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***The Garden Bridge South Landing building and
adjacent land***

Deed of Variation

Heads of Terms for Land Interest Restructure

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	SYNOPSIS OF THE PROPOSAL
1: Synopsis:	<p>The Garden Bridge Trust (GBT Lessee) has secured consent (Ref: 14/02792/FUL) subject to completion of a Section 106 legal agreement for construction of a pedestrian Bridge spanning the Thames from Temple Station on the North Bank to The Queens Walk on the South Bank, to include a single-storey landing building, as detailed below (the Approved Development). The Bridge will feature trees and gardens and be open (save for limited closures as defined in the S106) to the public. It will be managed by the GBT Lessee.</p> <p>A new single-storey landing building (South Landing Building) will be constructed on the South Landing Site (outlined red on Plan 1 (to be provided and agreed)) and will include the southern exit/entrance for the Bridge arranged at podium level above flexible A1 and/or A3 and/or D1 floorspace accommodation (shaded red on Plan 2) together with operational accommodation for the Bridge (shaded green on Plan 2 (to be provided and agreed)). Access to The Queens Walk from the podium level will be via two staircases, with two lifts providing disabled access.</p> <p>The Mayor and Burgesses of the London Borough of Lambeth (Lessor) owns the freehold of the South Landing Site and part of the wider South Bank open space and walkway, which is subject to a lease (the "Lease") dated 9 April 1992 to Coin Street Community Builders Limited (CSCB Lessee) with approximately 75 years unexpired (with a right to renew on the same terms for an additional 99 years).</p> <p>The terms of the Lease prohibit construction of permanent buildings and also include use restrictions.</p> <p>The CSCB Lessee and LBL will enter into a deed of variation of the Lease making suitable variations to allow the construction of the South Landing Building and the Bridge and to deal with any necessary change of use provisions in respect of the use of the South Landing Building.</p> <p>Upon completion of the deed of variation the CSCB</p>

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	<p>Lessee will simultaneously grant an underlease of part (i.e. of the South Landing Site) and an airspace lease as appropriate, to the GBT Lessee for a term of years which is three days less than the length of the term then remaining under the Lease and the GBT Lessee will simultaneously grant a sublease of part back to the CSCB Lessee of the A1 and/or A3 and/or D1 accommodation within the South Landing Building for a term which is five days less than the term then remaining under the Lease.</p> <p>NB: Timing of land interest restructures TBC: The GBT Lessee is seeking to enter into its sublease prior to construction to satisfy investors. Completion of the deed of variation must occur before the Section 106 Agreement is entered into to ensure the parties entering into the Section 106 Agreement have an interest in land (separate heads of terms will need to be agreed between CSCB and GBT).</p> <p>For the avoidance of doubt the guarantee from The Greater London Authority in the leasehold documents is without prejudice to and does not discharge the obligations which require guaranteeing in the Section 106 Agreement.</p> <p>For the avoidance of doubt the maintenance obligation in the varied Headlease, the Underlease and the Sub underlease must include keeping the commercial unit in good and substantial repair and condition.</p> <p>The varied Headlease will place all associated maintenance and management of that part of the Garden Bridge which is within LB Lambeth's freehold and associated structures, off site impacts (including public realm areas) and upkeep of the environment around it onto the CSCB Tenant who will in turn pass it on to the GBT in the Underlease. In the context of its s106 responsibilities it is acknowledged that CSCB will incur a certain evidenced level of costs.</p> <p>The parties will endeavour to co-operate with ITV's future aspirations regarding the redevelopment of their existing adjacent building and its relationship with the Garden Bridge South Landing building.</p>
2. Planning	References in these heads of terms to Planning

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Permission	Permission shall be a reference to the principal planning decision 14/02792/FUL together with all subsequent or additional permissions or revisions or approval of reserved matters issued under or in connection with it and any planning obligation arising therefrom.
3. Approval:	These heads of terms remain subject to contract and subject to the approval of the appropriate parties. Until the parties respective solicitors have prepared and completed all relevant legal documentation there is no final agreement between the parties.
4. GBT Guarantor	<p>The Mayor's Decision MD1472 (4 June 2015) approves the provision of a surety and/or guarantor and/or legal instrument guaranteeing GBT's obligations in relation to that part of the Garden Bridge falling within LB Lambeth's freehold.</p> <p>The identity of the guarantor is understood to be The Greater London Authority.</p> <p>LB Lambeth will require the benefit of the guarantee for both the construction of that part of the Bridge within LB Lambeth's freehold and the ongoing liability of the GBT Lessee in the underlease for the maintenance repair and operation of that part of the Bridge within LB Lambeth's freehold.</p> <p>Guarantee to extend to successor bodies of the guarantor</p>
<p><u>Varied Headlease and the Underlease</u></p> <p>It is envisaged that the deed of variation of the Headlease and the grant of the new Underlease will be completed simultaneously, with an agreed form of draft occupational/commercial sub-underlease being annexed thereto.</p> <p>These Heads of Terms include the proposed main terms of the deed of variation of the Headlease, together with LB Lambeth's requirements for the terms of the proposed underlease to GBT.</p> <p>NB: The remaining sub-underlease is to be drafted by CSCB and GBT and is to be subject to LB Lambeth's approval.</p>	
Parties	
1. Lessor:	Mayor and Burgesses of the London Borough of

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	<p>Lambeth Lambeth Town Hall, Brixton Hill, London SW2 1RW (the Council)</p> <p>Lessor's Legal Advisor – Legal Services, London Borough of Lambeth, Phoenix House, Vauxhall, London</p>
2. CSCB Lessee:	<p>Coin Street Community Builders Limited of Coin Street, Neighbourhood Centre, 108 Stamford Street. London SE1 9NH</p> <p>CSCB Lessee's Legal Advisor – Berwin Leighton Paisner of Adelaide House London Bridge London EC4R 9HA</p>
GBT Lessee (<i>for purposes of underlease referred to below</i>)	<p>Lessee's agent – tbc</p> <p>GBT Lessee's Legal Advisor – Bircham Dyson Bell of 50 Broadway London SW1H 0BL</p>
The Existing CSCB Lease:	<p>Premises on the South Bank of the River Thames</p> <p>Date: 9 April 1992 Term: 99 years from 9 April 1992 Rent: a peppercorn Parties: (1) London Residuary Body (2) Coin Street Community Builders Limited</p>
Guarantor for the GBT Lessee	<p>The Greater London Authority of City Hall, The Queen's Walk, London SE1 2AA</p>
The deed of variation to the Headlease:	<p>Premises on the South Bank of the River Thames</p> <p>Date: [xxxx 20..] Term: Unchanged Income share: See income share section below Parties: (1) London Borough of Lambeth (2) Coin Street Community Builders Limited</p>
<u>Varied Headlease terms</u>	
Terms Generally	<p>The varied headlease is intended to retain most of the provisions contained in the existing 1992 lease,</p>

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	including (but not limited to) dilapidations, upkeep, user, repairs, alienation, alterations, save for the new South Landing Building where there will need to be different requirements in terms of user, alienation etc. which would be required to effect its construction and operation.
Alienation	Not permitted save for the grant of the underlease to GBT and a sublease of an electricity sub-station location tbc.
Income share	A mechanism for income share is to be included to ensure LB Lambeth's fiduciary obligations are met and adequately served. See separate heads of terms.
Use	As per the Planning Permission
Alterations	As per the Planning Permission
Indemnification as to costs	The GBT Lessee is to pay (and if necessary indemnify the Lessor and the CSCB Lessee against) all statutory costs, charges and other taxes in connection with the variation of the Lease. For the avoidance of doubt this shall include VAT and Stamp Duty, where relevant.
Costs	<p>The GBT Lessee shall bear all the reasonable costs including fees, disbursements and taxes and all charges of whatever nature arising from this transaction incurred by LB Lambeth and the CSCB Lessee (whether or not the matter proceeds to completion). LB Lambeth's and the CSCB Lessee's fees and costs will include but are not limited to:</p> <ul style="list-style-type: none"> a) Solicitor's costs in the preparation of legal documents and related work; b) Surveyor's costs both external and internal; c) Accountants and other costs; d) Planning consultant's costs; e) Internal project officer and project planner costs; f) Any other consequential costs. <p>All costs to be reimbursed on demand based on cost of time spent. Relevant, additional, solicitor's undertakings will be required at the appropriate time.</p>

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<u>Licence for Alterations and other terms</u>	
Consent	The CSCB Lessee the GBT Lessee and the Guarantor will have obtained LB Lambeth's prior approval, in its capacity as superior landlord, to the works comprising that part of the Approved Development which is on or over the land demised by the varied headlease and the underlease, such approval to be contained in a formal Licence for Alterations document to be entered into by the CSCB Lessee the GBT lessee and the GBT Guarantor in a form required by LB Lambeth.
Works	<p>The works for which permission is to be given will be a comprehensive development of the South Landing Site in accordance with the Planning Permission and detailed plans to be approved by LB Lambeth.</p> <p>That part of the Approved Development which is built on or over LB Lambeth's freehold land is to be carried out in a good and workmanlike manner, in accordance with the Planning Permission and with building regulations and all other statutory and other requirements, the accepted, signed contract tender documents and any correspondence varying the tender, approved plans and specifications and any other further detailed plans and specifications as may be approved by LB Lambeth.</p> <p>If the entirety of the Garden Bridge has not been Practically Completed within a set period of time from the date of the deed of variation then the South Landing Building and all works permitted by the licence for alterations must be removed and the land reinstated to its former condition at no cost to LB Lambeth.</p>
Building footprint	The building footprints for the South Landing Building will be in accordance with the Planning Permission.
Rights of Light	The GBT Lessee, at its expense, is to negotiate and settle all claims in respect of rights of light relevant to the Approved Development and to make copies of all the documentation confirming the same available to the Lessor insofar they relate to LB Lambeth's property.
Indemnity during	The GBT Lessee will indemnify (backed by

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<p>construction against breaches</p>	<p>insurance as necessary) LB Lambeth and the CSCB Lessee against any claims including costs brought against LB Lambeth by third parties in relation to the GBT Lessee's actions during the carrying out of the Approved Development.</p>
<p>Variations</p>	<p>All Variations to the Approved Development in as far as it affects the South Landing Building are to be presented to LB Lambeth and the CSCB Lessee for information and/or approval in advance.</p> <p>The GBT Lessee will have the ability to make the following variations to the Approved Development without LB Lambeth's consent (but without prejudice to LB Lambeth's role as the Local Planning Authority):</p> <ul style="list-style-type: none"> • Those that do not increase height or width by more than [500mm]; • Those that do not require a revised Planning Permission or an additional Planning Permission provided that they do not result in a change in the total net lettable floor area of the South Landing Building of more than [10%], subject to notification of the changes. <p>The Lessee will require the Lessor's consent to variations that :</p> <ul style="list-style-type: none"> • result in a material change to the design and/or appearance of the Bridge • require a revised Planning Permission or an additional Planning Permission, or • result in a material alteration either to the value of that part of the Approved Development within LB Lambeth's freehold or the Area within the South Landing Building (within the plus or minus [10%] tolerance on each Area which is permitted with the prior consent of the CSCB such consent not to be unreasonably withheld or delayed).
<p>Insurance</p>	<p>The GBT Lessee to insure in joint names (of LB Lambeth and the CSCB Lessee) the Approved Development for the duration of construction for its full reinstatement value including demolition, fees and local authority charges, and terrorism cover (if reasonably obtainable).</p>

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Drawings	LB Lambeth and the CSCB Lessee are to be provided with three complete sets of as-built drawings in paper and electronic form, together with a copy of a full services manual and of all manufacturers' guarantees in relation to mechanical and electrical systems for the South Landing Building within [six] months of Practical Completion.
Collateral Warranties	The GBT Lessee to provide the CSCB Lessee and LB Lambeth with legally binding collateral warranties in an institutionally acceptable contemporary form to include appropriate PII, PL, and EL minimum sums in forms approved by LBL/CSCB from or binding Third Parties Acts rights against the core professional team (Architect, Project Manager, Structural Engineer and Mechanical & Electrical Engineer and any other professional with design responsibilities) together with the principal contractor by way of deeds (or equivalent third party rights) to last for a period of no less than 12 years.
Measurement	As soon as is practicable and no later than 20 working days from Practical Completion, the GBT Lessee, at its expense, shall procure measurement of the Retail Accommodation within the South Landing Building by an independent third party surveyor, in order to establish the Areas for record purposes. Measurements in accordance with the RICS Code of Measuring Practice (version xx)
Heads of Terms in respect of the approximately 75 year less 5 days Underlease of Part to the GBT	
a. CSCB Lessee	Coin Street Community Builders Limited (landlord)
b. GBT Lessee:	The Garden Bridge Trust (tenant)
c. Tenant's Guarantor	The Greater London Authority (guarantor)
NB: For the avoidance of doubt, LB Lambeth will require the following key provisions to be incorporated into the underlease, with the full form of the underlease to be agreed by LB Lambeth in its absolute discretion and with a direct covenant from GBT and its guarantor to	

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LB Lambeth to perform the underlease covenants	
<p>NB: If CSCB exercises its option contained in the 1992 lease to take a new lease then LBL and CSCB will have the benefit of a put option to make GBT take a new underlease from CSCB for the same term as CSCB's new sublease less [5] days.</p>	
1 .	<p>Suitable pre-conditions are included and met before the commencement of development, in accordance with the planning permission and Section 106 Agreement and relevant development obligations.</p> <p>LB Lambeth and CSCB Lessee are to be satisfied regarding the covenant strength of GBT when combined with the covenant strength of its guarantor before construction can begin.</p>
2.	<p>An income share mechanism (whereby an agreed percentage of income will be shared) is to be included to ensure the fiduciary obligations of LB Lambeth are met and adequately served (separate heads of terms are being negotiated).</p>
3.	<p>GBT's guarantor to be included (see above).</p>
4.	<p>Adequate maintenance provisions to the lessor's and head lessor's complete satisfaction (to include KPIs/SLA as required)</p>
5.	<p>Tenant to be responsible for maintaining the WC provision as approved by the planning committee.</p>
6.	<p>LB Lambeth's consent required for all future and/or simultaneous sub-under leases and sub-sub-underleases.</p>
7.	<p>LB Lambeth's approval of the proposed use will be required.</p>
8.	<p>LB Lambeth's approval of any substantial refurbishments works and alterations will be required.</p>
9.	<p>LB Lambeth's approval of shop fronts will be required (such approval not to be unreasonably withheld or delayed).</p>
10.	<p>Crime and Terrorism strategy to be approved by LB Lambeth.</p>
11.	<p>Reinstatement on expiry at LB Lambeth's sole discretion</p>

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	(needs to tie in with varied headlease).
12.	Other terms to be included as deemed appropriate by the parties' solicitors.
13.	Suitable dispute resolution mechanism to be included.