LIVIA LTD
Buckingham Court
78 Buckingham Gate
London SW1E 6PE
0207 340 1170

30 March 2012

Mr D Roscoe
Chief Executive's Department
PO Box 532
Town Hall
Manchester
M60 2LA

Dear Mr Roscoe

**RE. Motel One - London Road Manchester**

I write in context of the above project and hereby provide the following information in respect of our delivery philosophy.

In the first instance, I would like to inform you that Livia Ltd will be the company fully associated with this development, which is itself part of the wider Olympian Homes group of companies. Olympian has a considerable track record of project delivery from inception through to project completion and operation, particularly in the hotel sector, throughout the UK, over an extended period. Please could I refer you to the website www.olympianhomes.com for further information.

I can confirm that this Application is not being made on a speculative basis; our wish is to fully develop this building at the earliest opportunity and as efficiently and swiftly as possible. We have put everything in place to fulfil this ambition, which I confirm as follows.

A) Title.

I can confirm that Livia Ltd is full title holder of the site. Proof of title can be provided on request.

I can also confirm the site/existing building is wholly owned and debt free.

B) Tenancy.

Livia Ltd and Motel One have negotiated, agreed and executed a 25 year FRI style Agreement to Lease for the occupation management and operation of the hotel once completed. A copy of the Agreement can be provided on request.

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This Agreement is becoming accepted as a covenant comparable in strength to Premier Travel Inn/Whitbread.

I can confirm that Motel One is a major hotel operator originating in Germany and who operates throughout mainland Europe. They are currently executing a strategic expansion plan into the UK and their first unit will open in Edinburgh later this year. It is intended that Manchester will be the second (their first new build bespoke unit). They are also exploring other sites in London.

Motel One is fully committed to the development and has been part of, and integrated within, the design process.

C) Funding.

It is the intention to finance the construction in one of three ways.

1. A presale of the investment to an institution, once planning permission is granted, and finance of the construction with a construction cash flow deal with a tier 1 main contractor. (Olympian has contracted two construction finance deals in the past two years with a major national and international contractor based in Manchester and it is in legal negotiations with them to exchange on a third development this month).
2. A presale of the land to an institution, once planning permission has been granted, who will enter into a simultaneous development agreement and finance the construction phase. An institutionally recognised household name, tier 1 lender has agreed just such a deal in the Minaries, City of London. Motel One is also the tenant. They have also declared an interest in our scheme.
3. A bank development loan, once planning permission is granted. An institutionally recognised tier 1 lender is providing finance for the first Motel One UK hotel in Edinburgh. They have also offered us indicative terms. Further institutionally recognised household-name tier 1 lenders have also indicated they wish to be considered for the project under like terms.

Until planning permission has been granted finance cannot be crystallised and thereafter the names of the aforementioned institutions confirmed. In the interim further details can be provided upon request.

In the last three years Olympian has financed three developments, each with a GDV in excess of £13m, without recourse to banking facilities by utilising the option one route above. As credit conditions thaw and the economy slowly improves we would wish to explore options two and three, during the Judicial Review period, post granting of a planning permission.

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D) Delivery

We are eager to deliver the project as quickly as possible as too is Motel One. It is our ambition to commence construction activities in September 2012 with anticipated completion of construction activities in Spring 2014 with a worst case scenario of plus three months on both dates depending upon site vagaries.

We have engaged the services of the project CDM Co-ordinator and all of the design consultants have been appointed.

We are in negotiation with four major building contractors who will be selected not only on construction price but on capability and delivery philosophy. We have purposefully chosen candidates who are either based or else have a significant regional presence in the Manchester/Northwest area so that the region can benefit from the considerable construction employment that will be generated in addition to the economic benefits that will flow once the hotel becomes operational.

The contractors have all been committed to the design process.

A single contractor will be chosen once planning permission is granted and it is our intention that a Pre Construction Agreement be entered into to ensure detailed design stage commitment going forward.

We hope this clarifies and authenticates our commitment to the scheme, however should you have any further queries please do not hesitate to contact me directly.

Yours sincerely,

Richard Goodwin BSc (Hons) MRICS
Commercial Director
Livia Ltd