

 CHESTNUT HILL VENTURES LLC

Demos Kouvaris
*Chief Operating Officer and
Chief Financial Officer*

dkouvaris@gcmlx.com

December 3, 2012

Sir Steve Bullock
Mayor
London Borough of Lewisham
steve.bullock@lewisham.gov.uk

Dear Sir Steve

Millwall Football Club

I am sure that you will have seen that Chestnut Hill Ventures (CHV), the Club's majority shareholder, has formally agreed to increase and extend its financial support for the Club until at least July 2015. Having first invested in the Club back in 2006, this is a long-term investment by CHV not only in the Club but also in the regeneration of The Den and the surrounding land and we have really great hopes and aspirations for the future, towards 2015 and beyond. I enclose a press release that went out last week and which has been widely reported in both the local and the national press and other media outlets.

The Board now finds itself in a position to make plans for the longer term but we cannot do so without knowing what is to happen with The Den and the land occupied by the Club's community scheme, The Lion's Centre. I know that this is potentially a difficult issue for the Council but, if you read to the end of this letter, you will see that there may be a solution for both Council and Club. We need to meet when I am next over.

Just to remind you, some time ago, the Club managed to reach 'in principle' agreement for the Council to grant the Club a new long lease of both The Den and The Lion's Centre so that the community scheme would have become the Club's tenants. The terms would have enabled the Club to extend the stadium, to improve immeasurably the facilities available to match day and non match day visitors and to redevelop The Lion's Centre to provide not only state-of-the-art offices and facilities for the community scheme but also flats, offices, medical and leisure facilities for the benefit of both the Club and the local community.

That agreement envisaged a real 'partnership' between the Club and its council whereby, subject, of course, to planning permission, the Club would have carried out all the necessary works at its own expense and then split any 'profit' equally with the Council. As and when the property market improves, that profit could be very substantial.

Despite that agreement foundering last year - when Malcolm Smith withdrew it - the Club has, at great cost in professional fees, supported and contributed to Renewal's planning application and joined in the necessary section 106 agreement so that outline planning permission might be granted. We have drawn up our own plans for the extension of the stadium and the redevelopment of The Lion's Centre - making sure that they fit in fully with Renewal's plans - and have informally presented them to the community scheme trustees and

others; they have met with great enthusiasm and I look forward to showing them to you and your colleagues in due course.

At the beginning of the year, we were told that the Council had decided to offer the land occupied by The Lion's Centre to the Club and to Renewal and that there was to be a tender process. We have seen and heard nothing since then - although I am told that the trustees of the community scheme not only rejected the draft documentation but have asked to disassociate themselves from the process. I personally am filled with misgivings about the whole thing because I just don't think that a football club can possibly compete with a well-funded developer, either financially or in the professional assistance needed to submit a competitive tender; the process looks fair but actually puts us at a hopeless disadvantage. I wish that it could be dropped or, at the very least, delayed until we have explored the suggestion that I make below.


Given the Club's significance to the Borough - as recognised by Lewisham's own Core Strategy document - and your own personal and public support for all that we are trying to do, I have been thinking about a possible solution.

I recognise that the Council's primary object is to secure the regeneration of the Surrey Canal Triangle site and I can understand why your planning officers might think that Renewal, given all its hard work to date, is more likely to deliver but the new financial resources of the Club must go some way to assuaging any concerns that they may have.

Let's see if we can take a few steps forward together. May I propose that we revisit the agreement that we did reach but introduce in to the lease or the agreement for lease a time limit so that, for instance, it might provide that if the Club hadn't applied for planning permission to carry out its plans by a certain date and/or hadn't commenced work by another certain date (both dates to fit in with Renewal's phase plan), the lease or the agreement for lease could be terminated by the Council? That way we'd get a fair chance to demonstrate our commitment to the regeneration of the Surrey Canal Triangle site but you'd still retain overall control and be able to hand the Lion's Centre over to the developer should the Club fail.

I really think that we should meet when I am next over and I have asked my PA, Helen Godsmark, to make the necessary arrangements.

Yours sincerely,



Demos Kouvaris

Millwall FC aims for 'sustainable success' with new loan facility

Millwall Holdings PLC has agreed an increased loan facility with its majority shareholder Chestnut Hill Ventures amounting to £20m until July 2015 to fund 'sustainable success' at the Championship club.

The facility consolidates current outstanding loans of approximately £11.5m and provides the Company with sufficient working capital to fund day-to-day operations and likely investment in the regeneration of the immediate area surrounding The Den over the next few years.

Chairman John G Berylson, who also runs CHV, commented: "This shows our continued commitment to Millwall FC. We have stated in the past that we see this as a long term plan and I am delighted the Club continues to make progress both on and off the field.

"The regeneration of the surrounding area at The Den and our commitment to the Millwall Community Scheme shows that we are here to stay and want to achieve sustainable success.

"Too many clubs in the past have gone through boom and bust in their attempts to get to The Premiership. Millwall is committed to getting there in a sensible way that doesn't threaten the Club's long-term viability. Developing The Den and our surrounding area will help to future proof our prospects and success.

"The Club is benefiting from a long period of continuity. We have one of the country's longest serving managers in Kenny Jackett who has just marked his 5th year in charge of the team. We are also looking forward to next season when we celebrate 20 years at The Den in Berrymsey."

The Financial Statements of Millwall Holdings PLC for the year ended 30 June 2012 have been sent to shareholders of the Company. The results for the year show an increased loss from operations to £3.95m compared with a £0.60m loss in the previous year. The principal reasons for the increase in the loss are the reduction in profit arising from the transfer of player registrations of £1.48m and the increase in player related costs of £1.90m.

John Berylson added: "The results reflect how difficult it is to compete at Championship level especially in regard to building and financing a squad capable of being successful in a very tough league. We have a sound and competent management team that is both ambitious and responsibly cautious.

"I am delighted at the progress we have made and would like to pay tribute to everyone involved at the Club for the hard work, commitment and support. I look forward to further progress both on the field and in regard to the regeneration of the area surrounding our stadium."

21 November 2012

Ends



Demos Kouvaris
Chief Operating Officer and Chief Finance
Officer
Chestnut Hill Ventures LLC
60 William Street, Suite 230
Wellesley MA 02481

Rob Holmans
Interim Director of Regeneration &
Asset Management
Laurence House
Catford
London SE6 4RU

direct line 020 8314 7908
fax 020 8314 3642
rob.holmans@lewisham.gov.uk

date 29th January 2013
our reference
your reference

Dear Demos,

Re: Surrey Canal Triangle (SCT) Regeneration Scheme

Further to our meeting on 18th January 2013, I set out in this letter the Council's position on the above scheme and the Club's interest.

It is now 10 months since the Section 106 Agreement for the above was completed and outline planning permission was granted in respect of the comprehensive re-development of the SCT Site. The Council is anxious to move things forward and invite the Club to engage in discussions regarding its leasehold interest within the SCT site.

The purpose of this letter is to briefly clarify the Council's position and suggest next steps as follows:

Strategic importance of the site.

1. The SCT site is one of the key regeneration sites in Lewisham. The site is seen by the Council as a major regeneration opportunity and central to the achievement of the Lewisham Spatial Strategy. It has therefore been identified as a 'strategic site' within the Council's recently adopted Core Strategy.
2. It is a clear objective of applicable planning policy that the site should be developed "comprehensively" so as to maximise the regeneration benefits for the area. This key objective has always been underlined in the Council's discussions with the Club and Renewal Ltd during the planning application process and the negotiations on the s106 Agreement. The Council recognises that the assembly of the site/sufficient control in respect of all relevant land interests will be central to the achievement of comprehensive delivery of the wider scheme and thus the Council's regeneration objectives.
3. In recognition of the importance of the strategic sites, the Core Strategy supports the use of compulsory purchase powers where this would achieve the Core Strategy's regeneration objectives. In this regard, as you know, at its meeting on 7th March 2012, the Mayor and Cabinet ('M & C') resolved "in principle" and subject to satisfaction of certain pre-conditions, to support the use of CPO powers, should that be required. Thus, if the acquisition of the remaining interests in the site, including that of the Club, cannot be achieved through reasonable negotiation, then the Council

will consider using its compulsory purchase powers in order to support the re-development of the wider site. That remains the Council's position.

Negotiations by agreement

4. I am aware that Renewal's previous attempts to negotiate with the Club and the Millwall Community Scheme (MCS) have not proved successful.
5. Since the M & C's resolution in March, as you have been aware, the Council has been in discussions with MCS concerning the possible joint tender to both the Club and Renewal Ltd of the land owned by the Council and leased to MCS. MCS have confirmed, however, that they do not wish to participate in any such Tender and the Council has in any event come to the view that the tender exercise should not proceed.
6. Renewal Ltd has already assembled about 85% of the wider site (excluding the land around the Stadium and Lions Centre known as Phase 4 and Phase 5A) and has committed (and continues to commit) considerable financial investment and resources to site assembly and the planning process and to taking the scheme forward. The Council's view is that Renewal Ltd are best placed to deliver the comprehensive scheme across the whole of the SCT site and to this end are working in collaboration with Renewal in order to achieve this.
7. The Council is anxious to get the regeneration scheme moving. We would therefore like at the earliest possible stage to open negotiations with the Club in respect of the acquisition of the land and rights necessary for the re-development comprised within the scheme for the SCT site.

8. At this stage, the Council envisages retaining its freehold interest in respect of the land leased to the Club required for the Renewal scheme, with the Club (subject to what is said below – see under 'Club's Development Proposals') surrendering their lease (or part of it) and the Council granting a new lease over a revised area, coupled with rights necessary to enable the continued operation of the Stadium and its future expansion.

Stadium operation

9. The Council wants to make sure that the development capitalises on the opportunities presented by the Stadium and allows for the long term future of the football club including future requirements for stadium improvement and expansion, so that any new lease will protect the Stadium's operations and grant appropriate rights of access to ensure that can happen.
10. As indicated above, the Council's preference is for the Council to retain the freehold interest in the Stadium land. In terms of the new rights that might be granted, these might be within the new lease or granted separately (subject to contract and consideration of financial issues).
11. The Council would intend that the approach to land-take for the wider scheme (and thus reduced lease area) should allow for the expansion of the Stadium to the 26,500 capacity it might need if it became a Premiership Club. The Council would like to discuss the proposed approach with the Club.
12. The Council would also like to open negotiations with the Club in connection with the works required to the Stadium façade. If the Club is not to carry out these works itself, then the Council would wish to ensure that the necessary rights are granted to

enable the works to be completed as part of the delivery of the comprehensive scheme.

Club's Development Proposals

13. I am aware that the Club has previously been in discussions with the Council regarding the land around the Stadium and that the Club approached the Council with a view to the grant of a new lease and proposals for a development agreement (to include the MCS land) in relation to the development of that land. At that stage no detailed development proposals had been formulated. Those negotiations did not proceed for reasons which were communicated at the time.

14. More recently, I have seen the Club's Annual Report (June 2012) which refers to the Club formulating its plans for the improvement of visitor amenities on both match and non-match days and for the comprehensive redevelopment of the Lion's Centre. It also refers to the Club finalising plans for these sites 'within the overall regeneration scheme'. The Council is willing to discuss any proposals the Club might wish to put forward for the development of its own land, but it will be necessary for the Club to demonstrate that any such proposals accord with and would enable comprehensive delivery of the wider scheme across the whole of the SCT site.

15. Any such proposals by the Club would also need to be supported by a delivery mechanism (for example, a development agreement with Renewal and the Council as appropriate and other necessary arrangements which ensured the proposals would be delivered as part of the comprehensive re-development of the whole of the SCT site), together with a viable business plan including funding arrangements, and also indemnity agreements (where appropriate). Any proposals would have to demonstrate clearly how they would dovetail with Renewal's arrangements in connection with the development of other phases. The Council will not consider any proposals which would prejudice the case for the delivery of the wider site.

16. The Council would emphasise its concern that the Club have so far only contemplated development of their land if the MCS land is included. As you know, the land leased to MCS is owned freehold by the Council. The Club has no legal interest in that land and thus no entitlement to any development value it may have. The Council will expect this position to be fully reflected in any proposals put forward by the Club.

I should be grateful if you could respond to the above within 14 days of the date of this letter. If, however, you need more time to respond, then please let me know.

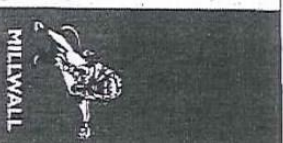
If you have any queries in the interim please let us know.

Yours faithfully,



Rob Holmans
Interim Director of Regeneration & Asset Management

cc. Abdul Qureshi (Interim Head of Asset Strategy & Development)
cc. John Miller (Head of Planning)
cc. Andy Ambler, Chief Executive, Millwall Holdings PLC, Millwall Football Club, The Den,
Zampa Road, London SE16 3LN



MILLWALL

Mayor's Office

19 FEB 2013

Millwall Football Club,
The Den, Zangra Road,
London SE16 3LN

Tel: 020 7232 1222
Fax: 020 7231 3663

Email: questions@millwallfc.com
Web: www.millwallfc.co.uk

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Sir Steve Bullock, Mayor of Lewisham

Mayor's Office

Civic Suite

Lewisham Town Hall

Catford

SE6 4RU

18th February 2013

Dear Sir Steve,

Surrey Canal Triangle Site / Millwall Football Club

It was nice to see you and to meet Kris at the Hull game a couple of weeks ago and, as I said in my subsequent emails, I found our lengthy conversation and ready agreement on the way forward very helpful and encouraging.

Demos sent you the letter dated 29 January 2013 that he received from your Interim Director of Regeneration, Mr Holmans. I am sorry that we have not been able to comply with the 14-day deadline that he set but, given that we are in Boston, USA, that the Club and its executive staff are focused on the Championship and the FA Cup and that our professional team still needs to be fully briefed, I hope that you will understand our position.

Let me make it clear at the outset that the Club does want to have the opportunity of redeveloping and extending both The Den and the surrounding land comprised in the Club's lease and the land occupied by the Millwall Community Scheme and intends to bring forward detailed proposals for so doing in negotiation and close consultation with the Council as the freeholder, the planning authority and local authority. We wish to do so within the existing outline planning permission relating to the Surrey Canal Triangle site, within the Council's desired timescale and, in so far as it is necessary to do so, in co-operation with Renewal.

Using Mr Holmans' headings and numbering, I have a number of comments that I would like to make:

Strategic importance of the Surrey Canal Triangle site

1. Noted and understood.

I am well aware that the SCT site was identified as having strategic importance within the Council's Core Strategy.

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I am sure that I do not need to remind you that, in that same public document, The Den was referred to as the 'borough's premier sporting destination'.

I quote:-

"Opportunities should be created to ensure that regeneration facilitates and takes advantage of the proposed new station on the London Overground network and the existing sporting and leisure facilities at Millwall Stadium to create a new high quality destination in an area which is relatively devoid of local facilities. The Millwall Football Stadium has the potential to form the core of a new location in an area largely devoid of identifiable features such as local shops, community and leisure facilities. Millwall FC has aspirations to expand the capacity of the Stadium, so that the Club can compete successfully in the Premiership. The Council supports this aspiration, in principle, and the Club should therefore be involved in the preparation of a Masterplan for this site."

It follows that the Club, The Den and the adjacent land are also of strategic importance.

2. Noted and understood.

The Club supports and has always supported the comprehensive regeneration of the SCT site. Look at the way in which we fully supported Renewal's application for outline planning permission and expeditiously agreed the s.106 planning agreement so that the CIL deadline could be met.

Not only did we devote considerable management and professional time in doing so but, since the Club was first involved in the regeneration of the SCT site, we have had to pay out over £2.5m in professional fees and expenses in protecting our interests and developing our own proposals, money that the Club could ill-afford and, having not instigated the original planning process, did not expect to have to spend.

We did so because we are very keen to play a full part in the regeneration of the land around The Den. It is good for London, it's good for the community and, of course, it's good for the Club and the Millwall Community Scheme (MCS).

3. Noted and understood.

I understand that councils occasionally need to use compulsory purchase powers to acquire interests in sites where the inability to acquire those interests by other means might prejudice the comprehensive redevelopment of those sites.

But that is surely not the case here.

MCS subsequently informed the Club that it had been asked to tender its leasehold interest jointly with the Council but, on counsel's advice, had decided not to do so.

Now Mr Holmans tells us that the Council has decided to abandon the tender process. May I ask why – and, because it is important, may I ask for his detailed reasoning?

Whilst we may have thought that the tender process was flawed and unfairly favoured Renewal, may I point out that, with Malcolm Smith's withdrawal of the original deal and the abandonment of the tender process, the Council has effectively decided that it will never make the MCS land available to the Club. It appears that the Club now has no opportunity to acquire land adjacent to The Den, which is crucial to our efforts to create non-football revenues, which will help to provide a secure financial future for Millwall. Is this correct?

6. Am I to understand from this that the Council has decided the Club cannot/will not be able to deliver the comprehensive regeneration of its non-stadium land and The Lion's Centre? And/or that that the Council will only work with Renewal? Please confirm. By what criteria has the Council decided that Renewal should be its only partner for the regeneration of the SCT site? When was this decided?

I assume that the Council has fully investigated Renewal's financial contribution so far and has satisfied itself on its ability to commence, carry out and complete every phase of what, by any standards, is a massive development? I have already demonstrated the ability of Chestnut Hill Ventures to fund the Club's development proposals and our chosen development partner will be of a calibre that its expertise and experience cannot be doubted.

7. The Club is also anxious that the regeneration of the site should commence as soon as possible. What progress has Renewal made with the first phases of the proposed regeneration?

8. I note what the Council envisages but why shouldn't we go back to the deal that was agreed a few years back with Malcolm Smith? That deal envisaged the Council retaining its freehold interest in both The Den and The Lion's Centre, granting a new lease of both to the Club (so that MCS would have become the Club's tenant) and, subject to planning permission, redeveloping the whole in partnership with the Council and the local community and with the Council sharing in the profit as and when the redevelopment/regeneration proceeded. I can quite see that the comprehensive regeneration of the entire SCT site is a priority and Demos has already offered that the overriding lease contain provisions allowing for it to be cancelled in the event that the Club doesn't fulfil its obligations. See below under 'Conclusion' for a repetition of our offer.

Lewisham holds the freehold to both The Den and to The Lion's Centre, the land upon which MCS has its offices and facilities; the former is leased to the Club until 2143, the latter to MCS until 2009; both leases contain strict restrictions on user.

We want to redevelop the non-stadium land comprised in the Club's lease and, for the reasons explained below, we want to redevelop The Lion's Centre as well. Both are equally important for the future stability and success of the Club.

We are not standing in the way of comprehensive regeneration of the SCT site, quite the reverse. What's more, we not only intend to carry out such redevelopment in strict conformity with the outline planning permission and in consultation with Renewal (or whoever it is that they may have sold to) but we are also happy to surrender such parts of our lease that are needed for the remainder of the regeneration. We fully understand that we will require detailed planning permission to carry out our development (which will entail detailed consultation and negotiation with Lewisham as our landlord and relevant planning authority) and you know that we have the financial wherewithal and, with our development partner, the expertise to do so.

Why, therefore, would Mr Holmans 'threaten' us (because that is how I read it) with compulsorily acquiring the non-stadium land that belongs to us? There is just no need to do so.

Whilst on the subject of compulsory purchase, I believe that Renewal paid £100,000 or thereabouts for about 1.3 acres of land close to The Den. That acquisition took place in 2007/2008 well before outline planning permission was even granted and I assume that that will be taken into account in any compulsory purchase negotiations.

Negotiations by agreement

4. The Club has, over the years, had several discussions with Renewal about the regeneration of the site and the respective roles that they each might play.

Although I am sure that Mr Malik will not agree, the Club has always negotiated with Renewal in the utmost good faith and it has been and remains a grave disappointment that nothing has come of these discussions.

At the lunch you kindly gave Mr Malik and Demos a week or two ago, you will have witnessed how difficult negotiations have become.

I do not know what discussions/negotiations Renewal has had with MCS.

5. At a meeting at The Den held in early 2012, the Club was told – by Messrs. Gough and Qureshi - that a tender process had been decided upon, that full details would be available within 'a couple of weeks' and that the Council hoped to conclude the process by the end of September 2012.

With respect, Mr Holmans doesn't understand that the future existence of Millwall Football Club at The Den and the stabilisation of its finances requires more than just an increase in the seating capacity of the stadium.

Stadium Operation

9. Noted and thank you but, with respect, again Mr Holmans hasn't understood that the long term future of the Club depends on more than just the improvement and expansion of the stadium.
10. See 8 above.
11. Noted. Thank you.
12. The Club has not made a profit since we assumed ownership and control. We do not have the money to carry out improvements to the façade of the stadium unless we have income from development. If the Council or the developer wishes to give us the money to do so, we would be very happy to discuss this.

Club's Development Proposals

13. See above. I have referred to our previous discussions elsewhere in this letter but I should point out that, contrary to Mr Holmans' claim, we have never been told why Malcolm Smith withdrew from the previous deal.
14. As Demos made clear in his letter to you, we cannot afford to spend more money on architects and other professionals in formulating detailed plans without knowing what the Council intends to do vis-à-vis the non-stadium land owned by the Club and The Lions' Centre. It is our firm intention, however, that our proposals do accord with and will enable comprehensive delivery of the SCT regeneration scheme as a whole.
15. Noted and understood.
16. Mr Holmans writes as if there were no link between the Club and MCS and I would ask that he familiarise himself with the history and track record of the Millwall Community Scheme.

When the Club set up MCS 25 years ago to 'provide sporting, educational, social and healthy lifestyle opportunities to the local communities of Lewisham and Southwark at affordable prices', it set it up – as it had to – as a charity and, therefore, a separate legal entity. MCS would not exist without the Club, it could not have survived without the Club and, without the Club's money and practical help, it will not survive in the future. Ask the trustees of MCS. This is not about facilities for the community scheme, it's about the long-term, guaranteed financial support from the

Club that MCS has enjoyed since its inception and will continue to enjoy as long as the Club is at The Den.

The Club and MCS may be separate legal entities but the Club – and as I think you will find – the outside world regards them as one. Damage one and you damage the other.

If you exclude the stadium itself and the land required for its operation as a football ground, there is not enough land left in the lease to the Club to make its commercial development economically viable. It follows that we need to develop the MCS land in tandem with the non-stadium land.

Our purpose in so doing is, as we have repeatedly told you and your officers, to 'future-proof' the Club in its present location. If we are to be able to remain here, it is vital that we do so. We want to be able to extend and improve the stadium, we want to improve the facilities available to match-day and non match-day visitors and we want to redevelop The Lion's Centre and the non-stadium land to provide not only state-of-the-art offices and facilities for MCS but also flats, offices, medical and leisure facilities for the benefit of both the Club and the local community. We want to develop income-producing businesses and assets that will both subsidize and stabilize the Club and enable us to consolidate Millwall Football Club's position at the heart of the community.

I thought that was what Lewisham wanted as well – certainly that was what the Core Strategy Document said – and I can't now understand why the Club isn't going to be given the chance to realize its aspirations.

We may have been naïve but we have always assumed that, provided we safeguard MCS, its facilities and its future to the reasonable satisfaction of its trustees, we could rely on Lewisham as our freeholder, council and planning authority to support us.

Conclusion

Founded in 1885, Millwall Football Club (MFC) has played within the London Borough of Lewisham (Lewisham) since 1910, first at the old Den stadium in Cold Blow Lane and then, from 1995, at the present location in South Bermondsey. The twentieth anniversary of the first game played at The 'New' Den takes place this August. Since that first game, gates have averaged 10,000 per game and, with an average of 30 games per season, about 6,000,000 people have passed through the turnstiles, bringing incalculable benefit to the Borough of Lewisham.

The Core Strategy document recognised this and now we are asking for the chance to develop both The Den and The Lion's Centre. Our financial situation does not allow us to do the former without access to the latter and whilst my family and I have been happy to bankroll both the Club and, thereby, MCS since our ownership began, we cannot do so for

ever. I must have the chance to make the Club self-sufficient so that its future in Lewisham is secured.

Some years ago, MFC and Lewisham came to an agreement whereby Lewisham would grant MFC an overriding lease of both The Den Land and The Lion's Centre Land so that MCS would become MFC's tenant. The agreement provided that, subject to MFC obtaining the necessary planning permissions, MFC would be allowed to redevelop The Lion's Centre and The (non-stadium) Den Land. It was further agreed that Lewisham would vary the terms of the overriding lease to permit such redevelopment in return for 50% of the profit.

Both Lewisham and MFC instructed solicitors and detailed heads of terms and draft documentation were drawn up. As I recall, the Club paid all the legal fees of both parties. It is correct to say that no detailed development proposals had been formulated at that time but MFC's architects, Squire & Partners, did produce a master plan.

I repeat the offer that Damos made to the effect that the overriding lease could contain a mechanism whereby if the Club hadn't redeveloped the land by a certain date (to accord with the phasing of the works on the rest of the SCT site), it could be terminated as regards The Lion's Centre and the (non-stadium) Den land.

That way we'd get a fair chance to demonstrate our commitment to the regeneration of the Surrey Canal Triangle site but you'd still retain overall control and be able to hand The Lion's Centre and the non-stadium land over to the developer should the Club fail. Surely I'm offering you a win/win situation for the Council? We see it like that and I'm fairly sure that the outside world will take the same view.

There a number of legal issues that will need to be cleared up - for instance a surrender of parts of the non-stadium land, the release of certain rights and so on - all of which we will be happy to discuss and implement if we can make progress on our offer.

Finally, the trustees of the Millwall Community Scheme have seen our indicative proposals for The Lion's Centre land and the remainder of the development. I intend to show them Mr Holmans' letter and this response and no doubt they will make their feelings known to you.

Perhaps we should meet again soon? My very best personal regards to you and Kris.

Yours sincerely,

John G Berylson
Chairman
Millwall Football Club







John Berylson
Chairman
Millwall Football Club
The Den, Zampa Road
London SE16 3LN

Rob Holmans
Interim Director of Regeneration &
Asset Management
Laurence House
Catford
London SE6 4RU

direct line 020 8314 7908
fax 020 8314 3642
rob.holmans@lewisham.gov.uk

date 18th March 2013
our reference
your reference

Dear John,

Re: Surrey Canal Triangle (SCT) Regeneration Scheme

Further to the Mayor's letter of 15th March 2013, as you know the Mayor has passed me a copy of your letter of 18th February 2013 for reply.

I am pleased to note that all parties agree on the importance of the regeneration of this part of the Borough and that the comprehensive re-development of the Surrey Canal Triangle (SCT site) is central to the achievement of the objectives of regeneration and growth contained in the Council's Core Strategy.

We also recognise, as is reflected in the Core Strategy and the consented development proposals, the importance of the football club, its continued operation in its present location and its aspirations for the future. These are things which the Council wishes to support and protect as I tried to make clear in my letter of 29th January 2013.

However, if our wider objectives for the area are to be realised, we now need to move forward with the re-development scheme without further delay. It is now nearly a year since planning permission was granted for this. Renewal have committed considerable financial investment and resources to site assembly, to the planning and design process and to taking the scheme forward. They hope to be in a position to start the early Phases of the development in the very near future. The Council is therefore supporting Renewal in bringing forward this strategic site which is considered essential to delivering the Core Strategy and our objectives for transformation of the wider area.

You refer to the Club's wish to develop the land around the Stadium. I am aware that this is something the Club has raised a number of times now, dating back at least to the time of the Club's previous discussions with the Council regarding the grant of a new lease which as you point out was some years ago. To-date, however, no such plans have been forthcoming.

In my letter of 29th January, I invited you to share with us the Club's proposals, which the Club had previously indicated it was formulating and finalising. Your response does not refer to any specific proposals, but simply states that the Club's plans will accord with the outline scheme and refers to your intention that such plans will enable comprehensive delivery of the wider regeneration scheme. Whilst the Council welcomes this assurance, such assurances

on their own are not sufficient to demonstrate to the Council that this will be the case. In order that we can consider how your proposals might fit in with and enable comprehensive delivery of the wider scheme within a reasonable timescale, we will need to see, as soon as possible, details of your specific proposals, including plans, proposed timescales, a viable business plan with the funding arrangements, and your proposals regarding the mechanics of delivery – what contractual arrangements are proposed to enable delivery in conjunction with development of the wider site? At this stage, this does not need to be worked up to the level of a detailed planning application, but the information does need to be sufficient to enable the Council to give it proper consideration.

The Council's aim is for a negotiated settlement to be reached between all parties which would protect the legitimate interests of the Club. However, this must be on clear terms which will secure the comprehensive regeneration in accordance with the wider scheme and without further delay. Therefore on the one hand whilst you assert that the Club has the financial wherewithal and a development partner with the relevant expertise, on the other you suggest that you are not in a position to provide the requested information unless you know what the Council's intentions are regarding the non-stadium land and the MCS land. Unless the Council has the information required regarding the Club's proposals, it is simply not in a position to assess whether those proposals will enable comprehensive delivery of the wider scheme consistent with the Council's key objectives.

I look forward to hearing from you in response to the above which I believe sets out the key issue at this stage.

In addition, you also raised a number of specific points/queries in your letter of 18 February which I will endeavour to assist you with where these are not already addressed by my response above. I have used the headings and paragraph numbers from your previous letter.

Strategic importance of the Surrey Canal Triangle Site, paragraph 3

You suggest that my letter of 29 January "threatened" compulsory acquisition. I did refer to the availability of compulsory purchase powers, but I must emphasise that this was not intended in any way as a threat. The availability of compulsory purchase powers is part of the background in any case where regeneration proposals are being brought forward and the use of such powers is expressly supported in the Council's Core Strategy. But that does not mean the use of the powers is inevitable. As I hope I have demonstrated, the Council's desire is very much for a negotiated position to be reached if that can be achieved in a manner which will secure the parties' objectives.

I note your reference to land close to the Den which you says Renewal paid £100,000 for in 2007/2008. I have no details of that transaction and so I am not in a position to comment. What I can say is that any consideration in respect of the Club's land interest whether it be by private treaty or following compulsory acquisition will be a matter for agreement/negotiation, informed by expert valuation advice relevant at the time.

Negotiations by agreement, paragraphs 5-8

In relation to the tender process in respect of the MCS land which was discussed last year but which did not proceed, as you know MCS advised they did not wish to participate in any such tender. Also, the Council noted that the club did not wish to proceed with a Tender for the reasons which you set out in previous correspondence. The Council has also come to the view that the tender exercise should not proceed. It has reservations as to whether such an exercise would be conducive to ensuring the comprehensive re-development of the SCT site within a reasonable and certain timeframe – this, and how best to achieve it, remains our current focus.

As I explained in my letter of 29 January, I understand from Renewal that they have already assembled about 85% of the SCT site (this excludes the land around the Stadium and the MCS land). In addition, they have committed (and continue to commit at their own risk) considerable financial investment and resources to site assembly, the planning and design process, and taking the scheme forward. They have made good progress towards assembling the necessary land to enable a start on the early Phases in the near future. In the event that a CPO is required, before making any Order, the Council will need to be satisfied that Renewal's business plan and funding strategy provide the necessary basis for delivery of all Phases of the wider scheme.

I note the reference to the previous discussions with the Council regarding the Club's lease and the possible inclusion of the MCS land in those arrangements. As you know those discussions took place a number of years ago. No formal agreement was reached and things have since moved on. We now have a consented scheme for comprehensive re-development of the site which the Council is anxious should move forward without further delay. As I say, that and how best to achieve its delivery remain our current focus.

Stadium operation, paragraph 11

In terms of the improvements to the Stadium façade, as you know, these works form part of the consented scheme and the associated Section 106 Agreement. The delivery of the works and associated cost will be a matter for further discussion.

Club's development proposals, paragraph 16

I am familiar with the history and track record of both the Club and the MCS and welcome the additional detail. The nexus between the Club and MCS land is acknowledged and, as you know, the proposal is that MCS will be relocated elsewhere within the re-development scheme as is reflected in the Section 106 Agreement. MCS's new location will thus be in close proximity to the Club and would enable the relationship to continue and MCS to continue to serve the communities of Lewisham and Southwark. The position remains, however, that the freehold interest in the land which is leased to MCS is owned by the Council and the Club has no entitlement to that land.

The MCS land remains important to the delivery of the comprehensive development of the SCT scheme and the Council considers its exclusion from the rest of the site would prejudice the comprehensive re-development of the wider site.

I would appreciate if you could respond within 14 days of receipt of this letter. If, however, you need more time to respond, then please let me know.

I would be more than happy to meet to discuss matters further.

If you have any queries in the interim please do not hesitate to contact me.

Yours sincerely,

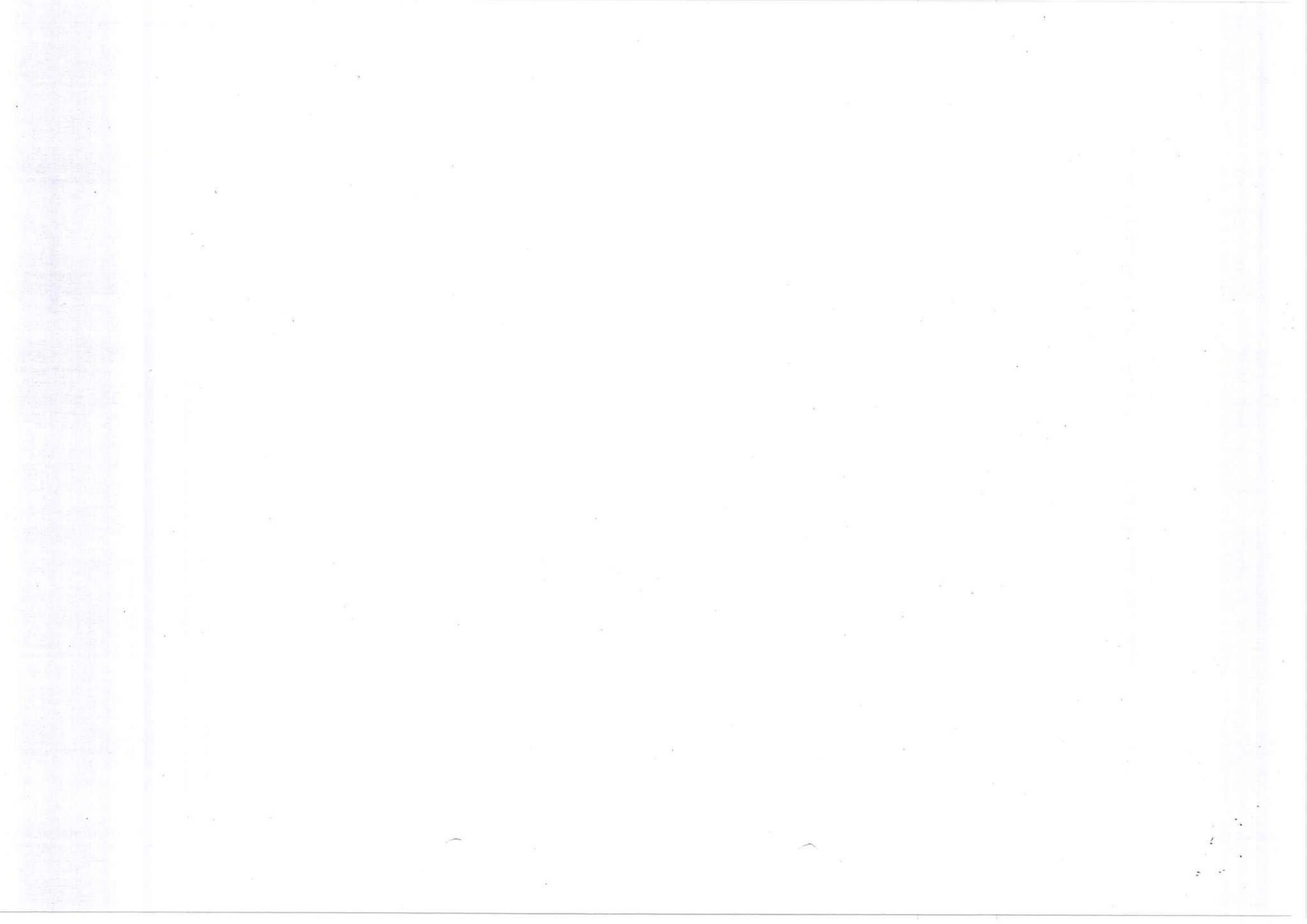


Rob Holmans
Interim Director of Regeneration & Asset Management

cc: Abdul Qureshi, Head of Asset Strategy & Development, (interim)

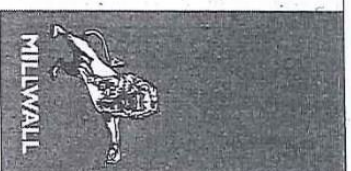
cc: John Miller, Head of Planning

cc: Andy Ambler, Chief Executive, Millwall Holdings PLC, Millwall Football Club, The Den, Zampa Road, London SE16 3LN



Our ref: AJA/hg

Rob Holmans
Interim Director of Regeneration & Asset Management
Laurence House
Catorfod
London
SE6 4RU



Millwall Football Club,
The Den, Zampa Road,
London SE16 3LN

Tel: 020 7232 1222
Fax: 020 7231 3663

Email: questions@millwallfc.com
Web: www.millwallfc.co.uk

2nd May 2013

Dear Mr Holmans,

Millwall FC / Surrey Canal Triangle Site

Thank you for your letter to my chairman, John Berylson, of 18th March and my sincere apologies for the delay in replying.

We were much encouraged by your recognition of the importance of Millwall Football Club, its continued operation in its present location and its aspirations for the future.

However, it takes a considerable amount of money to own and operate a football club and, at the moment and despite the best efforts of our shareholders and the management team, we lose money every year. This just can't continue. The principal shareholders have already put well in excess of £20 million into the Club over the past six years. If the Club is to remain in its present location, we have to get it onto a firmer financial footing.

There are a variety of ways of doing this.

Obviously success on the field is paramount and there is very little you can do to help us with that. If, of course, we should make it to the Premiership one day, we'd need to extend the stadium and make other major improvements to the infrastructure - but I know that I could rely on the Council's help in those happy circumstances.

Another is to run the Club as efficiently as possible, maximising revenues whilst controlling costs, but having been here now for over 6 years, I am confident that we are already doing all that we possibly can in that respect.

The last is to do what most football clubs have done and find ways of producing a reliable, predictable and steady non-football income that can sustain a football club through the hard times. This we seek to do by developing the non-stadium land included in our lease in consultation with you as our landlord, as the planning authority and as the local authority with responsibility, inter alia, for Millwall Football Club. In recent years the threat of football clubs becoming financially insolvent has become a reality. We need look no further than Portsmouth, Coventry and Swindon to be reminded of this unpalatable fact. We must not add Millwall FC to that unhappy list.

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The Millwall Football &
Athletic Company (1985) PLC
Registered at the above address.
Registered in England No: 19244222
VAT Registration 697 4851 69

But there just isn't enough surplus land in our lease for such a development to be economically viable. In the past Lewisham has recognised this and agreed detailed heads of terms for the grant of an overriding lease of both our land and that occupied by the Millwall Community Scheme. Indeed in an email to the Club dated 16 October 2009 Peter Clark, then Head of Asset Strategy and Development for Lewisham, confirmed that he would be recommending that the Community Scheme land be included in the Club's new lease. That came to nothing and Malcolm Smith formally withdrew the offer without giving any reasons for doing so.

Then early last year we were told that The Lions' Centre was to be offered to both the Club and to Renewal on a tender basis – but now you tell us that you have decided not to.

I know that we don't have any 'legal' interest in The Lions' Centre but I wonder if you fully appreciate the extent to which the Millwall Community scheme is part of the Football Club? It was set up by the Club, it carries our name, it gets a major part of its funding from the Football League because of its association with the Club, its annual deficit is covered by the Club and a large part of its good works in the Borough just could not be undertaken without the practical support and assistance of the Club and its players. The only reason that it is a separate legal entity is that it was set up – as all football community schemes are – as a charity. In all other respects, it is part of the Club and this situation was clearly acknowledged by Peter Clark in the correspondence quoted above when he wrote, “Tuesday's meeting helped to clarify the close linkage between the Club and the Community Scheme...”

All this is clearly understood by the trustees of the Millwall Community Scheme whose obligations as trustees are to the Scheme, its assets and its long term viability in the community, all of which the Club will safeguard and preserve – as it has done since the Scheme was established. We have offered them whatever reassurances they need in this regard and will continue to do so.

You have asked us for more details of our proposals. Some time ago, we attended a meeting at Renewal's architects' offices and presented an outline scheme for the redevelopment of the non-stadium land and The Lions' Centre. Our architects, Squire & Partners, drew up that scheme. It predated Renewal's application for outline planning permission and so wouldn't have fitted in with the overall regeneration plans.

We haven't instructed them further because of the uncertainty surrounding The Lions' Centre but we did engage them – at further considerable expense to the Football Club – to prepare an outline scheme for The Lions' Centre itself because we wanted to show them to the trustees of the Millwall Community Scheme. Those plans are now enclosed and I propose that we come to your offices to present them to you formally as part of our plan for both The Lions' Centre and the non-stadium land.

We have suggested that together we return to the heads of terms that were negotiated and agreed for an overriding lease of both our land and The Lions' Centre with the additional proviso that such lease could be terminated in respect of the non-stadium land and The Lions' Centre in the event that certain milestones were not met by the Club. For the reasons previously stated, the Council has everything to gain and nothing to lose from this proposal.

If the Council is prepared, in good faith, to consider this approach, then that would justify the immediate instruction to our professional team to come up with detailed proposals for the redevelopment and regeneration of both the non-stadium land and The Lions' Centre in accordance with the outline scheme and with such assurances as you may reasonably require to ensure comprehensive and timely delivery within the wider regeneration scheme.

If, however, no such assurance can be given, I must ask you to explain the Council's reasons for its decision. Is it correct to infer from the Mayor's letter of 15 March that the Council has decided that it will never offer the Club any developable interest in The Lions' Centre? Is it further correct to infer from that letter that the Council has decided that only Renewal can be trusted to develop The Lions' Centre?

Could I also formally ask if the Council has independently verified that Renewal has 'assembled' about 85% of the SCT site excluding the non-stadium land and The Lions' Centre? That is not consistent with our information. And could I further ask the Council to clarify what timing it has in mind when it asserts that Renewal are able to "start on the early Phases (of the development of the SCT site) in the near future"? Again, our information indicates that an early start is not a possibility. And are they able to deliver vacant possession in order to do so?

I look forward to hearing from you and suggest that we co-ordinate diaries at the earliest opportunity to arrange a meeting to discuss our plans for The Lions' Centre and the non-stadium land.

Yours sincerely,



Andy Ambler
Chief Executive
Millwall Football Club



Andy Ambler
Chief Executive
Millwall Football Club
The Den, Zampa Road
London SE16 3NL

Rob Holmans
Interim Director of Regeneration &
Asset Management
Laurence House
Calford
London SE6 4RU
direct line 020 8314 7908
fax 020 8314 3642
rob.holmans@lewisham.gov.uk
date 15th May 2013
our reference
your reference

Dear Andy

Thank you for your letter of 2nd May 2013. It was also good to meet you on Friday.

Thank you for forwarding the outline development proposals that you would like to discuss. I note in your letter that the Club acknowledge that they do not have a legal interest in the MCS Lion's Centre Site. As I have stated before in correspondence copied to you, the MCS land remains important to the delivery of the comprehensive development of the SCT scheme and the Council considers its exclusion from the overall scheme would prejudice the comprehensive re-development of the wider site. I am happy to discuss this further at our meeting.

Notwithstanding this concern, I have asked my colleagues in planning to review the development proposals on my behalf and I think it would be useful for us to meet up in about 3 weeks (once we have had the opportunity to digest your proposals) in order that we can discuss them with you.

I will ask my PA Charmaine Townsend to liaise with you directly to find a mutually convenient date and I look forward to seeing you then.

Yours Sincerely,

Rob Holmans
Interim Director of Regeneration and Asset Management



Andy Ambler
Chief Executive
Millwall Football Club
The Den, Zampa Road
London SE16 3NL

Rob Holmans
Interim Director of Regeneration &
Asset Management
Laurence House
Calford
London SE6 4RU

direct line 020 8314 7908
fax 020 8314 3642
rob.holmans@lewissham.gov.uk

date 25th June 2013
our reference
your reference

Dear Andy,

I refer to my letter of 15th May 2013, in response to your letter dated 2nd May enclosing the outline development proposals 'Millwall Community Scheme Sport Pitch Study'. As you know, we had planned to meet on 11th June but unfortunately you had to cancel. In the circumstances, I thought I should write to set out the Council's current position.

As our previous correspondence acknowledges, it is beyond dispute that all parties consider that a comprehensive re-development of the Surrey Canal Triangle (SCT site) is central to the achievement of the objectives of regeneration and growth contained in the Council's Core Strategy.

I am sure you are aware that the Council has gone to considerable lengths to safeguard the interests of the Club and its ability to expand the stadium should promotion to the Premiership be achieved, something which the Council would very much welcome. Whilst I sympathise with the Clubs' financial position, the difficulties this presents, and your desire to produce reliable, predictable, steady, non-football income to put the Club on a firmer footing, as you acknowledge the Clubs' leasehold land (Stadium excluded) is incapable of sustaining a viable development in isolation. So you suggest, as you have previously, the inclusion of the MCS land in a re-negotiated lease.

As you know, the freehold interest in the land leased to Millwall Community Scheme (MCS) is owned by the Council and the Club currently has no legal interest in the MCS land. There are a number of comments in your letter of 2nd May about the previous discussions between the Club and the Council in 2009 regarding the land around the Stadium and the MCS land, and also the possible tender exercise which was mooted last year. The reasons why neither of these options has proceeded have already been addressed in previous correspondence and matters have now moved on. You also refer to the relationship between the Club and the MCS and again this has been acknowledged and addressed in the above correspondence. I do not therefore intend to repeat what has already been said, save to reiterate that

the MCS land remains important to delivery of the comprehensive development of the SCT scheme and the Council considers its exclusion would prejudice the comprehensive re-development of the wider site.

As the Council has repeatedly said, if our wider objectives are to be realised, we need to move forward with the re-development scheme without further delay. You have referred to the Club's wish to develop the land around the Stadium (and the MCS land) a number of times dating back over many years. The Council has given the Club every opportunity to come forward with its own proposals and has made it clear that if the Council is to give any consideration to such a scheme, details of specific proposals are required with drawings, proposed timescales, a viable business plan with funding arrangements, proposals for the mechanics of delivery and contractual arrangements to enable delivery in conjunction with development of the wider site and, in turn, comprehensive re-development of such wider site consistent with the Council's key objectives.

Despite the Council making clear what is required and affording ample opportunity for it to be provided, none of the required information has been forthcoming. The position remains, however, that we have a consented scheme for comprehensive re-development of the whole site which the Council is anxious should move forward without further delay. Renewal have assembled most of the site and continue to commit considerable financial investment and resources to site assembly, the planning and design process and taking the scheme forward. The Council's focus and priority going forward will be in supporting Renewal who the Council considers to be best placed to progress this strategic site which is considered essential to achievement of the regeneration objectives for the area.

The Council's aim remains for there to be a negotiated settlement between all parties within a reasonable timescale. The Council therefore wishes to commence immediate discussions with the Club for the surrender of your current lease and the grant of a new lease for the Stadium whilst safeguarding the expansion of the Stadium and the continuing successful operation of the Club. To the extent that matters cannot be resolved within a reasonable time frame, then, as previously advised, the availability of compulsory purchase powers remains part of the background where, as here, regeneration proposals are being brought forward and the use of such powers is expressly supported in the Council's Core Strategy. I reiterate, however, that the Council's desire is very much for a negotiated position to be reached and I hope that the Club will therefore accept this invitation to embark upon discussions in relation to the proposed surrender and new grant by agreement.

I believe the above addresses the main points between us. In your letter of 2 May, you raised specific questions about the land assembly exercise, the extent of Renewal's ownership and Renewal's ability to make an early start on the scheme. The Council has been monitoring the progress of land assembly since the Mayor & Cabinet decision in March 2012 to support "in principle" the use of compulsory purchase powers. It satisfied that Renewal now control about 85% of the land interests within the wider site (excluding the land around the Stadium and the MCS land). The position on the remaining land is being assessed and verified by the Council's Surveyors, GL Hearn, independently as part of the on-going site assembly requirements. Renewal have detailed proposals for and are confident of securing commercial occupiers for the early phases of the scheme.

The Council, having reviewed Renewal's ownership and tenancy schedules is sufficiently confident that, vacant possession can be obtained and with all parties working collaboratively a start on this exciting and innovative scheme, with its attendant wide-ranging benefits, can be achieved by Spring 2015. I hope that the Club will work with and support the Council and Renewal in the achievement of this aim which is central to delivering the Core Strategy and our objectives for the transformation of the wider area.

I will instruct my office to contact you with a view to arranging meetings to progress matters as soon as possible.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rob Holmans', with a stylized flourish at the end.

Rob Holmans
Interim Director of Regeneration and Asset Management



Andy Ambler,
Chief Executive,
Millwall Holdings PLC,
Millwall Football Club,
The Den, Zampa Road,
London SE16 3LN

Rob Holmans
Director of Regeneration & Asset
Management
Laurence House
Catford
London SE6 4RU

direct line 020 8314 7908
fax 020 8314 3642
rob.holmans@lewisham.gov.uk
date 6th September 2013
our reference
your reference

Dear Andy,

Thank you for coming in to meet John Miller and myself on 15th August following my letters of 15th May and 25th June. It was a good opportunity to hear more about the club's perspective.

As stated in previous correspondence and reiterated at the meeting, the Council recognises, as is reflected in the Core Strategy and the consented development proposals, the importance of the football club, its continued operation in its present location and its aspirations for the future. I hope I made it clear in the meeting that these are things which the Council wishes to support and protect.

I made a number of points in my previous letters which I will not repeat in full here. However, I should reiterate that the Council wishes to move forward with the redevelopment scheme without delay in order to realise the objectives set out in the Council's LDF Core Strategy. I have pointed out, and you have accepted, that the freehold interest in the land leased to Millwall Community Scheme is owned by the Council and the Club currently has no legal interest in the land. I have also made it clear that, if the Council is to give any consideration to proposals brought forward by the Club, in addition to drawings, it would require details of proposed timescales, a viable business plan with funding arrangements, proposals for the mechanics of delivery and contractual arrangements to enable delivery in conjunction with the wider site.

At the meeting you presented a new set of drawings prepared by Mackay and Partners. The submission of a draft set of drawings alone does not demonstrate that the Club are able to deliver an acceptable scheme as part of the comprehensive regeneration of the area with Renewal Ltd and the Council. My conclusion is that, if its wider objectives for the area are to be realised, the Council needs to move forward with the redevelopment scheme with Renewal Ltd without further delay and I am now intending to report to Mayor & Cabinet on 11th Sept 2013 on this basis and the sale of the Council's land to Renewal.

Also, as you are aware, the Council made "an principle" decision to support a compulsory purchase order (if one is required) to assemble the remaining land for the Surrey Canal Regeneration Scheme. The Council's appointed Valuers, GL Hearn, have carried out an assessment of the land affected by the scheme, and they will be contacting the Club shortly to open negotiations on the land to be acquired.

The Council's aim remains, as stated in my previous correspondence, to achieve a negotiated settlement with all parties. In respect of the club we seek to protect the legitimate interests of the Club and the stadium operation (in accordance with the S.106 agreement signed by the parties) on clear terms which will secure the comprehensive regeneration in accordance with the wider scheme. In order to implement the regeneration scheme and the works, it will be necessary for the Club to surrender their existing lease to the Council, and be granted a new lease with rights to access and extend the stadium, subject to terms being agreed with the Council. Please confirm that you are now in a position to discuss how this can be best achieved.

I would appreciate if you could respond within 14 days of receipt of this letter. If, however, you need more time to respond, then please let me know.

If you have any queries in the interim please do not hesitate to contact me.

Yours sincerely,



Rob Holmans
Director of Regeneration and Asset Management

Cc. Abdul Qureshi, Head of Asset Strategy & Development, (Interim)

Cc. John Miller, Head of Planning

Cc. Demos Kouvaris, Chief Operating Officer and Chief Finance Officer, Chestnut Hill Ventures LLC, 60 William Street, Suite 230 Wellesley MA 02481

Our Ref: A/A/hg 065

Rob Holmans
Director of Regeneration & Asset Management
Laurence House
Cattord
London
SE6 4RU



Millwall Football Club,
The Den, Zampa Road,
London SE16 3JN
Tel: 020 7232 1222
Fax: 020 7231 3663
Email: questions@millwallplc.com
Web: www.millwallfc.co.uk

10th September 2013

Dear Rob,

Thank you for your letter of 6th September, the contents of which have been noted.

You will appreciate that, by working with Mackay and Partners and the other members of our professional team to produce a planning compliant and comprehensive scheme for The Lion's Centre and the non-stadium land, the Club has gone to a lot of trouble and expense to meet your previously expressed concerns.

Given time, we can also produce a viable business plan, details of funding and a suitable timeline - and, if our professional team can engage with your planners and other advisers, we can discuss the mechanics of delivery and other necessary contractual arrangements.

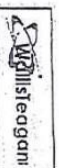
However, there is little point in doing so unless you and your colleagues are prepared to give serious consideration to the proposed scheme and I would welcome your confirmation that you will do so. If you need any further information or assistance from us, we are at your disposal.

I shall be presenting the Mackay Scheme to the trustees of The Millwall Community Scheme next week. Demos Kouvaris will also be in London next week and he will want to meet with our professional team.

In the circumstances, I shall reply to your letter as soon as I possibly can but may not be able to respond within the fourteen days that you have proposed.

Yours sincerely,

Andy Ambler
Chief Executive
Millwall FC





Andy Ambler,
Chief Executive,
Millwall Holdings PLC,
Millwall Football Club,
The Den, Zampa Road,
London SE16 3LN

Rob Holmans
Director of Regeneration & Asset
Management
Laurence House
Calford
London SE6 4RU

direct line 020 8314 7908
fax 020 8314 3642
rob.holmans@lewisham.gov.uk

date 18th September 2013
our reference
your reference

Dear Andy

Thank you for your letter of 10th September 2013.

As you are aware, there has been lengthy correspondence as well as discussions over many years involving the Council, Renewal and the Club regarding the development of the Lions Centre and the land around the Stadium during which the Club has maintained an intention to bring forward proposals. It is only very recently, however, that you have chosen to provide us with some drawings for a possible scheme.

You now suggest that given time you can provide the necessary supporting material to demonstrate deliverability of your proposals and how they might fit in with and deliver the wider comprehensive scheme, but there has already been ample opportunity for this information to be provided. Whether you wish to undertake this additional work is a matter for you, but the Council is not prepared to put things on hold while you do that. As stated in my letter of 6th September and on a number of occasions previously, the Council's position remains that if its objectives for the area are to be realised, we need to move forward with the redevelopment scheme without further delay. To this end, as you may be aware, I reported to Mayor & Cabinet on 11th Sept 2013 when it was resolved (subject to the usual call in process) to dispose of the Council's freehold interest in the Club's and the Scheme's land to Renewal.

The Council therefore intends to continue to press ahead with realisation of its objectives, which as you are aware may include the use of CPO powers. The Council's clear wish is, however, to try and achieve negotiated agreements for the acquisition of all third party interests, including that of the Club and it is inviting all owners to join in negotiations with the Council and Renewal to help implement the regeneration scheme. I would welcome a meeting with you to discuss the terms for acquisition/re-grant of the Club's interest in more detail at the earliest opportunity.

I look forward to hearing from you.

Regards.

Yours sincerely,



Rob Holmans
Director of Regeneration & Asset Management

- Cc: Abdul Qureshi, Head of Asset Strategy & Development (Interim)
- Cc: John Miller, Head of Planning
- Cc: Demos Kouvaris, Chief Operating Officer and Chief Finance Officer, Chestnut Hill Ventures LLC, 60 William Street, Suite 230 Wellesley MA 02481



Andy Ambler
Chief Executive
Millwall Holdings PLC
Millwall Football Club
The Den, Zampa Road
London SE16 3LN

Rob Holmans
Director of Regeneration & Asset
Management
Laurence House
Cattord
London SE6 4RU
direct line 020 8314 7908
fax 020 8314 3642
rob.holmans@lewisham.gov.uk
date 23rd September 2013
our reference
your reference

Dear Andy,

Further to our conversation today, I confirm that the Council is not selling it's freehold in the area which forms the footprint of the Stadium. The Stadium area will be retained by the Council, and the Council intend to remain the Landlord of the Club for the foreseeable future.

For clarification, I attach a plan showing the area coloured light blue - which the Council are selling to Renewal under the terms agreed with them. This area is outside of the footprint of the existing Stadium, and includes the Council's freehold of the Lions centre which is Leased to MCS. This land forms the circulation space and public realm area and the development that Renewal are proposing to build.

In order to progress matters, what the Council are proposing is that the Club surrender their existing lease and are granted a new Lease, on revised terms, which excludes the area which Renewal require for their scheme.

It may be better if we sit down and go through what is proposed in more detail.

I look forward to hearing from you.

Regards,

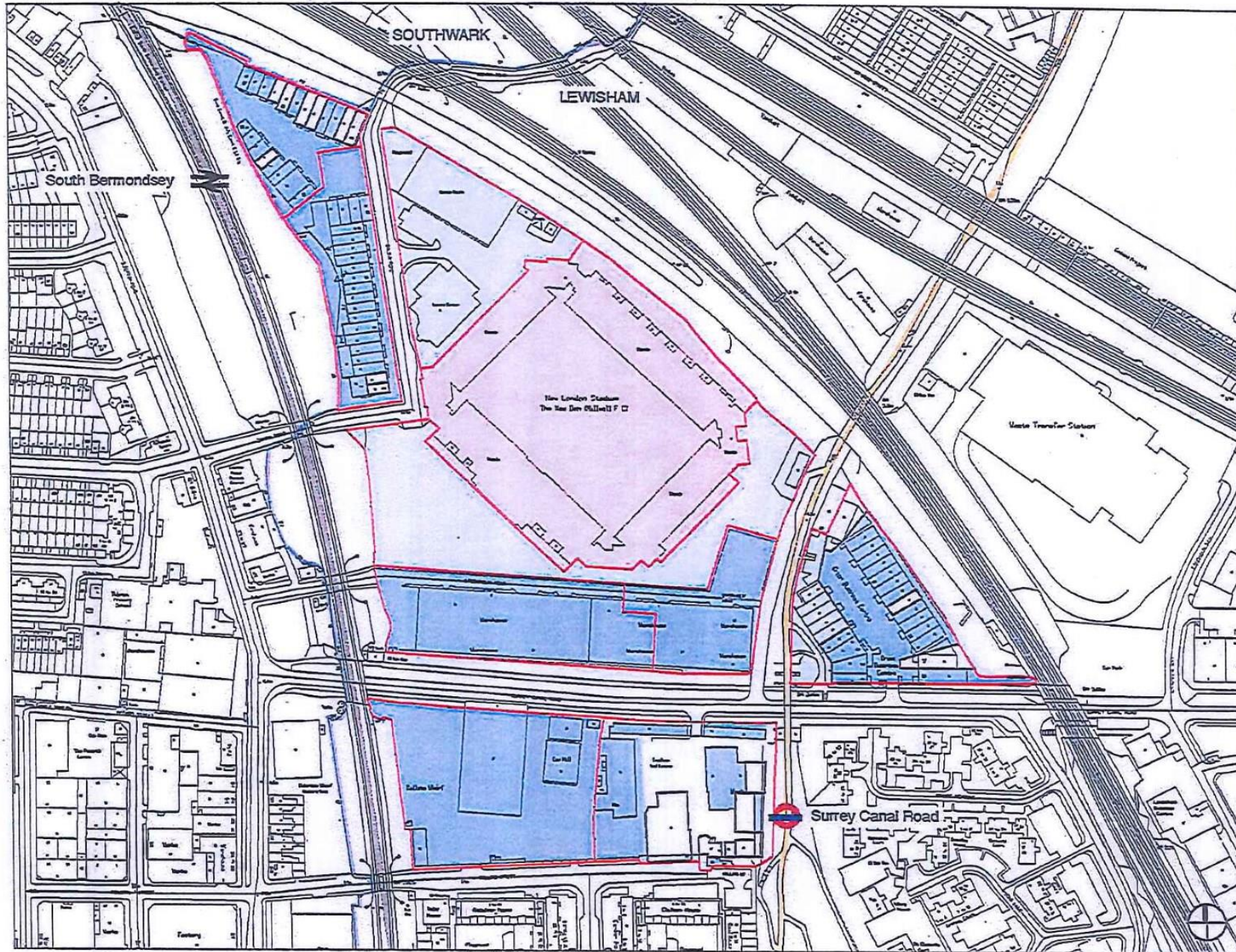
Yours sincerely,

Rob Holmans
Director of Regeneration & Asset Management

Cc: Abdul Qureshi, Head of Asset Strategy & Development (Interim)

Cc: John Miller, Head of Planning

Cc: Demos Kouvaris, Chief Operating Officer and Chief Finance Officer, Chestnut Hill Ventures LLC, 60 William Street, Suite 230 Wellesley MA 02481



KEY

- Renewal Owned
- Heads of Terms Agreed with London Borough of Lewisham and TFL
- Land to be Acquired
- Millwall FC (owned by London Borough of Lewisham leased to Millwall FC)
- Site Boundary
- Borough Boundary
- National Rail Line
- East London Line
- South Bermondsey Station
- Surrey Canal Road Station





EVERSHEDS



Mr Holmans
Director of Regeneration & Asset Management
London Borough of Lewisham
Laurence House
Cattord Road
London
SE6 4RU

Date 25 September 2013
Your ref GRIMBLR/156536-000009
Our ref 0845 497 4983
Direct dial 0845 497 4983
Direct fax 0845 497 4919
johngrimbley@eversheds.com

Dear Sir

Surrey Canal Triangle Regeneration Scheme

We have been instructed by The Millwall Football and Athletic Company (1985) PLC following the Council's decision taken at Cabinet on 11 September 2013 to authorise entry into a conditional contract with Renewal Limited in relation to lands adjoining The Den.

We are unable to understand how, in the light of the Council's responsibilities, it can authorise concluding such a contract with Renewal Limited, without providing an opportunity for our client to make a bid for the lands in question. We have been advised that our client has been seeking to acquire these interests for an extended period and that detailed proposals for the development of this land have been presented to and discussed with the Council within the last month.

It is therefore extraordinary that the report to Cabinet included no mention of such proposals and that the only reference to the Club is simply a reference to correspondence with our client and "that negotiations are still taking place". It appears that the requirement that the Council should obtain the best consideration reasonably obtainable under section 123 of the Local Government Act 1972 has been wholly ignored. The existence of a prospective purchaser of land, in particular one who wishes to develop that land with their own adjoining land, is a fundamental consideration which the Council must take into account in reaching any decision to dispose of its own land.

As a consequence we believe that the Council's decision is fundamentally flawed and we must seek your undertaking by return that the Council will not enter into any agreement to dispose of the land to Renewal Limited (or any other person or entity) until a proper opportunity has been given to our client to bid for this land in a fair and transparent process.

In the absence of receipt of such an undertaking, our client reserves its right to take such further steps as it considers appropriate without further reference to you.

Yours faithfully

Eversheds LLP

Eversheds LLP

Eversheds LLP
One Wood Street
London
EC2V 7WS

Tel 0845 497 9797
Fax 0845 497 4919
Int +44 20 7919 4500
DX 154280 Cheapside 8
www.eversheds.com



lon_1101\95215601\volke

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John Grimbley
Eversheds
One Wood Street
London
EC2V 7WS

Rob Holmans
Director of Regeneration & Asset
Management
Laurence House
Calford
London SE6 4RU

direct line 020 8314 7908
fax 020 8314 3642
rob.holmans@lewisham.gov.uk

date 3rd October 2013
our reference
your reference

Dear Sir,

I refer to your letter of 25 September 2013 and note that you are instructed on behalf of Millwall FC.

I am sure you will be aware of the lengthy correspondence that has taken place between the council and your client over a long period of time, so I will not repeat the points we have made to your client on numerous occasions.

The Council is fully aware of the requirements of S.123 Local Government Act 1972 and has been independently advised on these aspects in detail, including appropriate independent valuation advice.

As stated in my letter of 6th September to your Client, and on a number of occasions previously, the Council's position remains that if its objectives for the area are to be realised, the Council's intention is move forward with the redevelopment of the area with Renewal without further delay. To this end, the Council's Mayor & Cabinet on 11th Sept 2013 has resolved to dispose of the Council's freehold interest in the Club's and the Scheme's land to Renewal.

The Council therefore intends to continue to press ahead with realisation of its objectives for the regeneration of the site and the wider area.

The Council's clear wish, which has been communicated to your Client, is to try and achieve negotiated agreements for the acquisition of all remaining third party interests, including that of your Client and this has been the objective since the Council's Mayor & Cabinet "in principle" CPO decision of 7th March 2012.

My offer remains to invite your client to reach a negotiated settlement with the Council and Renewal, which would avoid unnecessary costs on both sides. I would welcome a meeting with them to discuss the terms for acquisition/re-grant of the Club's leasehold interest in more detail at the earliest opportunity. As you know, Renewal have already acquired the majority of the development area and I do hope that the Club will agree to work together with the Council and Renewal and support them in bringing forward the comprehensive scheme, so that the Club and others can all benefit from these exciting regeneration proposals.

No doubt you will convey the above back to your client, and I look forward to hearing from you or your client in due course.

Regards.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rob Holmans', with a horizontal line underneath.

Rob Holmans
Director of Regeneration & Asset Management

cc. Abdul Qureshi, Head of Asset Strategy & Development (Interim)

cc. John Miller, Head of Planning

CBRE

CBRE Limited
St. Martin's Court
10 Paternoster Row
London EC4M 7HP



Switchboard +44 (0)20 7182 2000
Fax +44 (0)20 7182 2001
Direct line +44 (0)207 182 3474
Direct Fax +44 (0)207 182 3002
matthew.black@cbre.com

R. Holmes Esq
Interim Director of Regeneration & Asset Management
Lawrence House
Calford
London SE6 4RU

06 November 2013

Dear Mr Holmes

MILLWALL FOOTBALL CLUB / SURREY CANAL TRIANGLE SITE - STRICTLY SUBJECT TO CONTRACT

We are instructed by MFC.

I have seen correspondence indicating that the Council intends to sell its freehold interests in The Lion's Centre (presently occupied by the Millwall Community Scheme) and in parts of the land presently leased to MFC. I do not know the exact location and/or areas of the sites to be sold.

As you are aware, my client is interested in bidding for those interests and I would be grateful if you would let me know the terms (including price and other material issues) of any sale that you may have negotiated.

I would be most grateful for your confirmation and undertaking that no commitment to sell will be entered into by the Council before my client has had a chance to make its bid.

Yours sincerely

MATTHEW BLACK
SENIOR DIRECTOR



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Matthew Black
CBRE
10 Palermosler Row
London
EC4M 7HP

Rob Holmans
Director of Regeneration & Asset
Management
Laurence House
Catford
London SE6 4RU
direct line 020 8314 7908
fax 020 8314 3642
rob.holmans@lewissham.gov.uk
date 13th November 2013
our reference
your reference

Dear Mr Black

Thank you for your letter dated 6 November and I note that you are instructed by Millwall FC ("MFC").

I also note that MFC is interested in bidding for the Council's freehold interest in the Lion's Centre and parts of the land leased to MFC. Whether it proceeds to do so is a matter for MFC.

I cannot disclose to you the terms of the sale to Renewal for reasons of commercial confidentiality. I can however confirm that we have been independently advised that the deal represents the best consideration reasonably obtainable in all the circumstances.

The Council is not prepared to give any confirmation or undertaking in the terms requested in the final paragraph of your letter.

Yours sincerely,

Rob Holmans
Director of Regeneration & Asset Management

Cc: Abdul Qureshi, Head of Asset Strategy & Development (Interim)
John Miller, Head of Planning