

8 March 2024

**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: Neil Buchanan

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

Dear Sirs

**MA Proposal Request relating to Reversionary Lease Options - Category Determination and Monitoring Adviser Recommendation**

We refer to UPP Bond 1 Limited's MA Proposal Request dated 5 March 2024 (copy attached for ease of reference) addressed to yourself 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**").

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

Pursuant to Clause 2 (*Category Determination*) of Schedule 2 (*AssetCo Monitored Activity Decision Procedures*) of the MSA we confirm that, in our opinion, the MA Proposal Request relates to an MA Direction Matter as proposed by ParentCo.

The Category Determination Date is therefore 8 March 2024.

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 Requests on behalf of the Issuer Secured Creditors.

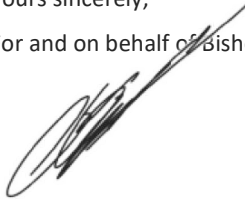
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The reasons for our Monitoring Adviser Recommendation are consistent with the reasons stated by ParentCo in paragraphs 2.3 and 2.4 of the MA Proposal Request. In particular we note:

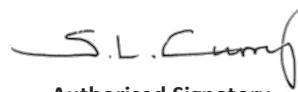
- If the Reversionary Lease Options are not entered into by the SPVs, as defined in the MA Proposal Request, the respective headleases and underleases leases will expire before the debt tenor of the Programme, which would impact the creditworthiness of the Programme, and is not in the interest of the Issuer Secured Creditors.
- The Reversionary Lease Options were known at the Initial Issue Date and are well documented in the CTA, which should give the Isser Secured Creditors some comfort. We would like to draw your attention to Clause 13 of Part 2 (*General Covenants*) of Schedule 8 (*Covenants of the AssetCos*) of the CTA.

Yours sincerely,

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



**Authorised Signatory**



**Authorised Signatory**

Encl.

- MA Proposal Request

The Monitoring Adviser has prepared this letter based upon information received by the Monitoring Adviser from the Issuer. This letter 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 letter 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 letter 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 letter is not a recommendation or inducement to buy, sell or hold any securities (including those issued by the Issuer).

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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

5 March 2024

Dear Sirs,

**Proposed consents 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 "Monitoring Services Agreement") shall have the same meaning when used in this MA Proposal Request.
- 1.2 We refer to the CTA. This letter constitutes an "MA Proposal Request" for the purposes of the Monitoring Services Agreement.

**2. BACKGROUND**

- 2.1 Pursuant to a number of option agreements (more specifically set out in Schedule 1 of this MA Proposal Request), various entities within the bond programme retain reversionary lease options to extend the terms of their respective concessions (the "**Reversionary Lease Options**"). The entities that hold the Reversionary Lease Options are UPP (Nottingham) Limited; UPP (Alcuin) Limited; UPP (Plymouth Three) Limited; UPP (Oxford Brookes) Limited and UPP (Broadgate Park) Limited (collectively, the "**SPVs**").
- 2.2 The SPVs have each engaged with their corresponding university partner in relation to the Reversionary Lease Option relevant to that partner. This engagement has included the serving of advance notices to each partner in accordance with the terms of the relevant Reversionary Lease Option.



- 2.3 The Reversionary Lease Options pre-existed the Programme and are referred to throughout the CTA (more specifically as Project Documents). Hence, the Reversionary Lease Options have been in the contemplation of all parties, including the Issuer Secured Creditors and the AssetCo Secured Creditors, since inception of the Programme.
- 2.4 The impact of the Reversionary Lease Options not being entered by the respective SPVs (within the option windows available to them), is that the respective SPV project concession terms will expire prior to the debt tenor on the bonds (and corresponding Notes) issued under the Programme.

### **3. CONSENT REQUESTS**

- 3.1 Each and every AssetCo is required to obtain the prior written consent of the Issuer to:
- a. vary, amend, modify or waive any provision of any relevant Project Document (Clause 9.3 of Part 2 of Schedule 8 of the CTA); and
  - b. designate any document a Project Document (Clause 9.22 of Part 1 of Schedule 8 of the CTA).
- 3.2 Entering into any of the the Nottingham Reversionary Leases, the York Reversionary Leases, the Plymouth Reversionary Leases, the OBU Reversionary Leases and the Broadgate Park Reversionary Leases (set out in Schedule 1 of the MA Proposal Request), would have the effect of extending (hence modifying) a number of lease terms that the relevant SPVs currently benefit from (para 3.1(a) above). Further, once entered, the Nottingham Reversionary Leases, the York Reversionary Leases, the Plymouth Reversionary Leases, the OBU Reversionary Leases and the Broadgate Park Reversionary Leases, would need to be designated as Project Documents (para 3.1(b) above).
- 3.3 Each of the SPVs therefore seek consent to enter into, as applicable, the Nottingham Reversionary Leases, the York Reversionary Leases, the Plymouth Reversionary Leases, the OBU Reversionary Leases and the Broadgate Park Reversionary Leases as set out in Schedule 1 of this MA Proposal Request (in compliance with the requirements of clause 3.1 above), together with all other ancillary documents required to effect the Reversionary Lease Options – including the relevant option notices, Land Registry notices and new legal charges to designate the new lease arrangements as Security Documents (together the “**Consent Requests**”).

### **4. MA PROPOSAL REQUEST**

- 4.1 We hereby confirm that, for the purposes of the Monitoring Services Agreement, the Consent Requests described above 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.
- 4.2 We hereby confirm that, in our reasonable opinion, the Consent Requests set out in this MA Proposal Request:
- a. each constitutes an Ordinary Matter;
  - b. do not give rise to the right of any Issuer Secured Creditor to exercise an Entrenched Right; and
  - c. each constitute an MA Direction Matter.
- 4.4 In our reasonable opinion, the Consent Requests contained at paragraph 3.3 above, will not individually or collectively prejudice the rights of the Issuer Secured Creditors. Further, it is also our reasonable opinion that exercising the Reversionary Lease Options will help to maintain the credit worthiness of the Programme.

### **5. REQUEST OF THE MONITORING ADVISER AND ISSUER SECURITY TRUSTEE**

- 5.1 We hereby request that the Monitoring Adviser:

- a. as soon as reasonably practicable and, in any event, within 5 Business Days of receipt hereof, confirms that the Consent Requests constitute, in its reasonable opinion, MA Direction Matters; and
- b. as soon as reasonably practicable and, in any event, within 10 Business Days of the Categorisation Determination Date, provides a Monitoring Adviser Recommendation that the Issuer Security Trustee agrees to the Consent Requests.

5.2 Subject to the Monitoring Adviser having given the confirmation and the Monitoring Adviser Recommendation referred to in paragraph 5.1 above, we hereby further request that the Issuer Security Trustee, without further reference to or instructions from the Issuer Secured Creditors:

- (a) 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); and
- (b) does all other things and enter into all other documents as may be reasonably required to implement the matters set out in the MA Proposal Request relating thereto (including entry into documents referred to in paragraph 3.3 above).

## 6. GOVERNING LAW AND JURISDICTION

6.1 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



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**Director**

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

Date: 5 March 2024

## Schedule 1 - The Reversionary Lease Options

### 1. Nottingham Trent University ("NTU")

- a. Pursuant to an option agreement dated 23 July 2008 made between (1) NTU and (2) UPP (Nottingham) Limited ("**UPP Nottingham**"), both parties were granted mutual put and call options to allow for the extension of the headleases and the corresponding underlease of the residential accommodation project (the "**Nottingham Option**").
- b. The Nottingham Option began on 2 September 2014 and ends on 23 July 2029.
- c. Clauses 2.4 and 3.2 of the Nottingham Option prescribe that the following reversionary headleases and reversionary underlease will be granted in the forms set out in Schedule 1 and Schedule 2 of the Nottingham Option:
  - i. reversionary headlease of premises known as Gill Street, Nottingham (extending the term from 2 September 2035 to 1 September 2048);
  - ii. reversionary underlease of premises known as Gill Street, Nottingham (extending the term from 2 September 2035 to 31 August 2048); and
  - iii. reversionary headlease relating to premises known as Meridian Court, Peverell Hall, Hampden Hall, Sandby Hall, Blenheim Hall, Norton Court, Basford Maltings and Simsons (extending the term from 1 August 2035 to 1 September 2048); together the "**Nottingham Reversionary Leases**".

### 2. University of York ("York")

- a. Pursuant to an option agreement dated 7 September 2007 made between (1) York and (2) UPP (Alcuin) Limited ("**UPP Alcuin**"), both parties were granted mutual put and call options to allow for the extension of the leases and the corresponding underleases of the residential accommodation project (the "**York Option**").
- b. The York Option period began on 1 January 2011 and ends on 1 January 2028.
- c. Clause 3.2 of the York Option prescribes that the following reversionary headleases and underleases will be granted in the forms set out in Schedule 1 and Schedule 2 of the York Option:
  - i. reversionary lease of premises known as Halifax College, York (extending the term from 1 October 2031 to 31 August 2051);
  - ii. reversionary lease of premises known as Wentworth College (Phase I), York (extending the term from 1 October 2031 to 30 August 2057); and
  - iii. reversionary lease of premises known as Wentworth College (Phase 2), York (extending the term from 1 October 2031 to 30 August 2057); together the "**York Reversionary Leases**".

### 3. University of Plymouth ("Plymouth")

- a. Pursuant to a the lease dated 11 June 2004 made between (1) Plymouth (2) UPP (Plymouth Three) Limited ("**UPP Plymouth**"), as varied by a deed of variation dated 13 December 2006 made between (1) Plymouth and (2) UPP Plymouth, Plymouth granted UPP Plymouth an option to require Plymouth to grant a reversionary lease to UPP Plymouth and for Plymouth to take the corresponding reversionary underlease as part of the residential accommodation project (the "**Robins Hall Option**").
- b. Pursuant to a the lease dated 11 June 2004 made between (1) Plymouth (2) UPP Plymouth, as varied by a deed of variation dated 13 December 2006 made between (1) Plymouth and (2) UPP Plymouth, Plymouth granted UPP Plymouth an option to require Plymouth to grant a reversionary lease to UPP Plymouth and for Plymouth to take the corresponding reversionary underlease as part of the residential accommodation project (the "**Gilwell Hall Option**").

- c. Both the Robins Hall Option and the Gilwell Hall Option periods began on 3 September 2018 and end on 13 December 2027.
- d. Clause 10 of the Robins Hall Option prescribes that the following reversionary headleases and underleases will be granted:
  - i. reversionary headlease of premises known as Robbins Hall, Plymouth (extending the term from 1 September 2039 to 31 August 2058); and
  - ii. reversionary underlease of premises known as Robbins Hall, Plymouth (extending the term from 1 September 2039 to 28 August 2058).
- e. Clause 10 of the Gilwell Hall Option prescribes that the following reversionary headleases and underleases will be granted:
  - i. reversionary headlease of premises known as Gilwell Hall, Plymouth (extending the term from 1 September 2039 to 31 August 2058); and
  - ii. reversionary underlease of premises known as Gilwell Hall, Plymouth (extending the term from 1 September 2039 to 28 August 2058).
- f. The reversionary leases outlined at paragraphs 3(d) and 3(e) above, when read together constitute the **“Plymouth Reversionary Leases”**.

#### 4. Oxford Brookes University (“OBU”)

- a. Pursuant to an option agreement dated 11 November 2008 made between (1) OBU and (2) UPP (Oxford Brookes) Limited (**“UPP Oxford Brookes”**), both parties were granted mutual put and call options to allow for the extension of the headlease and the corresponding underleases of the residential accommodation project (the **“OBU Option”**).
- b. The OBU Option period began on 2 January 2013 and ends on 1 November 2029.
- c. Clauses 4 and 7 of the OBU Option prescribe that the following reversionary headlease and reversionary underleases will be granted in the same form as the current headlease and underleases:
  - i. reversionary headlease of premises known as Cheney Halls, Oxford (extending the term from 1 January 2034 to 31 December 2050);
  - ii. relating underlease of premises known as Phase I of Cheney Halls, Oxford (extending the term from 1 January 2034 to 30 December 2050); and
  - iii. relating underlease of premises known as Phase II of Cheney Halls, Oxford (extending the term from 1 January 2034 to 30 December 2050); together the **“OBU Reversionary Leases”**.

#### 5. University of Nottingham (“UoN”)

- a. Pursuant to an option agreement dated 6 November 2009 made between (1) UoN and (2) UPP (Broadgate Park) Limited (**“UPP Broadgate”**), both parties were granted mutual put and call options to allow for the extension of the headlease and the corresponding underleases of the residential accommodation project (the **“Broadgate Park Option”**).
- b. The Broadgate Park Option period began on 1 January 2018 and ends on 1 August 2030.
- c. Clauses 6 and 9 of the Broadgate Park Option prescribe that the following reversionary headlease and reversionary underleases will be granted in the same form as the current headlease and underleases:
  - i. reversionary headlease of premises at the UoN (extending the term from 1 September 2038 to 31 August 2048);
  - ii. reversionary underlease of whole relating to premises known as Cloister Court and Albion House at the UoN (extending the term from 1 September 2038 to 28 August 2048);
  - iii. reversionary underlease of part relating to premises known as Phase I - Site I at the UoN (extending the term from 1 September 2038 to 28 August 2048);

- iv. reversionary underlease of part relating to premises known as Phase I - Sites II and III at the UoN (extending the term from 1 September 2038 to 28 August 2048); and
  - v. reversionary underlease of part relating to premises known as Phase II at the UoN (extending the term from 1 September 2038 to 28 August 2048);
- together the “**Broadgate Park Reversionary Leases**”.



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 \_\_\_\_ [\*\*\*] 2024 and the Monitoring Adviser Categorisation dated \_\_\_\_ [\*\*\*] 2024 and the Monitoring Adviser Recommendation dated \_\_\_\_ [\*\*\*] 2024 in respect thereof.

Without further reference to or instructions from the Issuer Secured Creditors, we hereby approve the Consent Requests 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) to take all other steps, do all other things and enter into all other documents as may be reasonably required to implement the matters referred to in the Consent Requests.

Dated: \_\_\_\_ [\*\*\*] 2024

By:

For and on behalf of:

U.S. Bank Trustees Limited

(as Issuer Security Trustee)