or Building 2 only or the Corporate Interest in the Building 1 Tenant or the Building 2 Tenant only Receipts will be apportioned between Building 1 and Building 2 on the basis of Gross Internal Area.

- 5.2 Receipts do not include loans, proceeds of any financing or refinancing or other funding arrangements or outgoings, service charges and insurance contributions and commissions, whether variable or not and however reserved or made payable to LS21 and/or LS21DM.

6. **Treatment of Project Costs and Receipts**

Project Costs and Receipts shall be treated in accordance with the following provisions:

- (a) a Receipt counted under one head shall not, to that extent, be counted under another;
- (b) a Project Cost counted under one head shall not, to that extent, be counted under another;
- (c) references to cost include incidental and/or consequential costs, expenses and fees which have been properly incurred in relation to the Property and/or the Development;
- (d) references to fees include incidental disbursements which have been properly incurred;
- (e) any sum payable or receivable which is incurred or due in the Expenditure Period or the Extended Period (as the case may be), even if not then ascertained or quantified, shall, if incurred or received outside the

Expenditure Period or the Extended Period (as the case may be) be treated as a Project Cost or a Receipt;

- (f) any Project Cost, Receipt or other sum which accrues over or relates to a period which includes the Settlement Date or other calculation date or which otherwise needs to be apportioned shall be apportioned on a time basis as if it had accrued from day to day in equal daily amounts throughout the Expenditure Period or other relevant period;
- (g) any Project Costs and Receipts which relate to the Property and other property shall be apportioned between the Property and the other property on a fair and reasonable basis;
- (h) Project Costs shall be treated as paid when they are debited to the relevant bank account, except in the case of the Project Cost incurred by way of overheads and internal costs in paragraph 4(h), which shall be treated as paid when the relevant time is spent; and
- (i) Receipts will be treated as received when they have been received as cleared funds by or on behalf of LS21.

7. **Good faith**

- 7.1 TfL, LUL, LS21DM and LS21 shall each act in good faith in relation to their respective obligations in this Schedule and neither LS21 nor LS21DM shall commit nor shall LSPH permit or commit any Act of Avoidance.

Schedule 3
- PLANNING OVERAGE

LS21 shall pay to LUL on the 20th Working Day after the date of completion of a Permitted Disposal to a Third Party, or of the date of exercise of the Option (whichever is the earlier), a sum equal to A (provided A is a positive figure), where:

$$A = (B - 509,250) \times \text{£(Reason: 1)}$$

and where B is the total Net Internal Area in square feet of the lettable office and retail space comprised in the Development for which LS21 has, at the date at which the provisions of this Schedule 3 were triggered, obtained a planning permission which is no longer capable of challenge, (Reason: 5)

Schedule 4
REDACTED (Reason: 3)

Schedule 5
REDACTED (Reason: 3)

Schedule 6
REDACTED (Reason: 3)

Schedule 7
- RIGHT TO CHANGE NEW HEADLEASE GEARING

1. LUL, may within 20 Working Days of receipt of written notice from LS21 under clause 11, elect to increase the Ground Rent under the relevant New Headlease(s) from 5% to 7.5% (the **Gearing Increase**) by:
 - (a) service of written notice (the **Regear Notice**) on LS21 stating that LUL wishes to do so; and
 - (b) (following its agreement or determination) payment of the Premium.
2. The Premium shall be a sum which reflects the value of the additional income to LUL as freeholder (based on the increase in the value of LUL's interest) generated by the Gearing Increase as at the date of the Regear Notice (but reflecting also any value which will be added to the Property as a result of shortening or expiry of rent free periods in relation to occupational tenancies at the Property during the period between the date of the Regear Notice and the date of completion of the relevant Permitted Disposal), and shall be agreed or determined pursuant to paragraph 3.
3. With its notice served on LUL pursuant to clause 11, LS21 shall propose in writing to LUL a figure for the Premium (the **Proposed Premium**). LUL and LS21 shall both act reasonably when negotiating the Proposed Premium. In the absence of agreement as to the Proposed Premium after 20 Working Days either LUL or LS21 shall be entitled to refer the disagreement to an independent expert pursuant to clause 18.
4. On the date of completion of the relevant Permitted Disposal LUL and LS21 will, in consideration of payment of the Premium (Reason: 3), enter into a deed of variation (the **Deed of Variation**) to the relevant New Headlease(s) exclusively to record formally the Gearing Increase and a consequential increase from 5% to 7.5% in the definition of Top-Up Payment in the New Headlease(s).
5. If the Permitted Disposal has not been completed within three months of the date of the Regear Notice, LUL and LS21 shall each be entitled by serving a further written notice on the other to require the date of such further notice to be the date as at which the Premium is to be agreed or determined, and the process in paragraph 3 shall be repeated (but LUL's election under paragraph 1 shall be unaffected).
6. The form of the Deed of Variation is to be produced by LUL within 5 Working Days after service of the Regear Notice and provided to LS21. LS21 shall approve the form of the Deed of Variation (acting reasonably).
7. (Reason: 5)

Schedule 8
REDACTED (Reason: 3)

Schedule 9
REDACTED (Reason: 3)

SIGNATURE PAGE

The Corporate Seal of **TRANSPORT**)
FOR LONDON affixed to this deed is)
authenticated by:)

Authorised Signatory

The Common Seal of **LONDON**)
UNDERGROUND LIMITED affixed to)
this deed is authenticated by:)

Authorised Signatory

EXECUTED as a **DEED** by)
LS 21 MOORFIELDS)
DEVELOPMENT)
MANAGEMENT LIMITED)
acting by _____)
duly authorised by Land Securities) On behalf of Director
Management Services Limited to sign on)
its behalf as Director, and)
_____)
duly authorised by LS Director Limited to)
sign on its behalf as Director) On behalf of Director

EXECUTED as a **DEED** by)
LS 21 MOORFIELDS LIMITED)
acting by _____)
duly authorised by Land Securities) On behalf of Director
Management Services Limited to sign on)
its behalf as Director, and)
_____)
duly authorised by LS Director Limited to)
sign on its behalf as Director) On behalf of Director

Executed as a deed by **LAND**)
SECURITIES **PROPERTY**)
HOLDINGS LIMITED acting by two) Director
directors/a director and the secretary:)
)

Director/Secretary

Appendix 1
Redacted (Reason: 5)

Appendix 2
Redacted (Reason: 3)

Appendix 3
Redacted (Reason: 3)

Appendix 4
Redacted (Reason: 3)

Appendix 5
Redacted (Reason: 3)

Appendix 6
Redacted (Reason: 3)

Appendix 7
Redacted (Reason: 3)

Appendix 8
Site Specific Terms

These are the Site Specific Terms referred to in an Agreement dated 2015 made between Transport for London (1), London Underground Limited (2), LS 21 Moorfields Development Management Limited (3), LS 21 Moorfields Limited (4) and Land Securities Property Holdings Limited (5).

for Transport for London

for London Underground Limited

for LS 21 Moorfields Development Management Limited

for LS 21 Moorfields Limited

for Land Securities Property Holdings Limited