

31 March 2022

**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 Limited ("ParentCo")**

First Floor

12 Arthur Street

London EC4R 9AB

Attention: Company Secretary

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

Dear Sirs

**MA Proposal Request dated 30 March 2022 - Monitoring Adviser Recommendation**

We refer to UPP Bond 1 Limited's MA Proposal Request dated 30 March 2022 (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 31 March 2022.

Terms defined in the Common Terms Agreement dated 5 March 2013 between, amongst others, 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 does not owe any fiduciary duty to any Holder of Securities 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.

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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.

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 Consent (as defined in the MA Proposal Request) on behalf of the Issuer Secured Creditors on the condition that:

- ParentCo provides to the Monitoring Adviser a written update, to be delivered by close of business on every Business Day until all of the outstanding Remediation Documents have been delivered to the Issuer Security Trustee and the Monitoring Adviser as required under the December 2021 MA Proposal Request, summarising the status of the signing and delivery of the outstanding Remediation Documents, including commentary relative to any risks to delivery before the Delivery Date; and
- All conditions associated with the Monitoring Adviser Recommendations issued on 23 December 2021 and 25 February 2022 (included as Schedules 2 and 3 to the MA Proposal Request) being satisfied.

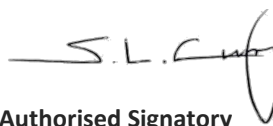
The reason for our Monitoring Adviser Recommendation is that agreeing to the extension to the Delivery Date is not materially prejudicial to the Issuer Secured Creditors.

Yours sincerely,

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



**Authorised Signatory**



**Authorised Signatory**

Encl.

- MA Proposal Request, noting that the three schedules to the MA Proposal Request are available at [Announcements - UPP Ltd \(upp-ltd.com\)](https://www.upp-ltd.com/announcements) and are therefore not appended hereto.

Bishopsfield Capital Partners Limited  
Bridge House, 181 Queen Victoria Street London EC4V 4EG  
(the "Monitoring Adviser")  
For the attention of the Monitoring Adviser Team

U.S. Bank Trustees Limited  
125 Old Broad Street  
London EC2N 1AR  
(the "Issuer Security Trustee")  
For the attention of the Structured Finance Relationship Manager

30 March 2022

Dear Sirs,

**Proposed consent relating to the £5,000,000,000 Multicurrency Programme for the Issuance of Senior Secured Notes (the "Programme") of UPP Bond 1 Limited, UPP Bond 1 Holdings Limited and UPP Bond 1 Issuer Plc**

## **1. INTRODUCTION**

- 1.1 Unless otherwise defined in this MA Proposal Request, terms defined in the Common Terms Agreement dated 5 March 2013 (as amended from time to time) (the "**CTA**"), or the Monitoring Services Agreement dated 5 March 2013 between, amongst others, UPP Bond 1 Limited and the Monitoring Adviser (the "**MSA**") shall have the same meaning when used in this MA Proposal Request.
- 1.2 We refer to the CTA and the MSA. This letter constitutes an "**MA Proposal Request**".
- 1.3 The letter constitutes a "Finance Document" for the purposes of the CTA.

## **2 BACKGROUND**

### ***Construction works at Francis Drake student accommodation (the "Property")***

- 2.1 As referenced in UPP Bond 1 Limited's MA Proposal Request dated 20 December 2021 (the "**December 2021 MA Proposal Request**") (see Schedule 1) and the MA Recommendation dated 23 December 2021 (see Schedule 2), certain remedial works (the "**Remediation Works**") have commenced at the Property located on the University of Plymouth's (the "**University**") campus. These works are instructed by UPP (Plymouth Three) Limited ("**UPP Plymouth Three**"), an AssetCo in the Programme, which holds a leasehold interest in the Property.
- 2.2 UPP Plymouth Three entered a building contract with Kier Construction Limited ("**Kier**") on 23 December 2021 to deliver the Remediation Works.

### ***Monitoring of the Remedial Works***

- 2.3 Certain reporting requirements are set out in paragraph 2.24(b) of the December 2021 MA Proposal Request. These reporting requirements have been delivered in accordance with the MA Proposal Request to date and demonstrate that the Remediation Works are on course to reach practical completion in July

2022. The MA Recommendation of 23 December 2021 contains certain Key Milestone Dates, which were updated as part of UPP Plymouth Three's March reporting relating to the Remediation Works (with an enhanced report submitted to the Monitoring Adviser and Issuer Security Trustee on 14 March 2022). We confirm that those revised Key Milestone Dates remain our most accurate projection of delivery at the time of this MA Proposal Request.

### ***Delivery of Remediation Documents referred to in the December 2021 MA Proposal Request***

- 2.4 Paragraph 2.22 of the December 2021 MA Proposal Request, refers to certain Remediation Documents that will be procured by UPP Plymouth Three and entered into in relation to the Remediation Works.
- 2.5 The Remediation Documents more specifically described at paragraph 2.22(a) – (c) and paragraph 2.22 (f) of the December 2021 MA Proposal Request, have been entered and delivered, together with those Remediation Documents listed as being in favour of the Security Trustee at paragraph 2.22(d) of the December 2021 MA Proposal Request.
- 2.6 The Remediation Documents referred to at paragraph 2.22(e) of the December 2021 MA Proposal Request and those for the benefit of the University at paragraph 2.22(d) of the December 2021 MA Proposal Request have not yet been entered into.
- 2.7 Each of the documents referenced in paragraph 2.6 of this MA Proposal Request are required to be delivered by 31 March 2022 (the “**Delivery Date**”), in accordance with the MA Recommendation (see Schedule 3) dated 25 February 2022 (which followed an MA Proposal Request to extend the original deadline for delivering the documents referred to in paragraph 2.6 of this MA Proposal Request from 28 February 2022).

## **3 MA PROPOSAL REQUEST**

- 3.1 Paragraph 1.1.2 of Part 3 of Schedule 3 to the Issuer Deed of Charge provides that the Group Agent shall be entitled to request that the Issuer Security Trustee concurs in making any consent in respect of any Common Document. We confirm that for the purposes of the Monitoring Services Agreement, extending the Delivery Date (referred to at paragraph 2.6 above) would, if implemented, fall within the definition of AssetCo Monitored Activities.
- 3.2 Given paragraph 3.1 above, we are seeking consent to extend the Delivery Date for provision of the Remediation Documents referred to in paragraph 2.22(e) of the December 2021 MA Proposal Request and those for the benefit of the University in paragraph 2.22(d) of the December 2021 MA Proposal Request, to 22 April 2022 (the “**Consent**”).
- 3.3 This letter constitutes an MA Proposal Request. As such, each Issuer Secured Creditor and Obligor has agreed to be bound by the provisions of the Monitoring Services Agreement with respect thereto.
- 3.4 We hereby confirm that, in our reasonable opinion, (i) the matters set out in this MA Proposal Request constitute an Ordinary Matter, (ii) the Consent would not give rise to the right of any Issuer Secured Creditor to exercise an Entrenched Right and (iii) it is open for the Monitoring Adviser to treat the AssetCo Monitored Activities constituted by the Consent as an MA Direction Matter for the purposes of the Monitoring Services Agreement because none of the matters are required to be treated as an ISC Direction Matter or an ISC Recommendation Matter. Further extending the Delivery Date for provision of the documents referred to in paragraph 2.6 above in no way impacts on the delivery of the Remediation Works (which are progressing

well, as per paragraph 2.3 above) and would not give rise to a Materially Adverse Effect on the consolidated financial position of the Programme. Further we are making significant progress in relation to the agreeing the Remediation Documents referred to in paragraph 2.6 and remain confident that extending the Delivery Date for one calendar month will prove sufficient to satisfy the relevant requirements of the December 2021 MA Proposal Request.

3.5 In connection with the Monitoring Adviser's consideration of this MA Proposal Request, we hereby confirm that by signing the same we are confirming our view that the Consent referred to herein would (if implemented in accordance with the terms of this letter), in our reasonable opinion, not prejudice the rights of the Issuer Secured Creditors.

3.6 In addition, we confirm that:

3.6.1 no Distribution will be made from the Programme prior to August 2022; and

3.6.2 we will procure delivery of each of the relevant Remediation Documents as required under the December 2021 MA Proposal Request promptly following each such Remediation Document's execution.

#### **4 REQUEST OF THE MONITORING ADVISER AND ISSUER SECURITY TRUSTEE**

4.1 We hereby request that the Monitoring Adviser:

4.1.1 as soon as reasonably practicably and, in any event, within 5 Business Days of receipt hereof, confirms that granting the Consent constitutes, in its reasonable opinion, an MA Direction Matter (the date of such confirmation being the Category Determination Date) (the "**Category Determination**"); and

4.1.2 as soon as reasonably practicable and, in any event, within 10 Business Days of the Category Determination Date in respect of this MA Proposal Request (as defined pursuant to sub-paragraph (4.1.1) above), notify the Issuer Security Trustee of its Monitoring Adviser Recommendation to grant the Consent as defined herein.

4.2 Subject to the Monitoring Adviser having given the Category Determination and the Monitoring Adviser Recommendation referred to in paragraph 4.1 above, we hereby further request that the Issuer Security Trustee, without further reference to or instructions from the Issuer Secured Creditors approves the MA Proposal Request on behalf of the Issuer Secured Creditors in accordance with the directions of the Monitoring Adviser (and subject to any such conditions as the Monitoring Adviser may require)

#### **5 GOVERNING LAW AND JURISDICTION**

Clauses 17.1 and 17.2 of the Monitoring Services Agreement shall apply mutatis mutandis to this letter except that any references therein to "this Agreement" shall, for the purposes of this MA Proposal Request, be deemed to be a reference to "this MA Proposal Request".

Yours faithfully

A handwritten signature in black ink, consisting of several fluid, connected strokes.

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**Director**

**UPP Bond 1 Limited**  
(as the ParentCo and Group Agent)

**Schedule 1**  
**MA Proposal Request dated 20 December 2021**

**Schedule 2**  
**MA Recommendation dated 23 December 2021**



**Schedule 3**  
**MA Recommendation dated 25 February 2022**

Acknowledgement and agreement of the Issuer Security Trustee:

To: UPP Bond 1 Limited (as the ParentCo and Group Agent)

Copy: Bishopsfield Capital Partners Limited (as the Monitoring Adviser)

We refer to the MA Proposal Request dated \_\_\_\_ [\*\*\*] 2022 and the Monitoring Adviser Categorisation dated \_\_\_\_ [\*\*\*] 2022 and the Monitoring Adviser Recommendation dated \_\_\_\_ [\*\*\*] 2022 in respect thereof.

Without further reference to or instructions from the Issuer Secured Creditors, we hereby approve the Consent on behalf of the Issuer Secured Creditors in accordance with the directions of the Monitoring Adviser (and subject to any such conditions as the Monitoring Adviser may require).

Dated: \_\_\_\_ [\*\*\*] 2022

By:

For and on behalf of:

U.S. Bank Trustees Limited

(as Issuer Security Trustee)