DATED 2025

THE COUNCIL OF THE CITY OF MANCHESTER

– and –

FIRST STREET DEVELOPMENT LIMITED

- and –

VITA MEADOW LIMITED

Agreement

pursuant to section 106 of the Town and Country Planning Act 1990 (as amended) relating to Land known as Plot 9B First Street, bounded by Medlock Street to the west, Hulme Street to the south, Plot 9A of the First Street Masterplan to the north and Plot 10A of the First Street Masterplan to the east, Manchester

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City Solicitor
P O Box 532
Town Hall
Albert Square
Manchester
M60 2LA

L/MK/PLA001/84153

THIS AGREEMENT is entered into the day of 2025

BY:

(1) **THE COUNCIL OF THE CITY OF MANCHESTER** of Town Hall, Albert Square, Manchester, M60 2LA (the **"Council"**)

(2) **FIRST STREET DEVELOPMENT LIMITED** (incorporated in England with company number 11168919) whose registered office is at Floor 1, 7 Constance Street, Manchester, England, M15 4JQ (the **"Owner"**)

(3) **VITA MEADOW LIMITED** (incorporated in England with company number 15625878) whose registered office is at Horseshoe Farm, Elkington Way, Alderley Edge, England, SK9 7GU (the **"Developer"**)

BACKGROUND

A The Council is the local planning authority for the purposes of the Act in relation to the Site and is the authority by whom any obligations hereby created are enforceable. The Development will be carried out on the Site and adjacent land. The Site is situated within the Administrative Boundaries of Manchester and any planning obligation created by this Agreement is enforceable by the Council.

B The Owner is the freehold owner of the Site, the Estate Roads Site and other land registered at the Land Registry with Title Absolute under Title Number GM784465 together with but subject to all matters contained or referred to in the Title Registers thereunder.

C The Developer is interested in the Site by virtue of an agreement for lease dated 19 April 2024 and made between the Owner (1) the Developer (2).

D The Developer submitted the Application to the Council for planning permission to carry out the Development in the manner set out in the plans, specifications and particulars forming part of the Application. The parties hereto have entered into this Agreement in order to consent to and be bound by the provisions of this Agreement.

E The Council as local planning authority is satisfied that the Development is such as may be approved by the Council under the Act and is minded to grant planning permission for the Development in accordance with the Application but having considered the Local Plan and the Regulations is desirous of the Owner entering

into this Agreement without which planning permission would not be granted. The Council resolved on 10 April 2025 that it was minded to grant the Planning Permission (as herein defined) subject to completion of this Agreement.

F The Council has recognised the difficulty faced by lower income groups in Full Time Higher Education attending at Manchester Higher Education Institutions in sourcing affordable accommodation within the Administrative Boundaries of Manchester and the planning purpose of this Agreement is to provide Discounted Student Accommodation within the Administrative Boundaries of Manchester in the manner hereinafter appearing. The Council is satisfied that the provision of Discounted Student Accommodation is:

(a) necessary to make the Development acceptable in planning terms (including where appropriate, obligations necessary to mitigate the adverse impacts of the Development in accordance with the development plan for the area and other material considerations);

(b) directly related to the Development; and

(c) fairly and reasonably related in scale and kind to the Development and in any event will secure planning benefits.

G The Owner has agreed to enter into this Agreement in support of the Application so as to create planning obligations in favour of the Council pursuant to section 106 of the Act and to be bound by and observe and perform the covenants hereinafter contained.

AGREED TERMS

1. **DEFINITIONS AND INTERPRETATION**

1.1 The definitions and rules of interpretation set out in this Clause apply to this Agreement.

"Act" the Town and Country Planning Act 1990 as amended by the Planning and Compensation Act 1991 and the Planning and Compulsory Purchase Act 2004 and the Planning Act 2008;

"Administrative Boundaries of Manchester" all the wards that together comprise the city of Manchester;

“Agreement” means this agreement;

“All Reasonable Endeavours” means that it is agreed by the parties hereto that the party under such an obligation will not thereby be required to take proceedings (including any appeal) in any court public inquiry or other hearing (unless specified to the contrary) but subject thereto and to other terms of this agreement such party will be bound to attempt to fulfil the relevant obligation by the expenditure of such effort and/or sums of money and the engagement of such professional or other advisers as in all the circumstances may be reasonable to expect; in the case of the Owner, of a competent commercial developer in the context of the Development and of a competent landowner in the context of the Development, and in the case of the Council, of a competent local planning authority acting reasonably in the context of its statutory functions;

“Application” the application to which the Council gave the reference 141786/F0/2024 for planning permission for the proposed erection of a part 12 storey, part 33 storey purpose-built student accommodation (PBSA) building (Sui Generis), alongside ancillary amenity space, landscaping, secure cycle parking and other associated works, and use of land east of River Street as a construction compound (Plot 9B);;

"Architect” means Tim Groom Architects of Eastgate, 2 Castle Street, Manchester, M3 4LZ;

“Chargee” shall mean any mortgagee, chargee or other financial institution of the Owner or a Security Trustee or receiver or manager (including an administrative receiver) appointed pursuant to the Law of Property Act 1925 or any successors in title thereof;

“Chargee’s Duty” the tasks and duties set out in paragraph 4 of Schedule 3;

“Commencement of Development” the date upon which the Development shall begin by the carrying out of a material operation in accordance with the provisions of section 56(4) of the Act PROVIDED THAT any works of or associated with site clearance, remediation works, environmental or

archaeological investigations, site and soil surveys, erections of contractors work compound, erection of site office, erection of fencing to site boundaries, marking of site boundaries and laying out of access roads and services shall for the purposes of this Agreement be deemed not to be material operations and **"Commence"**, **"Commencement"** and **"Commenced"** shall be construed accordingly;

"Completion of Construction" the date upon which a valid certificate of completion shall have been issued in respect of the relevant number of Student Accommodation Units for the purposes of the Building Act 1984 and the Building Regulations 2010 or any amendment or replacement of the same or, if the Council, acting reasonably, considers that the completion of construction of the relevant number of Student Accommodation Units has occurred but it has not received the notice confirming completion in accordance with the provisions of this Agreement shall mean the date that the Council notifies in writing to the Owner that the said completion of construction is to be deemed to have taken place for the purposes of this Agreement and **"Completed"** and "**Completion**" shall be construed accordingly;

"Construction Period" means the period from the carrying out of the first Material Operation to the date of Practical Completion of the Development;

"Core Strategy" means the Manchester Core Strategy (adopted 11th July 2012) which is the key document in the Council's Local Development Framework and details the Council's vision for the development of Manchester during the period 2012 to 2027;

"Development" the development undertaken on the Site and adjacent land pursuant to the Planning Permission as specified in the Application;

"Director" the Council's Director of Planning, Building Control and Licensing;

"Discounted Student Accommodation" means the one hundred and twenty nine (129) units of accommodation in the Development that is made available to Eligible Students at a rent level set in accordance with the Discounted Student Accommodation Statement;

“Discounted Student Accommodation Statement” the written statement detailing the provision and location of the Discounted Student Accommodation within the Development and set out in Schedule 5 that is required to have been approved in writing by the Council;

“**Discounted Student Accommodation Unit**” means a single Student Accommodation Unit that is also part of the Discounted Student Accommodation and “Discounted Student Accommodation Units” shall be construed accordingly

“**Eligible Student**” means a student enrolled in a Full Time Higher Education Course at a Manchester Higher Education Institution in receipt of the full amount of Maintenance Loan or as otherwise agreed in writing by the Council;

“**Estate Road**” means any road that is not a public highway and is located within the Estate Roads Site and which provides a means of accessing the Site as the same are shown coloured grey on the Estate Roads Plan and are referred to in its key as ‘Waste collection route via estate roads’ and “**Estate Roads**” shall be construed accordingly;

“**Estate Roads Plan**” means the plan with drawing number VS9B-TGA-G100-PL-00-02201 P01 attached as the Appendix to this Agreement and showing thereon coloured grey the estate roads providing access to the Site;

“**Estate Roads Site**” means the areas shown coloured grey on the Estate Roads Plan and which shall be the land against which the planning obligation contained in Paragraph 2.4 of Schedule 3 may be enforced against;

“Expert” a professional expert in town planning, who is a Chartered Member of the Royal Town Planning Institute with a minimum of ten (10) years post-qualification experience;

“**Full Time Higher Education Course**” means a full time course at level 4 or higher of the national qualification frameworks for England (in place as at 1 July 2023 or any amendment or replacement thereof) of a duration of at least 24 weeks in a single academic year running from 1 September to 31 August and consisting of 3 terms across 2 semesters;

“Interest” interest at 4% (four per cent) above the base lending rate of the Bank of England from time to time;

“Local Plan” includes the Core Strategy adopted by Manchester City Council on 11 July 2012, the extant Unitary Development Plan policies and all other relevant strategic planning documents adopted by Manchester City Council;

“**Maintenance Loan**” means the maximum level of maintenance loan for a student studying outside London and not living with parents published by Student Finance England (or any replacement body) for the academic year commencing in the September following the date of this Agreement and as amended for every subsequent academic year or such other loan or successor loan scheme as may replace it or any other measure as otherwise agreed in writing by the Council;

“Management Fee” shall mean 15% of the planning application fee which equates to fourteen thousand one hundred and forty three pounds and eighty pence (£14,143.80) to be used for the purpose of management and monitoring any Planning Obligations that may be created by this Agreement as detailed herein;

“**Manchester Higher Education Institution**” means a university or college or equivalent institution offering a Full Time Higher Education Course within the Administrative Boundaries of Manchester;

“**Market Rent**” means as defined by RICS (or such successor or replacement organisation) and is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties each had acted knowledgably, prudently and without compulsion;

“Market Student Accommodation” means accommodation that is made available to rent to students at a Market Rent;

"**Market Student Accommodation Unit**" means a single Student Accommodation Unit that is also Market Student Accommodation and "**Market Student Accommodation Units**" shall be construed accordingly;

"**Nomination Agreement**" means an agreement between the Owner and a Manchester Higher Education Institution that has been approved in writing by the Council which allows the Manchester Higher Education Institution to access the Discounted Student Accommodation Units within the Development for the purposes of letting them to Eligible Students;

"Occupation" means occupation of any part of the Development for the purposes permitted by the Planning Permission but does not include use by personnel whilst engaged in construction, fitting out or decoration of the Discounted Student Accommodation Units and/or the Market Student Accommodation Units or occupation for marketing or display or occupation in relation to security operations and "**Occupy**" and "**Occupied**" shall be construed accordingly;

"Plan" the plan attached to this Agreement at Schedule 1;

"Planning Obligations" shall mean the obligations of the Owner specified in Schedule 3 and Schedule 5;

"Planning Permission" the planning permission granted pursuant to the Application substantially in the form as appended at Schedule 2 and as may be amended by any non-material amendment;

"Practical Completion" issue of a certificate of practical completion under the building contract for the Development;

"Regulations" the Community Infrastructure Levy Regulations 2010;

"RICS" the Royal Institution of Chartered Surveyors;

"Site" the property described in Schedule 1 and shown for the purposes of identification only edged red on the Plan and which shall be the land against which the planning obligations contained in Schedule 3 (save for Paragraph 2.4) and Schedule 5 may be enforced against;

“Student Accommodation Unit” a unit of student accommodation to be constructed on the Site as part of the Development pursuant to the Planning Permission and “**Student Accommodation Units**” shall be construed accordingly;

“Studio Unit” means a self-contained single bedroom accommodation unit and **“Studio Units”** shall be construed accordingly;

“Waste Management Strategy” means the strategy for managing waste at the Development annexed to this Agreement at Appendix 2 as may be amended or replaced by the Owner from time to time provided that such amendments or replacements are first approved by the Council in writing; and

“Working Day” means any day except Saturday, Sunday or a bank holiday and reference to “**Working Days**” shall be construed accordingly.

1.2 The Clause headings do not affect this interpretation.

1.3 Unless otherwise indicated, references to Clauses and Schedules are to Clauses of and Schedules to this Agreement and references in a Schedule to a Part or Paragraph are to a Part or Paragraph of that Schedule.

1.4 References to any statute or statutory provision include reference to:

1.4.1 all Acts of Parliament and all other legislation having legal effect in the United Kingdom as directly or indirectly amended, consolidated, extended, replaced or re-enacted by any subsequent legislation; and

1.4.2 any orders, regulations, instruments or other subordinate legislation made under that statute or statutory provision.

1.5 Except for the provisions of Clause 9 references to the Site include any part of it.

1.6 References to any party in this Agreement shall include the successors in title of that party. In addition, references to the Council shall include any successor local planning authority exercising planning powers under the Act and any successor local highway authority exercising powers under the Highways Act 1980.

1.7 **“**Including**”** means **“including, without limitation”**.

1.8 Any covenant by the Owner or the Council not to do any act or thing includes a covenant not to permit or allow the doing of that act or thing.

1.9 If any provision is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder of this Agreement is to be unaffected.

1.10 Words importing the singular meaning where the context so admits include the plural meaning and vice versa.

1.11 Words of the masculine gender include the feminine and neuter genders and words denoting actual persons include companies, corporations and firms and all such words shall be construed interchangeable in that manner.

2. This Agreement is made pursuant to section 106 of the Act, section 111 of the Local Government Act 1972, section 1 of the Localism Act 2011 and all other enabling legislation and is a planning obligation for the purposes of section 106 of the Act, with the intent that covenants hereinafter contained shall be enforceable by the Council acting under the powers contained in section 106 or such other enabling powers against the Owner.

3. **CONDITION PRECEDENT**

This Agreement is conditional upon the grant of the Planning Permission save for the provisions of Clauses 9, 11, 15, 16 and 17 which shall have immediate effect.

4. **CONDITION SUBSEQUENT**

If the Planning Permission for the Development has not been implemented by the carrying out of a material operation in accordance with the provisions of sections 56, 91 and 93 of the Act or is revoked or modified in whole or in part (other than in approval of an application by the Owner) or quashed or declared unlawful as a result of legal proceedings then this Agreement shall absolutely determine and become null and void but without prejudice to the rights of either party against the other in respect of any antecedent breach.

5. **THE OWNER'S COVENANTS**

The Owner on behalf of itself and any person deriving title to any part of the Site from the Owner hereafter hereby covenants with the Council so as to bind

the Site to fully observe and perform the obligations on their part contained in this Agreement including those obligations set out in Schedule 3 and Schedule 5 and hereby agrees that the Site shall be permanently subject to the obligations, restrictions and provisions specified in Schedule 3 and Schedule 5, such obligations being planning obligations for the purpose of section 106 of the Act.

6. THE COUNCIL'S COVENANTS

The Council hereby covenants with the Owner to observe and perform the obligations on its part in this Agreement including those obligations set out in the Schedule 4.

7. DISPUTE RESOLUTION

7.1 In the event of any dispute arising in connection with any of the terms of this Agreement other than a dispute involving the construction or interpretation of the terms of this Agreement or the enforcement of any decision pursuant to this Clause, the same shall unless the Council and the Owner otherwise agree be referred to an Expert to be appointed by agreement between the Council and the Owner.

7.2 If the Council and the Owner are unable to agree on the appointment of an Expert or Chartered Surveyor within thirty (30) days of one party serving notice on the other calling for the appointment of an Expert then an Expert shall be appointed on the application of either party to the President for the time being of the Royal Town Planning Institute.

7.3 Any reference of a dispute to an Expert or Chartered Surveyor shall if the parties are agreed in writing be deemed to be a reference to an expert (and not to an arbitrator) whose decision shall be final and binding (save for manifest error) but shall otherwise be deemed to be a reference to an arbitrator pursuant to the Arbitration Act 1996 and any statutory amendment variation substitution or re-enactment thereof.

7.4 Any party to this Agreement shall be entitled to submit to the Expert representations and cross-representations with such supporting evidence as they shall respectively consider necessary and the Expert shall have regard thereto in making his decision which shall be delivered in writing. The reference of any dispute shall include authority to determine in the relevant timescales for the submission of representations and what manner all the costs of the referral shall be paid.

8. WAIVER

No waiver (whether expressed or implied) by the Council of any breach or default in performing or observing any of the covenants terms or conditions of this Agreement shall constitute a continuing waiver and no such waiver shall prevent the Council from enforcing any of the relevant terms or conditions or from acting upon any subsequent breach or default.

9. CHANGE IN OWNERSHIP & LIABILITY

9.1 The Owner will give the Council written notice within five days of any change in ownership of any of its interests in the Site occurring before all the obligations under this Agreement have been discharged such notice to give details of the transferee's full name and registered office (if a company or usual address if not) together with (unless the purchase relates to the entirety of the Site) the area of the Site or unit of occupation purchased by reference to a plan.

9.2 No person shall be liable for any breach, non-performance and non-observance of the covenants, obligations and restrictions contained in this Agreement after it shall have parted with its entire interest in the Site or if it disposes of its interest in part or parts of the Site in respect of the part or parts thereof disposed of but without prejudice to liability for any subsisting breach arising prior to parting with such interest nor shall this hinder or preclude the Council's rights as the Local Planning Authority to require that the breach, non-performance or non-observance be remedied after that person has parted with its interest in the Site.

9.3 The Owner warrants that no person other than the Owner and the Developer has any legal or equitable interest in the Site and the Owner hereby indemnifies the Council in respect of any loss that arises should there be any breach of this warranty.

10. **COUNCIL'S CONSENT OR APPROVAL**

Where in this Agreement the consent, agreement or approval of the Council is required to be given by the Council, the Council confirms that such consent, agreement or approval shall not be unreasonably withheld or delayed provided that this shall not fetter the proper discretion of the Council in relation to the exercise of its statutory functions.

11. **LOCAL LAND CHARGE**

11.1 This Agreement is a local land charge and shall be registered as such by the Council.

11.2 The Council will upon receipt of a written request of the Owner or its successors in title, at any time after the obligations set out herein have been fulfilled in their entirety issue written confirmation thereof and thereafter cancel all related entries in the register of local land charges.

11.3 The reasonable costs of cancellation pursuant to clause 11.2 above shall be met by the Owner if requested by the Council.

12. **NON-PROHIBITION ON DEVELOPMENT**

Nothing in this Agreement shall prohibit or limit the right to develop any part of the Site in accordance with a planning permission (other than the Planning Permission) granted (whether or not on appeal) after the date of this Agreement.

13. **THE CONTRACTS ACT**

Save as provided in respect of the successors in title to the Site or any successor to the relevant statutory functions of the Council this Agreement shall not be enforceable by any third party pursuant to the Contracts (Rights of Third Parties) Act 1999 and no third party shall acquire any benefit rights or claims

whatsoever pursuant thereto.

14. **COMMUNICATION**

14.1 Any notice or document to be served on or sent pursuant to this Agreement shall either be delivered personally or sent by recorded delivery service

14.1.1 to the Council and addressed to the Director at the Council's address first above written;

14.1.2 to the Owner and the Developer respectively at their registered office addresses;

15. **FEES**

15.1 The Developer shall pay to the Council on the date of this Agreement:

15.1.1 its legal fees reasonably and properly incurred in preparation of this Agreement up to a maximum of £3,000;

15.1.2 the Management Fee

15.2 Receipt by the Council of the payment of such sums shall not create any lawyer-client type contractual relationship between the Council and the Owner nor absolve the Owner from any liability or obligation accepted by them by the terms of this Agreement or by statute or at common law.

16. **JURISDICTION**

This Agreement is governed by and interpreted in accordance with the law of England.

17. **COMPLETION**

The provisions of this Agreement shall be of no effect until this Agreement has been dated.

18. **DECLARATIONS**

18.1 It is hereby declared that this Agreement shall not be enforceable against any owner, occupier, or tenant of any individual Market Student Accommodation Unit or the successors in title of any such person or mortgagee or any person deriving title therefrom or against a Chargee or any successor in title thereto

provided the Chargee has first complied with the Chargee's Duty set out in paragraph 4 of Schedule 3.

18.2 Although the security of any future charges or mortgages over the Site shall take effect subject to this Agreement it is agreed that save in respect of the Chargee's Duty any future chargee or mortgagee from time to time having the benefit of a charge or mortgage of or on any part or parts of the Site shall otherwise have no liability under the Planning Obligations contained in this Agreement unless and until such chargee or mortgagee has entered into possession of the Site or any part thereof.

19. **INTEREST**

If any payment due under this Agreement is paid late Interest will be payable from the date payment is due to the date that payment is received.

20. **DEVELOPER**

The Developer hereby agrees to the Owner entering into the planning obligations contained in this Agreement and acknowledges that its interests in the Site upon their attaining a legal estate in the Site will be bound by the planning obligations in this Agreement.

21. **ENFORCEABILITY**

It is agreed by the parties to this Agreement that the Planning Obligations bind the Site and are enforceable against the Owner following Commencement of Development pursuant to the Planning Permission.

22. **FUTURE VARIATIONS**

22.1 In the event that any new planning permission is granted by the Council varying or removing conditions attached to the Planning Permission pursuant to section 73 of the Act, with effect from the date that any new planning permission is granted pursuant to section 73 of the Act:

22.1.1 the obligations in this Agreement shall (in addition to continuing to bind the Development) relate to and bind all subsequent planning permissions without the automatic need to enter into any subsequent deed of variation or new agreement pursuant to section 106 of the Act; and

22.1.2 the definitions of Planning Permission and Development in this Agreement shall be construed to include references to any planning permissions granted under section 73 of the Act and the development permitted by such subsequent planning permission.

21.2 Notwithstanding Clause 22.1:

22.2.1 nothing shall fetter the discretion of the Council in determining any application pursuant to section 73 of the Act and requiring appropriate planning obligations in connection with the determination of that application; and

22.2.2 the Council reserves the right to require the completion of a separate planning obligation under section 106 of the Act in connection with an application pursuant to section 73 of the Act.

SCHEDULE 1

The Site

Land known as Plot 9B First Street bounded by Medlock Street to the west, Hulme Street to the south, Plot 9A of the First Street Masterplan to the north and Plot 10A of the First street Masterplan to the east and shown for the purposes of identification only edged red on the Plan.

SCHEDULE 2

Draft Planning Permission

SCHEDULE 3

THE OWNER'S GENERAL COVENANTS

The Owner hereby covenants with the Council as follows:

1.

1.1 To notify the Council in writing within five (5) Working Days of Commencement of Development that development has commenced;

1.2 To carry out and manage the Development in accordance with the Discounted Student Accommodation Statement set out in Schedule 5 as the same may be amended provided the Council has given its written consent to the amendment save that this obligation will not apply to a Chargee provided that the Chargee has first complied with the Chargee's Duty set out in paragraph 4 of this Schedule.

1.3 Not to Occupy or allow or permit Occupation of the Development until it has identified the Discount Student Accommodation and provided to the Council and the Council has approved the Discounted Student Accommodation Statement in writing and has complied with the provision of the Discounted Student Accommodation Statement that prior to first Occupation of the Development the Owner will provide the Council with a plan showing the location and type of the Discounted Student Accommodation Units within the Development.

2.

2.1 That prior to the first Occupation of the Development the Owner will implement the Waste Management Strategy and maintain this provision for the lifetime of the Development and FOR THE AVOIDANCE OF DOUBT waste management and collection for the Development will be undertaken by a private company or, if the Council runs its own waste collection service on a commercial basis, the Council under a commercial agreement.

2.2 Not to Occupy permit or allow Occupation until it has complied with the provisions of paragraph 2.1 of this Schedule 3.

2.3 In respect of any waste management agreement entered into pursuant to this paragraph 2 the Owner will in any event use All Reasonable Endeavours to procure that the waste management company will properly administer the collection of waste management from the Site and shall ensure that the Development at all times benefits from the operation of waste management in accordance with the waste management agreement (as amended, varied or supplemented from time to time).

2.4 The Owner will ensure throughout the life of the Development that vehicles employed by any waste management company to collect waste from the Site have free and uninterrupted access to the Site along the Estate Roads.

3.

3.1 That the Owner shall use All Reasonable Endeavours to continue to employ the Architect throughout the Construction Period and until Completion of Construction of the Development PROVIDED THAT the Architect remains willing and able to fulfil such role in relation to the Development and that such employment is capable of being secured on reasonable commercial terms.

3.2 Should the Architect not be appointed or continue to be appointed in accordance with paragraph 3.1 above the Owner shall immediately notify the Council of this fact in writing and shall use All Reasonable Endeavours to appoint a replacement Architect of a similar calibre and reputation as soon as reasonably practicable and shall thereafter notify the Council of the identity of the replacement architect within 5 Working Days of their appointment.

4.

4.1 The Chargee shall prior to seeking to dispose of the Discounted Student Accommodation Units pursuant to any default under the terms of its mortgage or charge give not less than one month's prior notice ("**Chargee's Notice**") to the Council of its intention to dispose and:

4.1.1 in the event that the Council responds within one month from receipt of the Chargee's Notice (the "**Council's Notice**") indicating that

arrangements for the transfer of the Discounted Student Accommodation Units can be made in such a way as to safeguard them as Discounted Student Accommodation and satisfy the terms of the mortgage or charge then the Chargee shall co-operate with such arrangements and use its All Reasonable Endeavours to secure such transfer; or

4.1.2 if the Council does not serve its response to the Chargee's Notice within the one month period referred to above at paragraph 4.1.1 of this paragraph 4 then the Chargee shall be entitled to dispose of the Discounted Student Accommodation Units or any part thereof free from the restrictions set out in this Schedule and Schedule 5; or

4.1.3 if the Council or any person nominated by the Council cannot within two months of receipt by the Chargee of the Council's Notice secure completion of such transfer (so that for the avoidance of doubt there shall be a total of only 3 months from the Chargee's Notice to completion of such transfer) then provided the Chargee shall have complied with its obligations under paragraph 4.1.1 of this paragraph 4 the Chargee shall be entitled to dispose of the Discounted Student Accommodation Units or any part thereof free from the restrictions set out in this Schedule and Schedule 5.

4.1.4 provided that at all times the rights and obligations in this paragraph 4 shall not require the Chargee to act contrary to its duties under the charge or mortgage and in particular (but without limitation):

4.1.4.1 the Chargee shall not be obliged to transfer, let or otherwise dispose of the Discounted Student Accommodation Units or any part thereof for a consideration less than the full amount outstanding under the legal charge or mortgage, plus all interest, costs and expenses.

SCHEDULE 4

THE COUNCIL'S COVENANTS

The Council hereby covenants with the Owner as follows:

1 To issue the Planning Permission within five (5) Working Days of the date hereof.

2 To use the Management Fee for the purpose of management and monitoring any Planning Obligations that may be created by this Agreement.

SCHEDULE 5

DISCOUNTED STUDENT ACCOMMODATION STATEMENT

This statement has been prepared in support of the development of land at Plot 9B of the First Street Masterplan bounded by Medlock Street to the west, Hulme Street to the south, Plot 9A of the Masterplan to the north and Plot 10A of the Masterplan to the east shown for the purposes of identification only edged red on the Plan and addresses the provision of Discounted Student Accommodation.

This statement may be amended by the Owner from time to time provided that such amendments are first approved by the Council in writing.

This statement must include details of:

i the type, tenure and the requirements relating to establishing the location of the Discounted Student Accommodation, which shall consist of not less than 15% (fifteen per cent) being one hundred and twenty nine (129) of the total number of Student Accommodation Units constructed on the Site;

ii the arrangements for the management of the Discounted Student Accommodation;

iii the arrangements to ensure that such provision is retained in perpetuity as Discounted Student Accommodation and is affordable for both the first and subsequent occupiers of the Discounted Student Accommodation; and

iv the occupancy criteria to be used for determining the identity of occupiers of the Discounted Student Accommodation and the means by which such occupancy criteria shall be enforced.

The following information is provided in respect of each of the criteria:

i. The Development comprises a mix of Studio Units The tenure mix may be varied from time to time throughout the lifetime of the Development subject to submission of a revised Discounted Student Accommodation Statement

to be submitted for the written approval of the Council such approval not to be unreasonably withheld or delayed.

The Discounted Student Accommodation Units shall be fully integrated ("pepper-potted") with the Market Student Accommodation Units across the Development as a whole.

Prior to first Occupation of the Development the Owner will provide the Council with a plan showing the location of the Discounted Student Accommodation Units within the Development.

The Student Accommodation Units shall be of tenure blind design and for the avoidance of doubt the Discounted Student Accommodation Units shall be of the same design, fit out and size as the Market Student Accommodation Units.

The occupiers of the Discounted Student Accommodation Units will be freely able to access all of the facilities provided for the use of occupiers of the Development.

ii. The Owner will either own and manage the Discounted Student Accommodation Units and be responsible for their future lettings and maintenance or enter into a Nomination Agreement that will provide for the letting to Eligible Students of the Discounted Student Accommodation Units and for their management and maintenance. The statement must set out whether the Discounted Student Accommodation Units are to be owned and managed by the Owner or are to be covered by a Nomination Agreement and will detail the timescales for any given academic year by which Discounted Student Accommodation is to be offered to Eligible Students and by which such Eligible Students are required to enter into any rental agreement (the "**Rental Timescales**").

iii. From the date of Completion of Construction of the Discounted Student Accommodation Units they shall not be used other than for Discounted Student Accommodation except that in the event that the Discounted Student Accommodation Units remain vacant following the expiry of the

Rental Timescales, the Discounted Student Accommodation Units may be let by the Owner to any student for the remainder of that academic year Provided that the form of letting or tenure used to let is such that will enable the Owner to ensure that vacant possession of the Discounted Student Accommodation Unit can be lawfully obtained prior to the start of the following academic year and the Owner takes all necessary steps to secure vacant possession prior to the start of that following academic year of the Discounted Student Accommodation Units in respect of which this applies.

In terms of affordability the following applies;

- Rent levels for the Discounted Student Accommodation Units inclusive of any service charges will be set at a level of no more than 80% (eighty per cent) of the rent level of the equivalent Market Student Accommodation Units.

iv. The Discounted Student Accommodation Units shall be available only to Eligible Students except in the circumstances set out above following expiry of the Rental Timescales.

The Owner shall provide a monitoring statement to the Council on an annual basis regarding the Discounted Student Accommodation in a form to be agreed between the Council and the Owner which shall set out:

a) the approach to letting the Discount Student Accommodation Units;
b) the ongoing occupancy status of the Discounted Student Accommodation Units; and
c) how the Owner is meeting the requirements of the Discounted Student Accommodation Statement.

EXECUTED as a deed by the parties on the day and year first hereinbefore appearing

THE COMMON SEAL of **THE COUNCIL OF THE CITY OF MANCHESTER** was hereunto affixed in pursuance of an Order of the Council of the said City:

AUTHORISED SIGNATORY

Executed as a deed by **FIRST STREET DEVELOPMENT LIMITED** acting by a director: ……. in the presence of:)))))) …… Director

Name of witness: …….
(in BLOCK CAPITALS)

Signature of witness: …….

Address: …….

…….

Occupation: …….

Executed as a deed by	)	
VITA MEADOW LIMITED	)	
acting by a director:	)	……
……	)	Director
in the presence of:	)	

Name of witness: ……
(in BLOCK CAPITALS)

Signature of witness: ……

Address: ……

……

Occupation: ……

Appendix 1

Estate Roads Plan

Appendix 2

Waste Management Strategy