

APPENDIX 2 TO CABINET REPORT

SUMMARY TABLE OF MAIN CHANGES TO ILTA

We set out below the proposed changes that are envisaged to be made to the current legal documentation comprising the original ILTA dated 15 April 2014 as amended by a Supplemental Agreement dated 4 February 2015 (together the "ILTA").

The changes to the ILTA will be put into effect by the parties entering into a second supplemental deed that varies and is supplemental to the ILTA.

The Table below sets out the substantive changes that are proposed to be made to the ILTA.

Heading	Clause/reference in ILTA	Change made to ILTA	Reason for Change
Registered Office address	Front end of agreement	Registered office of CLP and Westfield Corporation and Hammerson UK and WLP have all changed their registered address to Kings Place 90 York Way N19EE	Relocation of registered office.
Authority's Land Interests	Definition of Authority Land Interest and clause 5 of the ILTA	<p>The definition of Authority's Land Interests is amended to refer to plans and a schedule identifying the land to be acquired and that to be appropriated for planning purposes by the Council.</p> <p>As per the existing terms of the ILTA, the Developer will serve notice of the Authority Land Interests that it wishes to acquire but now the Option cannot be exercised less than 10 days prior to the anticipated date of transfer and the actual transfer date will be set out in the option notice and is no longer required to be more than 60 days from exercise of the Option.</p> <p>The land to be acquired under the Option comprises the existing two sites comprising car park, transferred at £12,500 per car park, and any subsoil plots are to be transferred for £1.00 in each case subject to the Best</p>	<p>To reflect actual interests that are now known to be required by the Developer.</p> <p>Timescales changed to reflect the fact that land interests are now known and exercise of the Option to acquire Authority Land Interests will need to be done in a quicker timescale than originally envisaged.</p>

		Consideration Mechanism.	
Permitted Group Assignee	Definition of Permitted Group Assignee and clauses 4, 5, 11, 13, 14, 15 and 26 and Schedule 1	<p>Changes have been made to the definition of "Permitted Assignee" by the introduction of a new category and definition of Permitted Assignee known as "Permitted Group Assignee". A Permitted Group Assignee is any of the Developer, a group company of the Developer, a member of the Hammerson Wider Group or of the Westfield Wider Group or an entity in which one or the other or both have a Controlling Interest or an entity in which any of the forgoing have a Controlling Interest. In essence the amendments seek to widen the categories of entity or party that can be deemed connected/related to either Westfield or Hammerson or CLP or WLP for the purposes of the ILTA. In real terms the consequence of this is that:-</p> <ul style="list-style-type: none"> • Under clause 4.7 and clause 5.6 and para 2.11 of schedule 1 the Council will transfer Third Party Interests and Authority Land Interests not only to the Developer or WLP or a group company of them but also to a Permitted Group Assignee – as a result the number of entities to whom transfer occur will be slightly greater than before • Under clause 9.12 the New Headlease is to be granted to the New Headlease Tenant. The New Headlease Tenant is the Developer or WLP or a Group Company of the Developer and also now a Permitted Group Assignee (although in all cases either the Hammerson Wider Group or the Westfield Wider Group (or both of them) must hold a 25% economic interest in the New Headlease Tenant) • Under clause 13 – termination provisions apply not 	<p>The Developer and parent companies wish to ensure that the ILTA binds and also benefits all possible categories of group or related companies to the Hammerson Wider Group and the Westfield Wider Group. The ILTA previously did this already but there was some inconsistency and the categories of entity are slightly widened.</p> <p>It should be noted that the New Headlease can be granted to any entity that is a Permitted Group Assignee but this must be an entity in which either the Hammerson Wider Group or the Westfield Wider Group either singly or together directly or indirectly hold not less a 25% economic interest.</p>

		<p>only to land owned by CLP or WLP or a group company of them but also to any land acquired by a Permitted Group Assignee</p> <ul style="list-style-type: none"> • Under clause 14 and clause 15 the sureties remain on the hook until release inter alia by transfer of shares to a Permitted Assignee that is not a Permitted Group Assignee (arguably this is in the Council's favour as it increases the number and type of entities to whom an assignment of the ILTA does not result in a release of the sureties) • Under schedule1, para 3.11 no Permitted Group Assignee will object to the CPO or closure order 	
Residential Component and terms of Lease of Residential Blocks	Clause 12 and Schedule 5	<p>Changes to reflect the fact that the Second Planning Permission (i.e. permission once granted for the 2018 Scheme) envisages the construction of residential units in Blocks alongside the Retail parts of the Development (as opposed to Blocks constructed <u>above</u> the Retail parts as per the First Planning Permission).</p> <p>The agreement now allows grant of assured shorthold tenancies of units (subject to planning) constructed in the residential component envisaged under the Second Planning Permission.</p> <p>Where the Council elects to acquire a Block, the relevant clause is amended to allow the lease of the Block to be granted either to the Council or its nominee.</p> <p>Under the original agreement the Council had an option to acquire residential Blocks if development or sales had not been undertaken within certain timescales. Whilst these provisions continue to apply to Blocks (whether developed under the First Planning Permission or the Second</p>	Consequential amendments required by anticipated construction of residential blocks/towers if second planning permission is implemented.

		Planning Permission) they won't apply to the Tower 1 that may be built under the Second Planning Permission.	
First and Second Planning Permission	Definition	New definition inserted to refer to the First Planning Permission as the planning permission under reference 12/02542/P and conservation area consent under reference 12/02543/CAC granted on 5 February 2014 and full planning permission granted on 24 December 2014 under reference 14/02824/P and the Second Planning Permission as being the outline permission for the Development under reference 16/05418/OUT granted on 20 April 2018.	Consequential amendment to reflect the second planning permission obtained by the Developer.
Implementation of First or Second Planning Permission	Clause 4.1 (b), 4.2 (d), 4.5 and 4.10	The ILTA is amended so that the Developer may not draw down land under the ILTA until it has decided which Planning Permission to implement by informing the Council in writing whether it intends to implement the First Planning Permission or the Second Planning Permission and there are then provisions preventing a change of mind or implementation of one permission after having notified the Council that it was intending to implement the other.	Consequential change to ensure that the Developer does not draw down land for one permission but implement another or part implement one or other permission.
Anchor Tenant Store	Clause 4.2 (c) (vii) and (viii)	<p>Clause 4.2 of the ILTA is amended to cater for the provision of additional information as part of the satisfaction of the Reasonable Prospect of Delivery Pre-Condition where it is intended that the Second Planning Permission will be implemented. In this case the Developer must provide evidence of the pre-letting position for new full line anchor stores in both:</p> <p>(a) the south east quadrant of the site of not less than 100,000 square feet gross internal area, let for a term of not less than 20 years without a break for the first 17.5 years; and</p> <p>(b) the north east quadrant of the site of not less than</p>	To ensure that satisfactory information is provided by the Developer on the reasonable prospect of delivery of development pursuant to the Second Planning Permission.

		100,000 square feet gross internal area, let for a term of not less than 20 years without break option during the first 20 years (The original ILTA only provided for (a))	
Drawdown Period	Definition of Drawdown Period and application at clause 4.5	The period in which a drawdown notice can be served by the Developer has been changed from the period of two years and 10 months from the Confirmation Date (being the date of satisfaction of the CPO Pre-conditions) to the period of 2 years and 11 months from 25 September 2015	Under the old drafting, the Drawdown Period would have ended in December 2018 (due to a challenge to the CPO) which date would have been after the date of expiry of the CPO on 25 September 2018.
Timescale for execution of general vesting declarations and service of notices to treat	Clause 4.8	The minimum timescale for execution of general vesting declarations and service of notices to treat to be specified in a drawdown notice is reduced from 2 months to 20 Working Days	Reduced timescale to enable CPO process to proceed in accordance with anticipated programme
North End	Schedule 8	Changes to take account of the 2018 section 106 agreement if the Second Planning Permission is implemented	Consequential amendment to reflect the Second Planning Permission
Selected Agent	Definition	Changed from Nigel Laing associates to CBRE.	Commercial reasons.
Appendices	Plans and documents	Plans and other appendices to be updated or added as follows: Appendix 4 – Plan 4: New plans of "Authority's Land Interests" and a schedule of land interests to be attached Appendix 5 – Plan 5: New Plan of "Development Site" to be attached Appendix 6 – Plan 6: Plan showing "Dingwall Avenue Land" to be attached (this is the plan agreed in 2015 for the purpose of the draft AMM agreement)	Amendments to reflect current position.

		Appendix 9 – Land Acquisition Strategy	
		Appendix 11 – Minor revisions to allow for 2018 Planning Permission	