

3 July 2019

**US Bank Trustees Limited**

**(in its capacity as Issuer Security Trustee)**

125 Old Broad Street

London EC2N 1AR

Attention: Structured Finance Relationship Management

Delivered by email to [laurence.griffiths@usbank.com](mailto:laurence.griffiths@usbank.com)

Copy to: **UPP Bond 1 Issuer PLC**

40 Gracechurch Street

London EC3V 0BT

Attention: Company Secretary

Delivered by email to [moji.fatoye@upp-ltd.com](mailto:moji.fatoye@upp-ltd.com)

Dear Sirs

**MA Proposal Request related to UPP (Exeter) Limited and a Deed of Novation**

**Monitoring Adviser Recommendation**

We refer to UPP Bond 1 Issuer PLC's ("Issuer's") MA Proposal Request dated 21 June 2019 (copy attached for ease of reference) addressed to yourselves and ourselves (the "**MA Proposal Request**") as the Monitoring Adviser, pursuant to the terms of the Monitoring Services Agreement dated 5 March 2013 (the "**MSA**") and our subsequent Category Determination dated 1 July 2019 (copy attached).

Terms defined in the Common Terms Agreement dated 5 March 2013 between, amongst others, Issuer, ParentCo and the Issuer Security Trustee shall have the same meaning in this Monitoring Adviser Recommendation, unless specified as being defined elsewhere or in the MA Proposal Request.

The Monitoring Adviser has prepared this Monitoring Adviser Recommendation based upon information received by the Monitoring Adviser from the Issuer. This Monitoring Adviser Recommendation has not been prepared on the basis of any information that has been identified as Inside Information. The Monitoring Adviser has no responsibility for the adequacy or accuracy of any of the information or documentation provided to it in connection with the services provided by it under the MSA and the Monitoring Adviser may act on the opinion or advice of, or a certificate or any information from, advisers or experts. In preparing this Monitoring Adviser Recommendation the Monitoring Adviser has performed only those services it is obliged to carry out in accordance with the MSA and has done so in accordance with the Monitoring Standard. The Monitoring Adviser is not a fiduciary and is not liable for any loss, liability, claim, expense or damage suffered or incurred by any Holders of Securities, any other Issuer Secured Creditor, the Issuer, the ParentCo, any AssetCo or any other transaction party with respect to the performance of its obligations under the MSA or the Issuer Deed of Charge, save for any loss suffered by the Holders of Securities resulting from its fraud, gross negligence or wilful default.

The Monitoring Adviser makes no representation or warranty, express or implied, that the documentation and opinions referred to herein, or the information contained or the assumptions on which they are based are accurate, complete or up-to-date in each case other than the opinions of the Monitoring Adviser as at the date of this Monitoring Adviser Recommendation based upon such information. The Monitoring Adviser has no obligation to update any such opinions other than in accordance with its obligations under the MSA.

PAGE 1 OF 2

This Monitoring Adviser Recommendation is not a recommendation or inducement to buy, sell or hold any securities (including those issued by the Issuer).

Pursuant to Clause 3 (*Monitoring Adviser Recommendation*) and Clause 4 (*MA Direction Matter*) of Schedule 2 (*AssetCo Monitored Activity Decision Procedures*) of the MSA it is our Monitoring Adviser Recommendation that the Issuer Security Trustee approves (and we hereby direct the Issuer Security Trustee to approve) the MA Proposal Request on behalf of the Issuer Secured Creditors subject to:

- i. the final signed Deed of Novation and Collateral Warranty being materially consistent to the drafts attached as Annex A and Annex B to the MA Proposal Request.
- ii. A copy of the signed Deed of Novation and Collateral Warranty being provided to the Monitoring Adviser and the Issuer Security Trustee for their records.
- iii. The Deed of Novation being designated a Project Document, further to the agreement being novated that was originally entered into on or around 13 July 2017 for BP to provide independent certifier services in relation to remediation works at the University of Exeter having also been designated a Project Document.

The reasons for our Monitoring Adviser Recommendation are that the proposed Deed of Novation and Collateral Warranty (as defined in the MA Proposal Request) are not expected to adversely affect the interests of the Issuer Secured Creditors.

Specifically, we note:

- LLP, under the Deed of Novation, has taken on all past, present and future liabilities of BP in relation to the roles contemplated pursuant to the Defects Proposal Request.
- Entry into the proposed Deed of Novation and Collateral Warranty effectively remedies a situation that has arisen pursuant to the BP actions advised in the MA Proposal Request, ensuring that Issuer Secured Creditors' position remains, in relation to the BP services contemplated pursuant to the Defects Proposal Request, protected.
- Entry into the proposed Deed of Novation and Collateral Warranty (the "**Draft Documents**") is contemplated on terms materially consistent with the provisions of the original agreements entered into pursuant to the Defects Proposal Request. The Draft Documents have been reviewed on our behalf by independent legal counsel appointed by Bishopsfield Capital Partners Limited to confirm this.
- The Issuer has confirmed that it and the AssetCo have made all necessary notifications as summarized in paragraph 4.5 of the MA Proposal Request, including to the University of Exeter.
- LLP's public liability insurance is consistent to that previously advised as being in place in relation to BP.

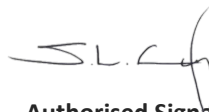
Noting the Issuer's comments in paragraph 2.7 of the MA Proposal Request, we have reminded the Issuer of the importance of ensuring that the various AssetCos understand the importance of adherence to any provisions of the Transaction Documents and any consents granted by Issuer Secured Creditors pursuant to the Finance Documents.

Yours sincerely,

For and on behalf of Bishopsfield Capital Partners Ltd, as Monitoring Adviser



**Authorised Signatory**



**Authorised Signatory**

Encl.

- MA Proposal Request dated 21 June 2019
- Category Determination dated 1 July 2019