

Heads of Terms for the acquisition of Renewal freehold land:

- 1. Transaction Structure:** The proposed transaction will adopt the following structure:
 - Step 1: Agreement:** Renewal and LBL will enter into an agreement which will provide for:
 - (a) The sale of freehold land owned by Renewal (whether existing or acquired in the future by private treaty outside of the CPO process) to the Council;
 - (b) The grant of a long lease from the Council to Renewal;
 - (c) The grant of an option for Renewal to purchase back the freehold land originally transferred to the Council.
 - Step 2: Transfer:** Completion of the transfer from Renewal to the Council.
 - Step 3: Leaseback:** Simultaneously with Step 2, completion of the grant of the long lease from the Council to Renewal.
 - Step 4: Buyback:** Exercise of the Option by Renewal and completion of the transfer of the freehold land from the Council to Renewal.
- 2. Phased/Staged Transactions:** It is agreed and acknowledged that the Transaction Structure and steps set out at paragraph 1 above are to be capable of occurring on any number of occasions in respect of any Renewal freehold land within any Phase of the Development.
- 3. Land to form part of the Acquisition:** The Acquisition Plan (contained at Appendix 3 of this Report) shades grey the land that is capable of being subject to acquisition by the Council.
- 4. Consideration:** In respect of the consideration that will be payable in connection with the transactions:
 - Step 1:** No consideration will be payable by either the Council or Renewal in respect of the entering into of the Agreement.
 - Step 2:** The Council will pay Renewal £1 in respect of the transfer from Renewal to LBL.
 - Step 3:** Renewal will not make any payment to the Council in respect of the grant of the long lease from the Council to Renewal, and the lease will reserve only a peppercorn rent.
 - Step 4:** Renewal will pay the Council £1 in respect of the exercise of the Option and completion of the transfer of the freehold land from the Council to Renewal.
- 5. Timings:** The timings for completion of each step as set out at paragraph 1 above are to be agreed between Renewal and the Council, and will in part be dictated by the acquisition of further freehold interests by Renewal. However, it is acknowledge that a sale and leaseback transaction between Renewal and the Council could be completed immediately after the Mayor & Cabinet resolution.