

DATED 29th NOVEMBER 2024

THE COUNCIL OF THE CITY OF MANCHESTER

– and –

MCLAREN PROPERTY (UBS 1) LIMITED

– and –

CBRE LOAN SERVICES LIMITED

AGREEMENT

**pursuant to section 106 of the Town and
Country Planning Act 1990 (as amended)
relating to land bounded by Upper Brook Street, Cottenham Street &
Kincardine Road Manchester M13 9TD**

City Solicitor
P O Box 532
Town Hall
Albert Square
Manchester M60 2LA
L/AAD/PLA001/84048

THIS AGREEMENT is made the 29th day of NOVEMBER 2024
BETWEEN:

- (1) **THE COUNCIL OF THE CITY OF MANCHESTER** of Town Hall, Albert Square, Manchester, M60 2LA (the "**Council**")
- (2) **MCLAREN PROPERTY (UBS 1) LIMITED** (incorporated in England and Wales with company number 11011984) whose registered office is at 1st & 2nd Floors 61 Curzon Street, London, United Kingdom, W1J 8PD (the "**Owner**");
- (3) **CBRE LOAN SERVICES LIMITED** (incorporated in England and Wales with registered number 05469838) of Henrietta House, Henrietta Place, London, W1G 0NB (the "**Mortgagee**")

BACKGROUND

- A. The Council is the local planning authority for the purposes of the Act in relation to the Student Accommodation Land and is the authority by whom the obligations hereby created are enforceable. The Development will be carried out on the Site. The Site is situated within the Administrative Boundaries of Manchester.
- B. The Council is also the freehold owner of the Sci-Tech Land registered at the Land Registry with title absolute under title number GM899087 together with but subject to all matters contained or referred to in the title registers thereunder, but is not entering this Agreement as a landowner,
- C. The Owner is the freehold owner of the Student Accommodation Land registered at the Land Registry with title absolute under title number GM448437 together with but subject to all matters contained or referred to in the title registers thereunder.
- D. The Mortgagee is interested in the Student Accommodation Land by virtue of the Legal Charge and is party to do this Agreement in relation to Clause 20.
- E. The Application was submitted 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.
- F. 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.
- G. The Council has recognised the difficulty faced by lower income groups in Full Time Higher Education at a Manchester Higher Education Institution 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 and secure appropriate waste management and the appointment of the Architect as the lead architect in respect of the Development on the Student Accommodation Land.

- H At the date of this agreement the Council of the City of Manchester as landowner of the Sci-Tech Land intends to Dispose the Sci-Tech Land to Kadans
- I The Council and Kadans have entered into an agreement under section 111 of the Local Government Act 1972 preventing Commencement on the Sci-Tech Land until Kadans enters into planning obligations binding the Sci-Tech Land to secure the appointment of the Architect as the lead architect in respect of the Development on the Sci-Tech Land
- J The Council is satisfied that the obligations in this Agreement are,
- 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
- K 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" shall mean this agreement,

"Application" the application to which the Council gave the reference 137399/FO/2023 for planning permission for the erection of a 6 to 9 storey building for Sci-Tech use (Use Class E (g)(ii)) and 265sqm of a cafe/bar (Use Class E (b)), and a 9 to 23 storey building for Purpose Built Student Accommodation (PBSA) (Use Sui Generis), comprising 737 bedrooms and 293sqm of community use (Use Class F2 (b)) and 80sqm of commercial floorspace (Use Class E), alongside new public realm, access, parking, and associated works following demolition of existing buildings,

"Architect" means Sheppard Robson of City Tower, Piccadilly Plaza, Manchester M1 4BT,

"Best Endeavours" means that it is agreed by the parties hereto that the party under such an obligation 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 and landowner in the context of the Development,

"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 (including associated utilities diversion works), 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 the 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 Student Accommodation Units for the purposes of the Building Act 1984 and the Building Regulations 2010 or any amendment or replacement of the same and **"Completed"** and **"Completion"** shall be construed accordingly,

"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 to be undertaken on the Site pursuant to the Planning Permission,

"Discounted Student Accommodation" means accommodation 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 of the Discounted Student Accommodation at Schedule 5 (as may be varied in accordance with the terms for variations at Schedule 5),

"Discounted Student Accommodation Unit" means a Student Accommodation Unit that is also Discounted Student Accommodation and **"Discounted Student Accommodation Units"** shall be construed accordingly,

"Disposal" means the completion of the Sci-Tech Land Lease or any other transfer by the Council of the City of Manchester as landowner of the Sci-Tech Land of a legal interest in the Sci-Tech Land to Kadans or any other life sciences operator or developer and **"Disposed"** 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 such other student as the Council and the Owner agree in writing in accordance with paragraph (vi) of the Discounted Student Accommodation Statement, or in the event the Maintenance Loan ceases to be available, such other affordability criteria as the Council and the Owner agree in writing,

"Expert" a solicitor or barrister 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 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,

"Kadans" means Kadans Science Partner 8 UK Limited,

"Legal Charge" a registered charge registered against title number GM448437 dated 5 April 2024 and entered into between the Owner as chargor and the Mortgagee acting as security trustee,

"Local Plan" includes the Core Strategy adopted by the 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" a part means tested loan provided by the Government to students under the provisions of the Education (Student Support) Regulations 2011 to assist with living costs while studying and any successor loan scheme,

"Main Works Contract" a signed and dated main works contract for the development of the Sci-Tech Building,

"Management Fee" shall mean 15% of the planning application fee which equates to £15,869 55 (fifteen thousand eight hundred and sixty nine pounds and fifty five pence) to be used for the purpose of monitoring and reporting on the delivery of this Agreement and the planning obligations contained herein,

"Manchester Higher Education Institution" means a university or college or equivalent institution offering a Full Time Higher Education Course in 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 had each acted knowledgeably, prudently and without compulsion,

"Market Student Accommodation" means accommodation that is made available to rent to students at Market Rent,

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

"Occupation" means occupation of any part of the Development of the Student Accommodation Units 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 Student Accommodation Units or occupation for

marketing or display or occupation in relation to security operations and **"Occupy"** and **"Occupied"** shall be construed accordingly,

"PBSA Waste Management Strategy" means the strategy for managing waste at the Student Accommodation Units to be agreed with the Council in writing and as may be amended or replaced by the Owner from time to time provided that such amendments or replacement are first approved by the Council in writing,

"Plan 1" the plan attached to this Agreement in part 1 of Schedule 1,

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

"Regulations" the Community Infrastructure Levy Regulations 2010,

"RICS" the Royal Institution of Chartered Surveyors,

"Sci-Tech Building" the building to be constructed on the Sci-Tech Land in accordance with the Planning Permission to form laboratory and office space with ground floor commercial use including meeting suites,

"Sci-Tech Land" means part of the land registered at the Land Registry with title absolute under title number GM899087 and as shown edged green in Plan 1

"Sci-Tech Land Lease" means a lease to be granted by the Council of the City of Manchester as landowner of the Sci-Tech Land to Kadans for the Sci-Tech Land,

"Site" the property comprising the Sci-Tech Land and the Student Accommodation Land and adjoining public highway and described in part 1 of Schedule 1 and shown for the purposes of identification only edged blue on Plan 1,

"Student Accommodation Land" means the land registered at the Land Registry with title absolute under title number GM448437 and as shown edged red on Plan 1,

"Student Accommodation Unit" a unit of sleeping accommodation to be constructed on the Student Accommodation Land as part of the Development pursuant to the Planning Permission and **"Student Accommodation Units"** shall be construed accordingly,

"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 include the successors in title of that party in respect of the Site or relevant part thereof In addition, references to the Council 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 PLANNING OBLIGATION

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 and any parties deriving title to them in respect of the Student Accommodation Land

3 CONDITION PRECEDENT

3 1 This Agreement is conditional upon the grant of the Planning Permission and Commencement of Development on the Student Accommodation Land save for the provisions of Clauses 5, 9, 11, 15, 17, 18 and 19 which shall have immediate effect

4 CONDITION SUBSEQUENT

If the Planning Permission for the Development has not been implemented prior to its expiry or is revoked or modified in whole or in part (other than in approval of an application by or on behalf of 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 themselves and any person deriving title to any part of the Student Accommodation Land from the Owner hereafter hereby covenants with the Council so as to bind the Student Accommodation Land to fully observe and perform the obligations on their part contained in this Agreement including those obligations set out in Schedule 3 and hereby agrees that the Student Accommodation Land shall be permanently subject to the obligations, restrictions and provisions specified herein to the extent this Agreement is binding on the Student Accommodation Land, such obligations being planning obligations for the purpose of section 106 of the Act unless and until the same are discharged or varied pursuant to section 106A 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 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 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 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 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 agrees with the Council to give the Council immediate written notice of any change in ownership of any of its interest in the Student Accommodation Land occurring before all the obligations on the Owner 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 Student Accommodation Land) the area of the Student Accommodation Land or unit of occupation purchased by reference to a plan BUT FOR THE AVOIDANCE OF DOUBT the Owner does not need to notify the Council in respect of any leases or licences entered into with individual occupiers of individual Student Accommodation Units

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 Student Accommodation Land (or relevant part of the Student Accommodation Land) 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 (or relevant part of the Site)

9 3 For the avoidance of doubt, the obligations under this Agreement shall not be enforceable against occupiers of individual Student Accommodation Units

10 COUNCIL'S CONSENT OR APPROVAL

10 1 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

10 2 Where variations or modifications are expressed in this Agreement to be subject to approval or agreement in writing that need not require a deed of modification under section 106A of the Act

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 their successors in title, at any time after the obligations set out herein have been fulfilled in their entirety, issue written confirmation thereon and thereafter cancel all related entries and relevant notices in the register of local land charges

11 3 The costs of registration and 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 Student Accommodation Land 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 Student Accommodation Land 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, sent by recorded delivery service

14 1 1 to the Council and addressed to the City Solicitor at the Council's address first above written

14 1 2 to the Owner at their last known addresses

15 FEES

15 1 The Owner shall pay forthwith to the Council its legal fees reasonably and properly incurred in preparation of this Agreement

15 2 Receipt by the Council of the payment of such sum shall not create any lawyer-client type contractual relationship between the Council and the Owner nor absolve the Owner from any liability or obligation imposed upon them by the terms of this Agreement or by statute or at common law

15 3 The Owner shall on the date hereof pay to the Council the Management Fee

16 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

17 JURISDICTION

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

18 COMPLETION

The provisions of this Agreement (other than this clause which shall be of immediate effect) shall be of no effect until this Agreement has been dated

19. WARRANTY AS TO TITLE

19 2 The Owner hereby warrants to the Council that the title details recited in this Agreement in respect of the Student Accommodation Land are complete and accurate in every respect and no other person has an interest in the Student Accommodation Land and hereby indemnifies the Council in respect of any loss that arises should there be any breach of this warranty

20 MORTGAGEE

20.1 The Mortgagee consents to this Agreement being entered into with the intention that its interest in the Student Accommodation Land in the form of the Legal Charge will be bound by the terms of this Agreement as if this Agreement had been executed and registered as a local land charge before the execution of the Legal Charge (subject to clause 20.2 below)

20.2 Notwithstanding clause 20.1, the Mortgagee, and any future mortgagee or chargee, will not incur any liability for any breach of the obligations contained in this Agreement unless and until they become a mortgagee in possession of the Student Accommodation Land in which case the obligations can be enforced against the Mortgagee or any future mortgagee or chargee in possession insofar as the obligations relate to that part of the Student Accommodation Land in which they are mortgagee in possession

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

SCHEDULE 1

Part 1 – The Site

Land bounded by Upper Brook Street, Cottenham Street & Kincardine Road Manchester M13 9TD and shown for the purposes of identification only edged red on Plan 1 attached hereto

Plan 1



© COPYRIGHT
The copyright in this drawing is vested in Sheppard Robson and no license or assignment of any kind has been, or is, granted to any third party whether by provision of copies or originals or otherwise unless agreed in writing.

DO NOT SCALE FROM THIS DRAWING
The contractor shall check and verify all dimensions on site and report any discrepancies in writing to Sheppard Robson before proceeding work.

FOR ELECTRONIC DATA ISSUE
Electronic Data / drawings are issued as "read only" and should not be interpolated for measurement. All dimensions and levels should read, only from those values stated in text on the drawing.

- Legend
- Planning Application
 - PBSA
 - Kadans



REV.	DATE	AMENDMENT
P01	22/08/2024	Issued to Client
P02	29/08/2024	Issued to Client

CLIENT
McLAREN
PROPERTY

**SHEPPARD
ROBSON**

77 Parkway Camden Town London NW1 7PU
T: +44 (0)20 7504 1700 E: enquiries@sheppardrobson.co.uk

PROJECT
Upper Brook Street Masterplan -
McLaren/Kadans

SCALE@A1	DATE	ORIGINATOR	CHECKED	AUTHORISED
1 : 500	29/08/2024	RA	MT	MT

DESCRIPTION
Site Plan - Existing

STAGE
Stage 4

STATUS PURPOSE FOR ISSUE
S2 For Information

DRAWING NO.
MAUBS-SRA-XX-XX-DR-AR-00104

SR NO.
6601_7025
REV.
P02

SCHEDULE 2

Draft Planning Permission

SCHEDULE 3

THE OWNER'S COVENANTS

The Owner hereby covenants with the Council as follows

- 1 To notify the Council in writing within 5 (five) Working Days of Commencement of Development at the Student Accommodation Land
- 2 Not to allow first Occupation of the Student Accommodation Units until the earlier of
 - a the date on which both the development of the Sci-Tech Building has Commenced and a Main Works Contract is in place (but for the avoidance of doubt both do not need to occur simultaneously), and
 - b where on or prior to 2 December 2024 there has not been a Disposal and a Main Works Contract is not in place, the later of the 1 April 2027 or the date of practical completion of the Student Accommodation Units
- 2 Not to allow first Occupation of the Market Student Accommodation Units until the Discounted Student Accommodation Units have been Completed and made ready for Occupation
- 3 To carry out and manage the Development of the Student Accommodation Units in accordance with the Discounted Student Accommodation Statement
- 4 To use Best Endeavours to continue to employ the Architect as the lead architect throughout the construction period until Completion of the Development of the Student Accommodation Units *PROVIDED THAT* the Architect remains willing and able to fulfil such role in relation to the Development of the Student Accommodation Units and such employment is capable of *being secured on reasonable commercial terms and timescales*
- 5 Should the Architect not be appointed or continue to be appointed in accordance with paragraph 4 of Part 2 of this Schedule 3 above the Owner shall immediately notify the Council of this fact and shall use Best Endeavours to appoint a replacement architect of a similar calibre and reputation as soon as reasonably practicable and shall notify the Council of the identity of the replacement architect immediately thereafter
- 6 To submit the PBSA Waste Management Strategy prior to start of above ground works at the Student Accommodation Land pursuant to the Development of the Student Accommodation Units to the Council for approval and not to start above ground works at the Student Accommodation Land pursuant to the Development of the Student Accommodation Units until the PBSA Waste Management Strategy has been approved
- 7 To implement the approved PBSA Waste Management Strategy prior to first Occupation of the Student Accommodation Units and maintain this provision for the lifetime of the Student Accommodation Units and **FOR THE AVOIDANCE OF DOUBT** waste management and collection for the Student Accommodation Units 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

SCHEDULE 4

THE COUNCIL'S COVENANTS

The Council hereby covenants with the Owner as follows

- 1 To issue the Planning Permission within two (2) Working Days of the date hereof

SCHEDULE 5

THE DISCOUNTED STUDENT ACCOMMODATION STATEMENT

This statement has been prepared in support of the Development of the Student Accommodation Units 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 includes details of

- I the provisions governing the tenure and location of the Discounted Student Accommodation Units, which shall consist of not less than 20% (twenty per cent) of the total number of Student Accommodation Units constructed on the Student Accommodation Land,
- II the arrangements for the management of the Discounted Student Accommodation Units,
- 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 Units, and
- IV the occupancy criteria to be used for determining the identity of occupiers of the Discounted Student Accommodation Units and the means by which such occupancy criteria shall be enforced

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

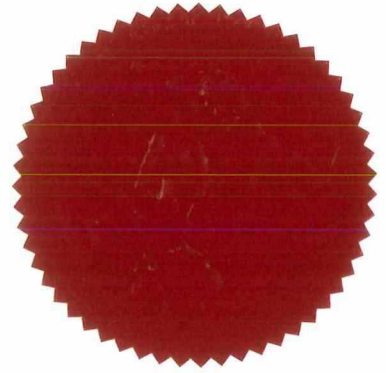
- I The initial scheme comprises of the following tenure and unit mix,

Tenure	Units
Discounted Student Accommodation Units	148

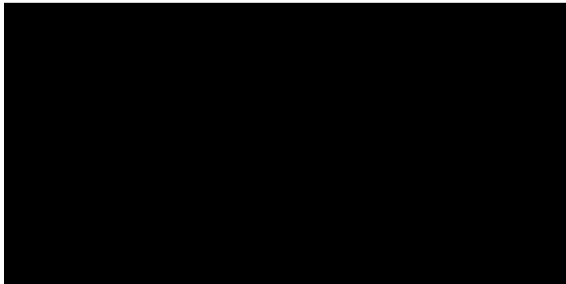
- II The Owner shall notify the Council at the beginning of each academic year of the location of the Discounted Student Accommodation Units within the Development and each such Discounted Student Accommodation Unit shall not be used other than for Discounted Student Accommodation during academic term times in that academic year
- III 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 equivalent Market Student Accommodation Units and the rent shall include all utility bills and use of the on-site gymnasium and amenity spaces
- IV The Owner will be responsible to the Council under this Agreement for the management, control, future lettings and maintenance of the Discounted Student Accommodation Units. Nothing in this paragraph IV prevents or restricts the Owner from entering into operational management and maintenance arrangements with a third party (which might include a higher education institution) or entering into nomination arrangements with a higher education institution
- V Rent levels for the Discounted Student Accommodation Units will be set at a level of no more than 80% (eighty per cent) of rent level of the equivalent Market Student Accommodation Units

- vi The Owner shall use Best Endeavours to make the Discounted Student Accommodation Units available to Eligible Students and shall secure this each year as follows
 - a The Owner shall work with one or more Manchester Higher Education Institution to make the Discounted Student Accommodation Units available to Eligible Students in receipt of the full amount of the Maintenance Loan
 - b In the event the Owner is unable to allocate any number of the Discounted Student Accommodation Units to Eligible Students in receipt of the full amount of the Maintenance Loan, the Owner shall notify and provide written evidence to the Council of the steps taken to allocate those Discounted Student Accommodation Units to Eligible Students in receipt of the full amount of the Maintenance Loan
 - c If pursuant to paragraph (vi)(b) the Owner has demonstrated to the reasonable satisfaction of the Council (such satisfaction to be confirmed in writing and not to be unreasonably withheld or delayed) that it is unable to allocate any number of the Discounted Student Accommodation Units to Eligible Students in receipt of the full amount of the Maintenance Loan, the Owner shall work with one or more Manchester Higher Education Institution to make the unallocated Discounted Student Accommodation Units available to students in receipt of any amount of the means tested element of the Maintenance Loan
 - d In the event that the Owner is unable to allocate any number of the Discounted Student Accommodation Units to students under the provisions of paragraph vi(a) and (vi)(c) any unallocated Discounted Student Accommodation Units may be made available to any students whether or not in receipt of the Maintenance Loan
- vii 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 parties which shall set out
 - a the approach to letting the Discounted 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
- viii The Council and the Owner acknowledge and declare that the Owner may manage its Student Accommodation Units in a way that Market Student Accommodation Units may switch to Discounted Student Accommodation Units and vice versa as vacancies and nominations require PROVIDED THAT the minimum number of Discounted Student Accommodation Units is maintained at all times during academic term times

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:



01126184



AUTHORISED SIGNATORY

EXECUTED as a deed by)
MCLAREN PROPERTY (UBS 1))
LIMITED acting by a director)
in the presence of:

Director

Witness signature:

Witness name:

Witness address:

Witness occupation:

DAVID ARTHURSON

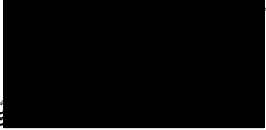
DIVISIONAL MANAGING DIRECTOR

Joseph Gadd
Authorised Signatory

Executed as a deed by
as a duly authorised attorney for and on
behalf of **CBRE LOAN SERVICES LIMITED**
in the presence of


Authorised Signatory

Signature of witness
Name
Address


In the presence of
Witness signature:
Witness name: Kishan Patel
Occupation: Asset Manager
Address: Henrietta House, Henrietta Place
London W1G 0NB