IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

You must read the following disclaimer before continuing.

The following applies to the prospectus following this page (the "**Prospectus**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications thereto any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your representation: In order to be eligible to view this Prospectus or make an investment decision with respect to the securities, investors must not be a U.S. Person (within the meaning of Regulation S under the Securities Act). By accepting the e-mail and accessing this Prospectus, you shall be deemed to have represented to us that you are not a U.S. person; the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the U.S., its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia; and that you consent to delivery of this Prospectus by electronic transmission.

You are reminded that this Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of this Prospectus who intend to subscribe for or purchase the Notes are reminded that any subscription or purchase may only be made on the basis of the information contained in the final Prospectus. This Prospectus may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Citigroup Global Markets Limited, HBOS Treasury Services plc, Banco Bilbao Vizcaya Argentaria, S.A. nor any person who controls any of the same nor any director, officer, employee or agent thereof or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from Citigroup Global Markets Limited.

The date of this Prospectus is 21 June 2007

EuroProp (EMC VI) S.A.

(Incorporated with limited liability as a société anonyme under the laws of Luxembourg with its registered office at 7, Val Ste Croix, L-1371 Luxembourg (registered number RCS Luxembourg B-127186))

€380,250,000 Class A Mortgage Backed Floating Rate Notes due 2017
Issue price 100 per cent.
€30,000,000 Class B Mortgage Backed Floating Rate Notes due 2017
Issue price 100 per cent.
€35,000,000 Class C Mortgage Backed Floating Rate Notes due 2017
Issue price 100 per cent.
€30,000,000 Class D Mortgage Backed Floating Rate Notes due 2017
Issue price 100 per cent.
€4,000,000 Class E Mortgage Backed Floating Rate Notes due 2017
Issue price 100 per cent.
€6,625,000 Class F Mortgage Backed Floating Rate Notes due 2017
Issue price 100 per cent.

EuroProp (EMC VI) S.A. (the "**Issuer**") is a securitisation company within the meaning of and governed by the Luxembourg law of 22 March 2004 on securitisation (the "**Securitisation Law**"). The Notes (as defined below) are issued by the Issuer. The Issuer will issue the €380,250,000 Class A Mortgage Backed Floating Rate Notes due 2017 (the "**Class A Notes**"), the €30,000,000 Class B Mortgage Backed Floating Rate Notes due 2017 (the "**Class B Notes**"), the €35,000,000 Class C Mortgage Backed Floating Rate Notes due 2017 (the "**Class C Notes**"), the €30,000,000 Class D Mortgage Backed Floating Rate Notes due 2017 (the "**Class D Notes**"), the €4,000,000 Class E Mortgage Backed Floating Rate Notes due 2017 (the "**Class E Notes**"), the €6,625,000 Class F Mortgage Backed Floating Rate Notes due 2017 (the "**Class F Notes**" and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Rated Notes**") and the €3,900,000 Class R Floating Rate Notes due 2017 (the "**Class R Notes**" and, together with the Rated Notes, the "**Notes**") on the Issue Date. Interest on the Notes will be payable in arrear on the 30th day of each January, April, July and October (subject to adjustment for non-business days) (each an "**Interest Payment Date**"), commencing on the Interest Payment Date falling in July 2007.

The Issuer will apply the gross proceeds of issue of the Rated Notes to purchase, directly or indirectly, at their principal amount outstanding (plus accrued interest through a residual consideration mechanism) interests in eighteen commercial mortgage loans (each a "**Loan**" and together, the "**Loans**") and the benefit of any related security (the "**Related Security**") made by Citibank International plc (the "**First Seller**") or Citibank, N.A., London Branch (the "**Second Seller**", together with the First Seller, the "**Sellers**"), as the case may be, pursuant to certain credit agreements (each a "**Credit Agreement**") which are secured by, among other things, commercial properties situated in France and Germany (each a "**Property**" and together, the "**Properties**").

The interest rates applicable to the Rated Notes from time to time will be determined by reference to the European Inter-bank Offered Rate ("**EURIBOR**") for three month deposits ("**Note EURIBOR**") plus a margin as set out in the table below. The Class R Notes will bear interest at a variable rate of interest as set out in Condition 5.3.

	Class A Notes	**Class B Notes**	**Class C Notes**	**Class D Notes**	**Class E Notes**	**Class F Notes**
Margin	0.17% p.a.	0.27% p.a.	0.48% p.a.	0.85% p.a.	1.00% p.a.	3.25% p.a.

This prospectus constitutes a Prospectus for the purpose of Directive 2003/71/EC (the "**Prospectus Directive**").

Application has been made to the Irish Financial Services Regulatory Authority ("**IFSRA**"), as competent authority under the Prospectus Directive, for this Prospectus to be approved. Application has been made to the Irish Stock Exchange Limited (the "**Irish Stock Exchange**") for the Rated Notes to be admitted to the Official List of the Irish Stock Exchange and traded on its regulated market. Approval by the IFSRA relates only to the Rated Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 93/22/EEC or which are to be offered to the public in any member state of the European Economic Area.

If any withholding or deduction for or on account of tax is applicable to the Notes, payments of interest on, and principal in respect of, the Notes will be made subject to such withholding or deduction. In such circumstances, neither the Issuer nor any other party will be obliged to pay any additional amounts as a consequence.

Unless previously redeemed in full, each class of Notes will mature on the Interest Payment Date falling in April 2017 (the "**Final Maturity Date**"). The Notes will be subject to mandatory redemption and/or optional redemption either in whole or in part before that date in the circumstances, and subject to the conditions, described in the terms and conditions of the Notes (the "**Conditions**").

The Notes will be limited recourse obligations of the Issuer only and will not be guaranteed by, or be the responsibility of, any other person or entity. It should be noted in particular, that the Notes will only be capable of being satisfied and discharged from the assets of the Issuer.

The Class A Notes are expected, on issue, to be assigned an AAA rating by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**"), an Aaa rating by Moody's Investors Service Limited ("**Moody's**") and an AAA rating by Fitch Ratings Ltd ("**Fitch**") (together, the "**Rating Agencies**"). The Class B Notes are expected, on issue, to be assigned an AA rating by S&P, an Aa2 rating by Moody's and an AA rating by Fitch. The Class C Notes are expected, on issue, to be assigned an A rating by S&P, an A2 rating by Moody's and an A rating by Fitch. The Class D Notes are expected, on issue, to be assigned a BBB rating by S&P and a BBB rating by Fitch. The Class E Notes are expected, on issue, to be assigned a BBB– rating by S&P and a BBB rating by Fitch. The Class F Notes are expected, on issue, to be assigned a BB rating by S&P and a BB rating by Fitch. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. The Class R Notes will not be rated.

Each class of Rated Notes will be represented initially by a temporary global note in bearer form, without coupons or talons (each a "**Temporary Global Note**") issued and authenticated and effectuated (as the case may be) on or about 26 June 2007 (or such later date as may be agreed between the Issuer, the Managers and the Trustee) (the "**Issue Date**"). Each Temporary Global Note will be exchangeable not earlier than 40 days after the Issue Date (provided that certification of non-U.S. beneficial ownership has been received) for interests in a permanent global note in bearer form, without coupons or talons, for the relevant class (each a "**Permanent Global Note**" and, together with each Temporary Global Note, the "**Global Notes**"). The Global Notes in respect of the Class A Notes will be issued in new global note ("**NGN**") form (hereafter also referred to as "**NGNs**"). They are intended to be eligible collateral for Eurosystem monetary policy and will be delivered on or prior to the Issue Date to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream,Banking, société anonyme ("**Clearstream, Luxembourg**"). Whether any NGNs are so recognised as eligible collateral will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Notes in respect of the Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes which are issued in classic global note ("**CGN**") form (hereafter also referred to as "**CGNs**") will be deposited on the Issue Date with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depositary**"). Save in certain limited circumstances set out in the Conditions, Rated Notes in definitive form will not be issued. The Class R Notes will be in registered form.

See "**Risk Factors**" for a discussion of certain factors which should be considered by prospective investors in connection with an investment in the Notes.

Lead Manager

Co-Managers

The date of this Prospectus is 21 June 2007

Sunrise II Loan

Signac Loan

Henderson 3 (Staples) Loan

Epic Rhino Loan

Bonn Loan

Tshuva Loan

This prospectus (the "**Prospectus**") comprises a prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**").

THE NOTES WILL BE LIMITED RECOURSE OBLIGATIONS OF THE ISSUER ONLY AND WILL NOT BE GUARANTEED BY, OR BE THE RESPONSIBILITY OF, ANY OTHER PERSON OR ENTITY. IT SHOULD BE NOTED IN PARTICULAR, THAT THE NOTES WILL ONLY BE CAPABLE OF BEING SATISFIED AND DISCHARGED FROM THE ASSETS OF THE ISSUER. THE NOTES AND INTEREST THEREON WILL BE OBLIGATIONS SOLELY OF THE ISSUER AND WILL NOT BE THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY OTHER ENTITY. IN PARTICULAR, THE NOTES WILL NOT BE OBLIGATIONS OR RESPONSIBILITIES OF, OR GUARANTEED BY, THE FINANCE PARTIES (OTHER THAN THE ISSUER), THE TRUSTEE, THE MANAGERS, THE SWAP COUNTERPARTY, THE PAYING AGENTS, THE CASH MANAGER, THE REGISTRAR, THE AGENT BANK, THE MASTER SERVICER, THE SPECIAL SERVICER, THE SELLERS, THE ISSUER ACCOUNT BANK, THE LIQUIDITY FACILITY PROVIDER OR THE CORPORATE SERVICES PROVIDER (EACH AS DEFINED HEREIN) OR ANY OTHER COMPANY IN THE SAME GROUP OF COMPANIES AS, OR AFFILIATED TO, ANY OF SUCH ENTITIES.

The Issuer (as "**Responsible Person**" for the purposes of the Prospectus Directive) accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Neither the delivery of this Prospectus nor any sale or allotment made in connection with any offering of any of the Notes will, under any circumstances, constitute a representation or create any implication that there has been no change in the information contained herein since the date of this Prospectus.

None of Citigroup Global Markets Limited (the "**Lead Manager**"), HBOS Treasury Services plc and Banco Bilbao Vizcaya Argentaria, S.A. (together with the Lead Manager, the "**Managers**") nor the Swap Counterparty has independently verified the information contained herein. Accordingly, none of the Managers nor the Swap Counterparty makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information herein or part of it or of any other information provided by the Issuer in connection with the Notes. None of the Managers nor the Swap Counterparty accepts any liability in relation to the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes. Each potential purchaser of Notes should determine the relevance of the information contained in this Prospectus and the purchase of Notes should be based upon such investigation as each purchaser deems necessary. None of the Managers nor the Swap Counterparty undertakes or will undertake to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Managers or the Swap Counterparty.

The Notes shall not be offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and neither this Prospectus nor any other circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in, or from, or published in, the Grand Duchy of Luxembourg, except for the sole purpose of the admission to trading and listing of the Rated Notes on the Irish Stock Exchange and except in circumstances which do not constitute a public offer of securities to the public.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The Notes will be in bearer form (other than the Class R Notes which will be in registered form) and subject to U.S. tax law requirements. The Notes may not be sold or delivered, directly or indirectly, in the United States or to, or for the benefit or account of, any U.S. persons (as defined in Regulation S) (see the section "Subscription and Sale" below) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

No person has been authorised to give any information or to make any representation other than as contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Trustee or any of the Managers.

The websites referred to throughout the document do not constitute part of this Prospectus.

Other than seeking the approval by the Irish Financial Services Regulatory Authority of this Prospectus as a prospectus in accordance with the requirements of the Prospectus Directive, application for the Rated Notes to be listed to the Official List of the Irish Stock Exchange and to trading on its regulated market, no action has been or will be taken to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any part of it nor any other offering circular, prospectus, form of application, advertisement or other offering material may be issued, distributed or published in any country or jurisdiction (including the United Kingdom), except in circumstances that will result in compliance with all applicable laws, orders, rules and regulations.

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part of it) comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offers and sales of the Notes and distribution of this Prospectus (or any part hereof), see the section "**Subscription and Sale**" below.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

All references in this document to "**Euros**", "**EUR**" or "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended.

In connection with the issue of the Rated Notes, Citigroup Global Markets Limited (in this capacity, the "Stabilising Manager") or any person acting for the Stabilising Manager may over-allot Rated Notes or effect transactions with a view to supporting the market price of the Rated Notes (or any class of them) at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any agent of the Stabilising Manager) will undertake stabilisation action. Any such stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Rated Notes is made and, if begin, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Rated Notes and 60 days after the date of the allotment of the Rated Notes. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

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OVERVIEW OF THE TRANSACTION

The information in this section does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Prospectus and the related documents referred to herein. Prospective investors are advised to read carefully, and should rely solely on, the detailed information appearing elsewhere in this Prospectus and the related documents referred to herein in making any investment decision. Capitalised terms used, but not defined, can be found elsewhere in this Prospectus, unless otherwise stated. An index of defined terms is set out at Appendix 1 to this Prospectus.

The Issuer

The Issuer is a securitisation company within the meaning of and governed by the Luxembourg law of 22 March 2004 on securitisation (the "**Securitisation Law**"). See the section entitled "**The Issuer**" below.

Issuance of Notes and acquisition of the Loan Pool and FCC Purchased Notes

On the Issue Date the Issuer will issue the Rated Notes. The Issuer will apply the gross proceeds of the issue of the Rated Notes as follows:

(i) to subscribe for the FCC Purchased Notes (as defined below) issued by the relevant compartment of FCC EuroProp (EMC) (the "**FCC**") (further described herein); and

(ii) to purchase, pursuant to the terms of mortgage sale agreements (the "**Mortgage Sale Agreements**") to be entered into between the Issuer and Citibank International plc (the "**First Seller**") or Citibank, N.A., London Branch (the "**Second Seller**" and, together with the First Seller, the "**Sellers**", and each a "**Seller**") on or prior to the Issue Date, the following, as applicable:

  (a) the German Loans (as defined below) (each a "**Direct Loan**" and together referred to as the "**Direct Loans**" or the "**Direct Loan Pool**");

  (b) the interests of each Seller as lender in the various security interests granted in respect of each Direct Loan (in respect of each Direct Loan, the "**Direct Loan Related Security**" and in respect of the Direct Loan Pool, the "**Direct Loan Pool Security**");

  (c) the rights of the each Seller as lender under the relevant Finance Documents (as defined below) in respect of each Direct Loan, i.e. the credit agreements, any security agreement, any subordination agreement, any loan hedging agreements and any other document designated as such pursuant to the provisions of the relevant credit agreement;

(iii) towards the transfer or entering into of:

  (a) the existing fixed/floating swap transactions in respect of each of the Epic Rhino Loan, Epic Horse Loan and Tshuva Loan entered into by the First Seller and Citibank, N.A., London Branch in its capacity as swap counterparty prior to the Closing Date; and

  (b) the fixed/floating swap transactions in respect of each of the Henderson Loans (defined below) and the Citibank Sunrise II Loan to be entered into by the Issuer and Citibank, N.A., London Branch in its capacity as swap counterparty on or prior to the Closing Date.

The Direct Loan Pool and the FCC Purchased Notes are directly and indirectly (as appropriate) secured upon, *inter alia*, commercial real properties situated in Germany and France respectively.

Issuance of Class R Notes

The Issuer will issue the Class R Notes to be purchased by Citibank International plc only and will apply the gross proceeds of the Class R Notes in making a deposit of approximately €3,900,000 into an expenses account (the "**Expenses Account**"). The expenses of the issue will be paid by the Issuer directly out of the Expenses Account.

Assets of the Issuer

The main assets of the Issuer will be (i) its right to receive payments of principal and interest in respect of the FCC Senior Notes and the FCC Residual Notes (each as defined below) (together, the "**FCC Purchased Notes**"), (ii) its right to receive repayments of principal and payments of interest in respect of the Direct Loan Pool and its Related Security and (iii) its right to receive payments from its swap

counterparty under the terms of the Swap Transaction(s) (as defined below). The Issuer will use such receipts, and if necessary, together with funds available to it under the Liquidity Facility Agreement (as defined below), to make payments of, *inter alia*, principal and interest due in respect of the Notes.

Liability under the Notes

The Notes will be limited recourse obligations of the Issuer. The Notes will only be capable of being satisfied and discharged from the assets of the Issuer.

FCC

FCC EuroProp (EMC) is a "debt mutual fund" (*fonds commun de créances*) jointly established in France on 31 July 2006 by a management company (the "**FCC Management Company**") and a custodian (the "**FCC Custodian**") and comprising, on the Issue Date of, three compartments (the "**FCC Compartments**"). The FCC and the FCC Compartments are established pursuant to and governed by the provisions of Articles L. 214-5, L. 214-43 to L. 214-49 and Articles R. 214-92 to R. 214-115 of the French Monetary and Financial Code (*Code monétaire et financier*) (the "**French Monetary and Financial Code**"), the general regulations dated 31 July 2006 between FCC Management Company and the FCC Custodian (the "**General Regulations**") and, for each FCC Compartment by the relevant compartment regulations (the "**FCC Compartment Regulations**"), all of which are entered into between the FCC Management Company and the FCC Custodian, and other relevant FCC Transaction Documents (as defined below). The Signac Loan (as defined below) will be purchased by the FCC and allocated to one of the FCC Compartments (the "**Signac Compartment**"). The outstanding two FCC Compartments are not involved in this securitisation. In accordance with Article L. 214-43-1 of the French Monetary and Financial Code, the FCC represents a joint ownership entity (*copropriété*) of assets having the form of receivables. In accordance with Article L. 214-43-3° of the French Monetary and Financial Code, the FCC does not have a legal personality (*personnalité morale*).

Management Strategy

In accordance with Article R. 214-92 of the French Monetary and Financial Code and pursuant to the terms of the General Regulations, the management strategy of the FCC is to purchase loans from Citibank International plc (in this capacity, the "**Signac Loan Seller**") and/or any other sellers approved by the Signac Loan Seller.

In accordance with Article R. 214-92 of the French Monetary and Financial Code and pursuant to the terms of the FCC Compartment Regulations for the Signac Compartment, the management strategy of the Signac Compartment is to purchase the Signac Loan and its Related Security from the Signac Loan Seller and to issue the FCC Senior Notes, the FCC Junior Notes, the FCC Residual Notes and the Signac Units (each as defined below).

Issuance of FCC Notes and Signac Units and Acquisition of Signac Loan

The Signac Compartment will issue, on the Issue Date, (i) notes in senior and junior tranches in the form of (a) senior floating rate Class A1 Notes (the "**FCC Senior Notes**"), (b) junior floating rate Class B1 notes (the "**FCC Junior Notes**"), (c) residual notes (the "**FCC Residual Notes**" and, together with the FCC Senior Notes and the FCC Junior Notes, the "**FCC Notes**") and (ii) 2 subordinated units, in an aggregate principal amount of €150 each (the "**Signac Units**").

The holders of the FCC Senior Notes and the FCC Junior Notes shall be referred to herein as "**FCC Noteholders**" and the holders of the FCC Residual Notes shall be referred to herein as "**FCC Residual Noteholders**".

Pursuant to Article R. 214-96 of the French Monetary and Financial Code, the FCC Senior Notes, the FCC Junior Notes, the FCC Residual Notes and the Signac Units may only be subscribed for or held by qualified investors (*investisseurs qualifiés*) within the meaning of Article L. 411-2 of the French Monetary and Financial Code, non-French resident investors (*investisseurs non résidents*) or the Signac Loan Seller.

The FCC Notes will mature on or prior to the maturity of the Notes.

The Issuer will only subscribe for the FCC Senior Notes and the FCC Residual Notes. The FCC Junior Notes and the Signac Units will be subscribed by third party investors.

The FCC Management Company, acting in the name and on behalf of the Signac Compartment will apply the proceeds of the issue of the FCC Notes and the Signac Units, to acquire, on the Issue Date, upon the

terms and subject to the conditions of the mortgage sale agreement relating to the Signac Loan (the "**Signac Mortgage Sale Agreement**") and in the manner described below, the Signac Loan and its Related Security and allocate it to the Signac Compartment.

The transfer of title of the Signac Loan and its Related Security pursuant to the Signac Mortgage Sale Agreement will be completed by the delivery by the Signac Loan Seller on the Issue Date, to the FCC Management Company, acting in the name and on behalf of the Signac Compartment, of a transfer document entitled *acte de cession de créances*, in the form prescribed by Article L. 214-43 and Article R. 214-109 of the French Monetary and Financial Code. The transfer of title to the Signac Loan and its Related Security and its allocation to the Signac Compartment will take effect by the delivery of the *acte de cession de créances* and will be binding on third parties as at the date of the *acte de cession de créances*, without the need for any further formality.

The Signac Compartment will apply receipts of principal and interest paid to it in respect of the Signac Loan to make payments of principal and interest due in respect of the FCC Notes.

Please refer to the section entitled "**Principal Features of the FCC Notes**" for details of liability and the limited recourse nature of the FCC Notes.

Assets of the Signac Compartment

The assets of the Signac Compartment will be its right to receive repayments of principal and payments of interest in respect of the Signac Loan and its Related Security. The Signac Compartment will use such receipts to make payments of, *inter alia*, principal and interest due in respect of the FCC Notes.

The Loan Pool

The loan pool will consist of the following eighteen loans (the "**Loans**", each a "**Loan**" and together, the "**Loan Pool**") (unless otherwise stated, all references in this Prospectus to "**Loans**" and "**Loan**" refer to the portion of the relevant Loans or Loan, as the case may be, that is/are being acquired by the Issuer or the FCC as applicable):

(1) the Henderson 1 (Oberursel) Loan;

(2) the Henderson 2 (Weiterstadt) Loan;

(3) the Henderson 3 (Staples) Loan;

(4) the Henderson 4 (Bergen) Loan;

(5) the Henderson 5 (Bardowick) Loan;

(6) the Henderson 6 (Lüneburg) Loan;

(7) the Henderson 7 (Cluster 4 & 5) Loan;

(8) the Henderson 8 (Flensburg) Loan;

(9) the Henderson 9 (Cluster 1) Loan;

(10) the Henderson 10 (Cluster 2) Loan (together with the Loans set out in (1) to (9) above, the "**Henderson Loans**");

(11) the Epic Rhino Loan;

(12) the Bonn Loan;

(13) the Ash Loan;

(14) the Tshuva Loan;

(15) the Citibank Sunrise II Loan;

(16) the Epic Horse Loan;

(17) the Gutperle Loan (together with the Loans set out at 1 to 16 above, the "**German Loans**" or the "**Direct Loans**"); and

(18) the Signac Loan.

The Loans are made either by Citibank International plc (through its London branch) or Citibank, N.A., London Branch to different borrowers (each a "**Borrower**" and together, the "**Borrowers**") (see below).

The "**Sunrise II Loan**" was jointly originated by the Second Seller and DB Lender (as defined below) (together the "**Sunrise II Lenders**" and each a "**Sunrise II Lender**") in equal shares ranking *pari passu* and comprises the Citibank Sunrise II Loan and the DB Sunrise II Loan (each as defined below), with the DB Sunrise II Loan being the portion of the Sunrise II Loan that is not acquired by the Issuer.

"**Whole Loans**" means the Bonn Whole Loan and the Gutperle Whole Loan (each as defined below) and "**Whole Loan**" shall mean any one of them; with the "**Bonn Loan**" and the "**Gutperle Loan**" respectively being, in relation to the relevant Whole Loan, the portion of such Whole Loan that is acquired by the Issuer; and with the "**Subordinated Loan**" being, in relation to any Whole Loan, the portion of such Whole Loan that is not acquired by the Issuer and that is subordinated to that portion of such Whole Loan which is acquired by the Issuer.

As at 20 April 2007 (the "**Cut-Off Date**"), the Loans had an aggregate outstanding principal balance of €485,816,385* (the "**Cut-Off Date Balance**").

The Epic Rhino Loan, the Epic Horse Loan, the Bonn Loan, the Gutperle Loan and the Citibank Sunrise II Loan are governed by English law, the Henderson Loans, the Ash Loan and the Tshuva Loan are governed by German law and the Signac Loan is governed by French law.

The Henderson Loans, the Epic Rhino Loan, the Epic Horse Loan, the Tshuva Loan and the Sunrise II Loan provide for the relevant Borrower to pay a fixed rate of interest, while the Bonn Loan, the Ash Loan, the Gutperle Loan and the Signac Loan provide for the relevant Borrower to pay a floating rate of interest. All the Loans are denominated in Euros. The Related Security, granted in respect of each Loan, was granted by the relevant Borrower (or, as the case may be, the parent company, the limited partner or the general partner of the Borrower or the group company thereof, or (whilst the transfer of legal title in respect of the relevant property is pending) a third party freeholder of the Property).

The Henderson 1 (Oberursel) Loan

The Henderson 1 (Oberursel) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 1 (Oberursel) Loan was €7,500,000. The Henderson 1 (Oberursel) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Henderson 2 (Weiterstadt) Loan

The Henderson 2 (Weiterstadt) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 2 (Weiterstadt) Loan was €6,375,000. The Henderson 2 (Weiterstadt) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Henderson 3 (Staples) Loan

The Henderson 3 (Staples) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 3 (Staples) Loan was €40,465,378. The Henderson 3 (Staples) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Henderson 4 (Bergen) Loan

The Henderson 4 (Bergen) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 4 (Bergen) Loan was €8,175,000. The Henderson 4 (Bergen) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Henderson 5 (Bardowick) Loan

The Henderson 5 (Bardowick) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 5 (Bardowick) Loan was €5,175,000. The Henderson 5 (Bardowick) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

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* Includes additional amount of €527,859 drawn down on the Epic Horse Loan on 18 June 2007

The Henderson 6 (Lüneburg) Loan

The Henderson 6 (Lüneburg) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 6 (Lüneburg) Loan was €8,175,000. The Henderson 6 (Lüneburg) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Henderson 7 (Cluster 4 & 5) Loan

The Henderson 7 (Cluster 4 & 5) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 7 (Cluster 4 & 5) Loan was €20,930,174. The Henderson 7 (Cluster 4 & 5) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Henderson 8 (Flensburg) Loan

The Henderson 8 (Flensburg) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 8 (Flensburg) Loan was €7,922,305. The Henderson 8 (Flensburg) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Henderson 9 (Cluster 1) Loan

The Henderson 9 (Cluster 1) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 9 (Cluster 1) Loan was €11,090,764. The Henderson 9 (Cluster 1) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Henderson 10 (Cluster 2) Loan

The Henderson 10 (Cluster 2) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 10 (Cluster 2) Loan was €14,620,022. The Henderson 10 (Cluster 2) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Epic Rhino Loan

The Epic Rhino Loan is a term loan facility originated by the First Seller. The outstanding principal balance as at the Cut-Off Date of the Epic Rhino Loan was €34,277,748. The Epic Rhino Loan will be acquired by the Issuer from the First Seller on the Issue Date.

The Bonn Loan

The Bonn Whole Loan (as defined below) is a term loan facility originated by the Second Seller. However, the Second Seller is only selling a portion of the Bonn Whole Loan to the Issuer on the Issue Date. The Second Seller has sold part of its interest (the whole of such interest being as at the Cut-Off Date €40,821,525) in the Bonn Whole Loan to a third party investor, and such interest will not be acquired by the Issuer on the Issue Date and will instead be retained by the third party investor or its permitted transferee(s) (the "**Bonn Investor**") who is not party to this securitisation. The Second Seller will sell the remainder of its interest in the Bonn Whole Loan to the Issuer on the Issue Date. The outstanding principal balance of the Bonn Whole Loan being sold to the Issuer as at the Cut-Off Date was €34,130,234. All references in this Prospectus to the Bonn Loan (including all financial information with respect to such Loan) are to the portion of the Bonn Whole Loan that is being acquired by the Issuer on the Issue Date unless stated otherwise.

The Ash Loan

The Ash Loan is a term loan facility originated by the First Seller. The outstanding principal balance as at the Cut-Off Date of the Ash Loan was €8,719,600. The Ash Loan will be acquired by the Issuer from the First Seller on the Issue Date.

The Tshuva Loan

The Tshuva Loan is a term loan facility originated by the First Seller. The outstanding principal balance as at the Cut-Off Date of the Tshuva Loan was €19,939,838. The Tshuva Loan will be acquired by the Issuer from the First Seller on the Issue Date.

The Sunrise II Loan

The Sunrise II Loan is a term loan facility jointly originated by the Second Seller and Deutsche Bank AG, acting through its London branch (the "**DB Lender**"), each lender participating in the Sunrise II Loan in equal shares ranking *pari passu* with each other. DB Lender has sold its 50 per cent. interest (the whole of such interest being as at the Cut-Off Date €230,559,870) in the Sunrise II Loan (the "**DB Sunrise II Loan**") to a third party investor for securitisation (the "**DB Issuer**"), and such interest will not be acquired by the Issuer on the Issue Date and will instead be retained by DB Issuer who is not party to this securitisation. The Second Seller will sell its 50 per cent. interest in the Sunrise II Loan (the "**Citibank Sunrise II Loan**") to the Issuer on the Issue Date. The outstanding principal balance of the Citibank Sunrise II Loan as at the Cut-Off Date was €115,279,935.

The Epic Horse Loan

The Epic Horse Loan is a term loan facility originated by the First Seller. The outstanding principal balance as at the Cut-Off Date of the Epic Horse Loan was €27,342,857*. The Epic Horse Loan will be acquired by the Issuer from the First Seller on the Issue Date.

The Gutperle Loan

The Gutperle Whole Loan (as defined below) is a term loan facility originated by the Second Seller. However, the Second Seller is only selling a portion of the Gutperle Whole Loan to the Issuer on the Issue Date. The Second Seller has sold part of its interest (the whole of such interest being as at the Cut-Off Date €75,108,082) in the Gutperle Whole Loan to a third party investor, and such interest will not be acquired by the Issuer on the Issue Date and will instead be retained by the third party investor or its permitted transferees (the "**Gutperle Investor**") who is not party to this securitisation. The Second Seller will sell the remainder of its interest in the Gutperle Whole Loan to the Issuer on the Issue Date. The outstanding principal balance of the Gutperle Whole Loan being sold to the Issuer as at the Cut-Off Date was €67,297,529. All references in this Prospectus to the Gutperle Loan (including all financial information with respect to such Loan) are to the portion of the Gutperle Whole Loan that is being acquired by the Issuer on the Issue Date unless stated otherwise.

The Signac Loan

The Signac Loan is a term loan facility originated by the First Seller. The outstanding principal balance as at the Cut-off Date of the Signac Loan was €61,900,000. The Signac Loan will be acquired by the FCC which will then sell FCC Senior Notes and FCC Residual Notes to the Issuer and FCC Junior Notes to the subordinated investor (the "**Subordinated Investor**") on the Issue Date.

The Portfolio

There are a total of 125 properties constituting security for the Loans (the "**Properties**", each a "**Property**" and together, the "**Portfolio**").

The security for each of the Epic Rhino Loan, the Epic Horse Loan, the Ash Loan, the Tshuva Loan and the Signac Loan is granted in favour of Citibank International plc in its capacity as security trustee or security agent, as the case may be, for the First Seller as security for its secured liabilities (including, *inter alia*, all fees, interest and principal) in respect of the relevant Loan. The security for each of the Henderson Loans, the Bonn Loan and the Gutperle Loan is granted in favour of Citibank International plc as security agent or security trustee, as the case may be, for the Second Seller. Lastly, the security for the Sunrise II Loan is granted in favour of Deutsche Bank AG as security trustee to the Second Seller and the DB Lender. Citibank International plc and Deutsche Bank AG in their respective capacities as security agent or security trustee, as the case may be, shall each be referred to as a "**Security Agent**".

The Properties are all substantially occupied by tenants (the "**Tenants**") under leases (each a "**Lease**" and, together with any other lease granted in respect of the Properties, the "**Leases**"). The Tenants under the Leases make periodic rental payments in respect of the Properties. The terms of the Credit Agreements require that the relevant Borrower establishes, *inter alia*, a rent account (each a "**Rent Account**") into which net rents payable by the relevant Tenants are to be paid, whether directly or indirectly.

The Issuer and the Trustee will have the benefit of warranties by the Sellers in relation to the Loan Pool and the Portfolio, including warranties by the Sellers in relation to the lending criteria applied in

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* Includes additional amount of €527,859 drawn down on 18 June 2007

advancing the Loans and taking the mortgages. The relevant Seller will be required to purchase any relevant Loan in respect of which there is an unremedied (if capable of remedy) and material breach of warranty.

For further information on the Loans, the Related Security and the guidelines applied in advancing the Loans, see the sections entitled "**Characteristics of the Loans and the related Properties**" and "**Description of the Loans and the related Properties**" below.

Issuer Security

As security for its obligations under (among other things) the Notes, the Issuer will grant security interests over all its assets and undertaking (which comprises, primarily, its rights in respect of the Direct Loans, the Direct Loan Related Security and any other security relating thereto) in favour of the Trustee under the Deed of Charge. The Trustee will hold the benefit of this security on trust for itself, the Noteholders and the other Secured Creditors pursuant to the Deed of Charge. The Issuer will also pledge the FCC Senior Notes and the FCC Residual Notes it purchases, together with its accounts into which the revenues and the proceeds attached to or derived from such notes are paid, in favour of the Trustee (as the beneficiary) pursuant to certain French law governed pledge agreements (the "**French Pledge Agreements**"). The priority of claims of the Secured Creditors will be subject to the relevant Priority of Payments. See the sections entitled "**Cashflows**" and "**Terms and Conditions of the Notes**" below.

Loan Pool Servicing

Citibank International plc will be appointed to carry out certain servicing (in such capacity, the "**Master Servicer**") and special servicing (in such capacity, the "**Special Servicer**") functions on behalf of (i) the Issuer and the Trustee in connection with the Direct Loans and the Direct Loan Related Security (other than in relation to the Citibank Sunrise II Loan) pursuant to the terms of servicing agreements entered into in respect of the Direct Loans (the "**Direct Loan Servicing Agreements**" and each a "**Direct Loan Servicing Agreement**"); (ii) the Issuer and the Trustee in connection with the Citibank Sunrise II Loan and its Related Security and also, the DB Issuer and the DB Trustee in connection with the DB Sunrise II Loan and its Related Security (but only for as long as such Loan is a Specially Serviced Loan) pursuant to the terms of the servicing agreements entered into in respect of the Citibank Sunrise II Loan (the "**Sunrise II Loan Servicing Agreement**") and (iii) the Signac Compartment of the FCC in connection with the Signac Loan and its Related Security pursuant to the terms of the servicing agreement (the "**Signac Loan Servicing Agreement**") entered into among the FCC Management Company and the FCC Custodian. Each of the Issuer and the FCC Management Company (in respect of the Signac Compartment), as applicable, being the "**Relevant Servicer Principal**").

The duties of the Master Servicer or the Special Servicer, as the case may be, will include the collection of payments under the Loans and the operation of arrears procedures. For further details, see "**Collection Procedures**" below.

The appointment of the Master Servicer or the Special Servicer, as applicable, may be terminated by (i) in respect of the Direct Loans and the Citibank Sunrise II Loan (but only in relation to the Master Servicer), the Issuer (with the consent of the Trustee) or by the Trustee in certain circumstances, including breach of the Direct Loan Servicing Agreement or Sunrise II Loan Servicing Agreement and/or insolvency of the Master Servicer or Special Servicer, as the case may be; or (ii) in respect of the Citibank Sunrise II Loan (but only in relation to the Special Servicer), the Trustee; or (iii) in respect of the Signac Loan, the FCC Management Company. In these circumstances, a substitute master servicer or substitute special servicer, as appropriate, will be appointed to service the relevant Loan Pool, subject to confirmation being received from the Rating Agencies that such appointment would not affect the then current ratings of the Rated Notes.

Under the Direct Loan Servicing Agreements, Sunrise II Loan Servicing Agreement and the Signac Loan Servicing Agreement (together the "**Servicing Agreements**"), each of the Master Servicer and the Special Servicer will be entitled to delegate the performance of all or any part of its obligations under the relevant Servicing Agreements to any party. However, in these circumstances, the Relevant Servicer will continue to be bound by its obligations under the relevant Servicing Agreements notwithstanding any such delegation. As at the Issue Date, the Master Servicer will delegate certain of its servicing activities to Capmark Services Ireland Limited (formerly known as GMAC Commercial Mortgage Servicing (Ireland) Limited), although the Master Servicer will remain responsible for the performance of such delegated activities.

In order to carry out servicing activities in France for the FCC, the delegate will need to be an approved credit institution for French regulation purposes of servicing in France.

The Sunrise II Facility Agent (as defined below) will facilitate the implementation of the servicing decisions taken by the Master Servicer and the DB Master Servicer (as defined below) in respect of the Sunrise II Loan. For further details, see "**Servicing of the Sunrise II Loan**" below.

In addition, subject to the fulfilment of certain conditions, the Master Servicer or the Special Servicer, as the case may be, may voluntarily resign by giving not less than three months' notice of termination to the Relevant Servicer Principal (and the Trustee in the case of the Direct Loan Servicing Agreements (or the DB Trustee, the Trustee, and the Sunrise II Facility Agent in the case of the Sunrise II Loan Servicing Agreement)) subject to the appointment of a satisfactory substitute servicer.

For further information, see the sections "**Servicing (other than in relation to the Sunrise II Loan)**" and "**Servicing of the Sunrise II Loan**" below.

Collection Procedures

Following the acquisition of the Direct Loan Pool by the Issuer pursuant to the Mortgage Sale Agreements on or shortly after each payment date under each Direct Loan (each a "**Loan Interest Payment Date**"), other than in relation to the Citibank Sunrise II Loan, the Master Servicer will, pursuant to the relevant Direct Loan Servicing Agreement, transfer (to the extent funds are available for such purpose) all amounts then due to the Issuer (together with the collections received in respect of the Citibank Sunrise II Loan, the "**Issuer Collections**") from the relevant Borrower Accounts to the Collection Account and then transfer such sums to two separate accounts of the Issuer with the Issuer Account Bank (the "**Issuer Principal Account**" and the "**Issuer Revenue Account**"), as appropriate.

Following the acquisition of the Citibank Sunrise II Loan by the Issuer pursuant to the mortgage sale agreement relating to the Citibank Sunrise II Loan (the "**Sunrise II Mortgage Sale Agreement**") on or shortly after each payment date under the Sunrise II Loan (each a "**Sunrise II Loan Interest Payment Date**"), the Sunrise II Facility Agent will, pursuant to the Sunrise II Loan Servicing Agreement, transfer (to the extent funds are available for such purpose) all amounts then due to the Issuer from the Borrower Account to a Collection Account for application in accordance with the Sunrise II Loan Agreement and its related documents, whereupon amounts payable to the Issuer in respect of the Citibank Sunrise II Loan will be transferred to the Issuer Principal Account and the Issuer Revenue Account, as appropriate.

Following the acquisition of the Signac Loan by the FCC, its allocation to the Signac Compartment and the issuance of the FCC Notes, on or shortly after each payment date under each of the Signac Loan (each a "**Loan Interest Payment Date**") the Master Servicer and Special Servicer, as applicable, will, as agent for the Signac Compartment and in accordance with the provisions of the Signac Loan Servicing Agreement, transfer (to the extent funds are available for such purpose) all amounts then due to the Signac Compartment from the relevant Borrower Accounts to the Collection Account and then transfer such sums to two separate accounts (one of which relates to principal amounts and the other relates to interest amounts) in respect of the Signac Compartment (the "**Signac Compartment Collection Accounts**"). The amounts collected in the Signac Compartment Collection Accounts will be used to pay amounts due under the FCC Notes and will be transferred to the Issuer Principal Account and the Issuer Revenue Account, as appropriate.

For a further description of the collection procedures to be operated in respect of the Loan Pool, see the section "**Cashflows – Collection Procedures**" below.

Application of Issuer Collections

Prior to each Determination Date, the Master Servicer (acting on the basis of information provided by the Special Servicer, as necessary) will identify both the amount of Issuer Collections and the extent to which such Issuer Collections are principal amounts (including any scheduled amortisation principal and any principal paid upon final redemption and/or prepayment of a Loan), interest amounts, Prepayment Fees, Break Costs, Additional Fees (each as defined below) and other amounts. The Cash Manager (as defined below) on behalf of the Issuer will, on each Interest Payment Date, after payment of those obligations of the Issuer having a higher priority under the relevant Priority of Payments (as defined below), apply such Issuer Collections together with receipts under the FCC Senior Notes, the FCC Residual Notes and certain other funds available to the Issuer as described in this Prospectus (the "**Collections**") in payment of, among other things, interest and principal due on the Notes.

Priorities of Payment

On each Interest Payment Date prior to the enforcement of the Issuer Security, the Cash Manager (on behalf of the Issuer and the Trustee) will be required to apply available Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments and Available Redemption Funds in accordance with the Pre-Enforcement Principal Priority of Payments.

Following enforcement of the Issuer Security, but before service of an Acceleration Notice, all funds of the Issuer except for Swap Collateral, Excess Swap Collateral, Replacement Swap Premium, any Swap Tax Credit Amount (each as defined in the section entitled "**Cashflows**" below) and amounts standing to the credit of the Liquidity Standby Account will be applied in accordance with the Post-Enforcement/ Pre-Acceleration Priority of Payments.

Following enforcement of the Issuer Security, and after service of an Acceleration Notice, all funds of the Issuer except for Swap Collateral, Excess Swap Collateral, Replacement Swap Premium, any Swap Tax Credit Amount and amounts standing to the credit of the Liquidity Standby Account will be applied in accordance with the Post-Acceleration Priority of Payments.

See further the section entitled "**Cashflows**" below.

Swap Agreement(s)

On or prior to the Issue Date, the Issuer will enter into a 1992 ISDA Master Agreement (Multicurrency – Cross Border) governed by English law together with a Schedule thereto and a Credit Support Annex thereunder with the Swap Counterparty (the "**Swap Agreement**"). Pursuant to the Swap Agreement, in order to hedge its floating rate payment obligations in respect of interest payable on the Rated Notes, the Issuer will enter into basis rate swap transactions (together the "**Basis Swap Transactions**" and each a "**Basis Swap Transaction**") with the Swap Counterparty. The Issuer on the Issue Date will also (a) enter into novations of existing fixed/floating swap transactions entered into between Citibank, N.A., London Branch and the First Seller under the Epic Rhino Loan, Epic Horse Loan and Tshuva Loan respectively so that following the Issue Date the parties to such Swap Transactions will be the Issuer and the Swap Counterparty and the aggregate notional amount of these novated fixed/floating swap transactions reflects the principal amount of the Epic Rhino Loan, Epic Horse Loan and Tshuva Loan being acquired by the Issuer; and (b) enter into new fixed/floating swap transactions with the Swap Counterparty in respect of the Henderson Loans and the Citibank Sunrise II Loan so that the aggregate notional amount of these fixed/floating swap transactions (together with the novated fixed/floating swap transactions, the "**Fixed/ Floating Swap Transactions**" and each a "**Fixed/Floating Swap Transaction**") reflects the principal amount of the Henderson Loans and the Citibank Sunrise II Loan being acquired by the Issuer. The fixed/floating swap transactions to be entered into in respect of the Henderson Loans and the Citibank Sunrise II Loan shall reflect the terms of the internal hedging arrangements made by the Second Seller on origination of the relevant Loans.

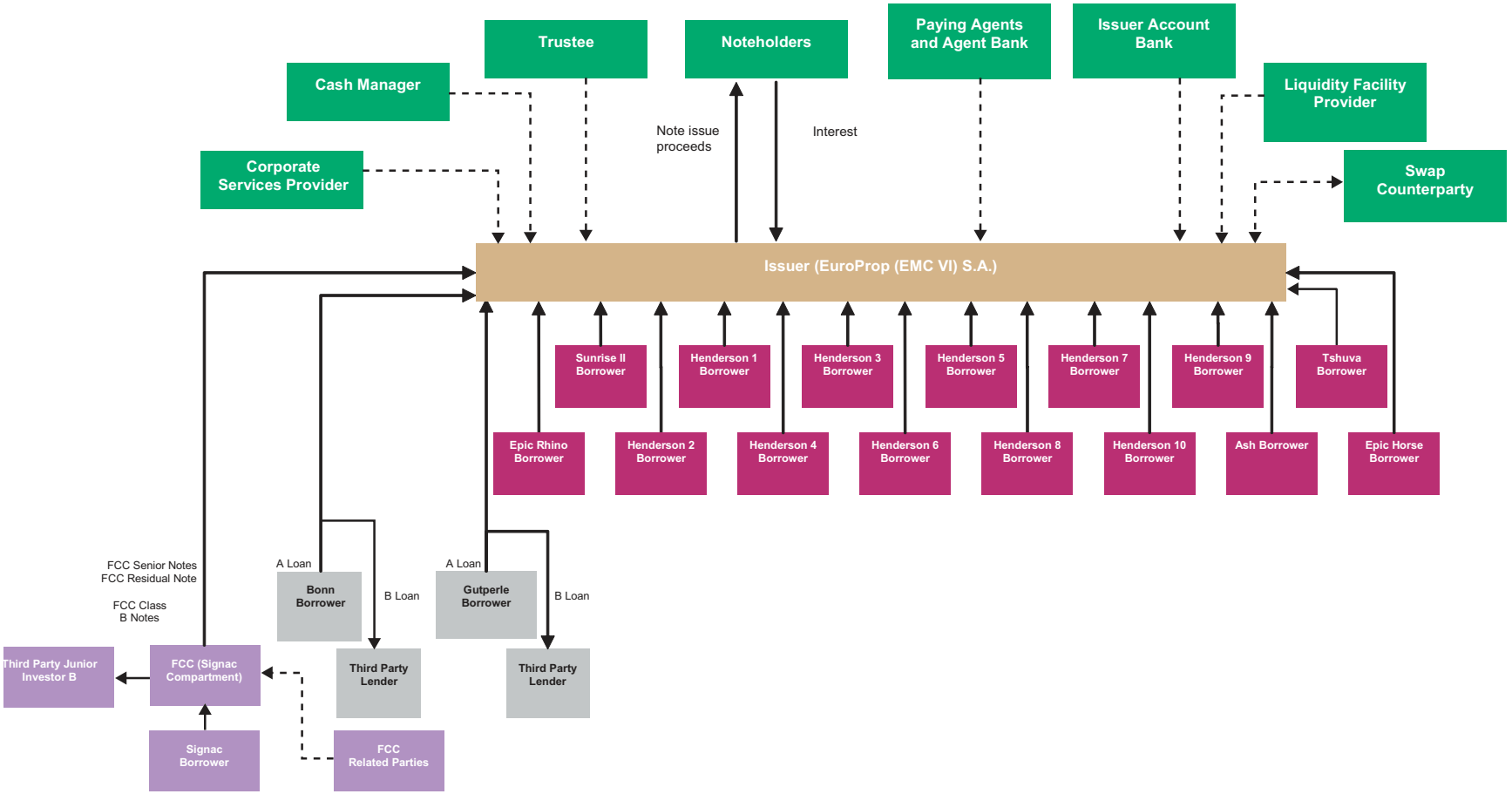
The Basis Swap Transactions and the Fixed/Floating Swap Transactions are together referred to as the "**Swap Transactions**".

See the sections "**Risk Factors – Termination of the Swap Transactions**" and "**Transaction Documents – The Swap Agreement**" below.

Liquidity Facility Agreement

The Issuer will enter into a liquidity facility agreement with a liquidity facility provider (the "**Liquidity Facility Provider**") pursuant to which the Liquidity Facility Provider will make available (subject to certain reductions and conditions) to the Issuer a facility which the Issuer can draw on to fund certain shortfalls in available funds.

See the sections "**Risk Factors – Availability of Liquidity Facility**" and "**Transaction Documents – Liquidity Facility Agreement**" below.



* The German Loans comprise the Henderson Loans, the Epic Rhino Loan, the Sunrise II Loan, the Ash Loan, the Tshuva Loan, the Epic Horse Loan, the Bonn Loan and the Gutperle Loan.

* The Signac Loan is governed by French law.

* The Whole Loans comprise the Bonn Loan and the Gutperle Loan.

* The Sunrise II Loan is jointly originated by the Second Seller and DB Lender in equal shares ranking *pari passu* with each other, comprising the Citibank Sunrise II Loan and the DB Sunrise II Loan respectively. Only the Citibank Sunrise II Loan will be sold by the Second Seller to the Issuer.

KEY CHARACTERISTICS OF THE RATED NOTES

The following is a summary of the key characteristics of the issue of the Rated Notes. This summary does not contain all of the information that a prospective investor in the Rated Notes will need to consider in making an investment decision and should be read in conjunction with, and is qualified in its entirety by reference to, the more detailed information which appears elsewhere in this Prospectus. ***Prior to investing in the Rated Notes, prospective investors should carefully read this Prospectus in full, including the information set forth under "Risk Factors" below.***

	Class A Notes	**Class B Notes**	**Class C Notes**	**Class D Notes**	**Class E Notes**	**Class F Notes**
Initial Principal Amount Outstanding	€380,250,000	€30,000,000	€35,000,000	€30,000,000	€4,000,000	€6,625,000
Issue price	100%	100%	100%	100%	100%	100%
Interest rate	3-month EURIBOR	3-month EURIBOR	3-month EURIBOR	3-month EURIBOR	3-month EURIBOR	3-month EURIBOR
Margin	0.17% p.a.	0.27% p.a.	0.48% p.a.	0.85% p.a.	1.00% p.a.	3.25% p.a.
Frequency of payments of interest	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Frequency of amortisation of principal	Quarterly pass-through	Quarterly pass-through	Quarterly pass-through	Quarterly pass-through	Quarterly pass-through	Quarterly pass-through
Interest Payment Dates (subject to adjustment for non-business days)	30 January, 30 April, 30 July and 30 October	30 January, 30 April, 30 July and 30 October	30 January, 30 April, 30 July and 30 October	30 January, 30 April, 30 July and 30 October	30 January, 30 April, 30 July and 30 October	30 January, 30 April, 30 July and 30 October
First Interest Payment Date	30 July 2007	30 July 2007	30 July 2007	30 July 2007	30 July 2007	30 July 2007
Expected Maturity Date	April 2014	April 2014	April 2014	April 2014	April 2014	April 2014
Final Maturity Date	April 2017	April 2017	April 2017	April 2017	April 2017	April 2017
Minimum Denomination	€125,000 and integral multiples of €1,000	€125,000 and integral multiples of €1,000	€125,000 and integral multiples of €1,000	€125,000 and integral multiples of €1,000	€125,000 and integral multiples of €1,000	€125,000 and integral multiples of €1,000
Ratings of S&P/Fitch/Moody's	AAA/ AAA/ Aaa	AA/ AA/ Aa2	A/ A/ A2	BBB/ BBB/ N.R.	BBB–/ BBB/ N.R	BB/ BB/ N.R.
Form at issue	Bearer	Bearer	Bearer	Bearer	Bearer	Bearer
Listing	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange
Clearing	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg	Euroclear and Clearstream, Luxembourg
Common Code	030190165	030190262	030190335	030190351	030190394	030190424
ISIN	XS0301901657	XS0301902622	XS0301903356	XS0301903513	XS0301903943	XS0301904248

Note:

* The Class R Notes will bear interest at a variable rate of interest. See Condition 5.3.

KEY CHARACTERISTICS OF THE LOANS

The following is a summary of the key characteristics of the Loans. This summary should be read in conjunction with, and is qualified in its entirety by reference to, the more detailed information which appears elsewhere in this Prospectus. ***Prior to investing in the Rated Notes, prospective investors should carefully read this Prospectus in full, including the information set forth under "Risk Factors" below.***

Loan Name	Number of Properties	Cut-Off Date Loan Principal Balance (€)	Overall Aggregate Loan Principal Balance (%)	Original Loan Date	Loan Maturity Date	Cut-Off Date LTV Ratio (securitised facility)	LTV Ratio at Maturity (securitised facility)	Cut-Off Date ICR (securitised facility)	Cut-Off Date DSCR (securitised facility)	Cut-Off Date LTV Ratio (whole facility)	LTV Ratio at Maturity (whole facility)	Cut-Off Date ICR (whole facility)	Cut-Off Date DSCR (whole facility)
Henderson 1 (Oberursel) Loan	1	7,500,000	1.5	07/08/2006	07/08/2011	74.4%	74.4%	2.12	2.12	74.4%	74.4%	2.12	2.12
Henderson 2 (Weiterstadt) Loan	1	6,375,000	1.3	01/09/2006	01/09/2011	74.6%	74.6%	2.03	2.03	74.6%	74.6%	2.03	2.03
Henderson 3 (Staples) Loan	5	40,465,378	8.3	09/01/2007	16/01/2013	70.7%	70.7%	1.96	1.96	70.7%	70.7%	1.96	1.96
Henderson 4 (Bergen) Loan	1	8,175,000	1.7	10/01/2007	16/01/2013	75.0%	75.0%	1.85	1.85	75.0%	75.0%	1.85	1.85
Henderson 5 (Bardowick) Loan	1	5,175,000	1.1	23/02/2007	16/04/2013	73.9%	73.9%	1.83	1.83	73.9%	73.9%	1.83	1.83
Henderson 6 (Lüneburg) Loan	1	8,175,000	1.7	23/02/2007	16/04/2013	75.0%	75.0%	1.65	1.65	75.0%	75.0%	1.65	1.65
Henderson 7 (Cluster 4 & 5) Loan	4	20,930,174	4.3	23/02/2007	16/04/2013	71.2%	71.2%	1.81	1.81	71.2%	71.2%	1.81	1.81
Henderson 8 (Flensburg) Loan	1	7,922,305	1.6	08/03/2007	16/04/2013	71.4%	71.4%	1.83	1.83	71.4%	71.4%	1.83	1.83
Henderson 9 (Cluster 1) Loan	5	11,090,764	2.3	23/02/2007	16/04/2013	73.9%	73.9%	1.86	1.86	73.9%	73.9%	1.86	1.86
Henderson 10 (Cluster 2) Loan	7	14,620,022	3.0	15/02/2007	16/04/2013	75.0%	75.0%	2.02	2.02	75.0%	75.0%	2.02	2.02
Citibank Sunrise II Loan	48	115,279,935	23.7	19/05/2006	20/07/2011	74.3%	69.8%	1.91	1.45	74.3%	69.8%	1.91	1.45
Epic Rhino Loan	8	34,277,748	7.1	05/05/2006	05/05/2013	72.6%	65.5%	1.59	1.39	72.6%	65.5%	1.59	1.39
Bonn Loan	1	34,130,234	7.0	02/10/2006	17/10/2011	69.4%	66.5%	1.92	1.55	83.1%	79.5%	1.50	1.23
Gutperle Loan	2	67,297,529	13.9	01/12/2006	16/01/2012	75.2%	68.4%	2.14	1.47	83.9%	76.3%	1.83	1.28
Ash Loan	9	8,719,600	1.8	12/10/2006	17/10/2011	90.5%	86.5%	1.50	1.27	90.5%	86.5%	1.50	1.27
Tshuva Loan	9	19,939,838	4.1	18/12/2006	16/04/2012	85.4%	77.9%	1.71	1.43	85.4%	77.9%	1.71	1.43
Epic Horse Loan	20	27,342,857*	5.6	06/02/2007	16/04/2014	79.6%	71.6%	1.57	1.44	79.6%	71.6%	1.57	1.44
Signac Loan	1	48,400,000	10.0	12/07/2006	16/07/2011	66.3%	66.3%	1.92	1.92	84.8%	84.8%	1.38	1.38
Total	125	485,816,385	100.0										
Weighted Average	7	26,989,799				73.8%	70.2%	1.89	1.62	78.1%	74.5%	1.75	1.51
Minimum	1	5,175,000	1.1			66.3%	65.5%	1.50	1.27	70.7%	65.5%	1.38	1.23
Maximum	48	115,279,935	23.7			90.5%	86.5%	2.14	2.12	90.5%	86.5%	2.12	2.12

* Includes additional amount of €527,859 expected drawn down on 18 June 2007

** The term of the Loan may be extended to 16 July 2013, pursuant to the availability of two extension requests of one year each

TRANSACTION SUMMARY

The following is a summary of the principal features of the issue of the Notes and certain other related transactions. This summary should be read in conjunction with, and is qualified in its entirety by reference to, the more detailed information which appears elsewhere in this Prospectus.

THE PARTIES

Issuer . . . . . EuroProp (EMC VI) S.A. (the "**Issuer**"), a limited liability company (*société anonyme*) incorporated under the laws of Luxembourg as a securitisation company, having its registered office at 7, Val Ste Croix, L-1371, Luxembourg, and with a share capital of €31,000.

Sellers . . . . . Citibank International plc ("**First Seller**") and Citibank, N.A., London Branch ("**Second Seller**" and, together with the First Seller, the "**Sellers**", each a "**Seller**"). The Sellers are located at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and will, under the Mortgage Sale Agreements, sell eighteen mortgage loans (the "**Loan Pool**") to the Issuer or the FCC, as the case may be.

Master Servicer and Special Servicer. . . . Citibank International plc will be appointed pursuant to the terms of the Servicing Agreements to carry out certain servicing and/or special servicing functions (as appropriate) on behalf of (in the case of the Direct Loans other than the Sunrise II Loan) the Issuer or (in the case of the Sunrise II Loan) the Issuer and (but only in respect of special servicing functions) the DB Issuer or (in the case of the Signac Loan) the FCC, as the case may be, in connection with the Loans and the Related Security (in these capacities, the "**Master Servicer**" and the "**Special Servicer**", respectively, and each, as the context requires, the "**Relevant Servicer**").

With effect from the Issue Date, the Master Servicer will delegate the performance of many of its day-to-day servicing activities or rights (as appropriate) in respect of the Direct Loan Pool (for the Sunrise II Loan, in respect of the Citibank Sunrise II Loan only) to Capmark Services Ireland Limited (formerly known as GMAC Commercial Mortgage Servicing (Ireland), Limited), although the Master Servicer will remain responsible for the performance of such delegated activities.

Sunrise II Facility Agent . . . . . Deutsche Bank AG, London Branch will, facilitate the implementation of servicing decisions taken by the separate entities servicing the different portions of the Sunrise II Loan, being Deutsche Bank AG in respect of the DB Sunrise II Loan (the "**DB Master Servicer**") and the Master Servicer in respect of the Citibank Sunrise II Loan (in such capacity, "**Sunrise II Facility Agent**").

Controlling Creditor and Operating Adviser . . . . . "**Controlling Creditor**" means:

(i) with respect to any Direct Loan for which there is no Subordinated Lender:

(a) the holders of the most junior class of Rated Notes then outstanding having a Principal Amount Outstanding greater than 25 per cent. of such junior class of Rated Notes' original aggregate Principal Amount Outstanding on the Issue Date; or

(b) if no class of Rated Notes then outstanding has a Principal Amount Outstanding greater than 25 per cent. of such class of Rated Notes' original aggregate Principal Amount Outstanding on the Issue Date, the holders of the then most junior class of Rated Notes,

(the "**Controlling Class Representative**");

(ii) with respect to the Sunrise II Loan, the Controlling Class Representative, but only in relation to the Citibank Sunrise II Loan;

(iii) with respect to any Whole Loan for which there is a Subordinated Lender and for which a Subordinated Lender Control Valuation Event (as defined below) is not continuing, the Subordinated Lender(s) in respect of such Whole Loan;

(iv) with respect to any Whole Loan for which there is a Subordinated Lender and for which a Subordinated Lender Control Valuation Event is continuing, the Controlling Class Representative; and

(v) with respect to the Signac Loan, if a Subordinated Lender Control Valuation Event is not continuing, the holder (or representative of the holders) of the FCC Junior Notes; and, if a Subordinated Lender Control Valuation Event is continuing, the Issuer.

The Controlling Creditor in respect of each Whole Loan (as defined below) and the Signac Loan will have the right to appoint and remove an adviser (the "**Operating Adviser**") with respect to the Loans. The Operating Adviser will, among other things, have certain rights with respect to certain material actions relating to the Loans (see the section entitled "**Servicing (other than in relation to the Sunrise II Loan)**" below).

With respect to the Sunrise II Loan, the Controlling Creditor may not be the only entity able to exercise control over the Sunrise II Loan. While the Controlling Creditor will have the right to appoint an Operating Adviser to represent its interest under the Citibank Sunrise II Loan, the controlling class of holders of the notes issued by the DB Issuer pursuant to the securitisation of the DB Sunrise II Loan (the "**DB Controlling Class**") will have similar rights to the Controlling Creditor but only in relation to the DB Sunrise II Loan portion of the Sunrise II Loan (see the section entitled "**Servicing of the Sunrise II Loan**" below).

Cash Manager . . . . . Citibank, N.A., London Branch (in this capacity, the "**Cash Manager**"), acting through the Agency and Trust Division of its London branch, located at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB will provide cash management and related services (including the administration of payments (based upon calculations supplied to it) due to and from the Swap Counterparty) to the Issuer under the Cash Management Agreement. The Cash Manager will be entitled to delegate the performance of some or all of its duties under the Cash Management Agreement to any party, as more fully described in the section entitled "**Cash Management**" below.

Swap Counterparty	Citibank, N.A., London Branch (in this capacity, the "**Swap Counterparty**"), located at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB will under the Swap Agreement enter into the Basis Swap Transactions and the Fixed/Floating Swap Transactions with the Issuer.
Trustee	Capita Trust Company Limited (in this capacity, the "**Trustee**") will act as trustee for the Noteholders under the Trust Deed constituting the Notes and will hold the benefit of the security granted pursuant to the Deed of Charge on trust for the Noteholders and the other Secured Creditors.
Corporate Services Provider	Structured Finance Management (Luxembourg) S.A. (the "**Corporate Services Provider**") will provide directors and corporate secretarial and administration services to the Issuer pursuant to a corporate services agreement dated on or before the Issue Date and made between the Issuer and the Corporate Services Provider (the "**Corporate Services Agreement**").
Issuer Account Bank	Citibank, N.A., London Branch (in this capacity, the "**Issuer Account Bank**"), acting through the Agency and Trust Division of its London branch, will open and maintain certain bank accounts of the Issuer under the Issuer Bank Agreement. The unguaranteed, unsubordinated and unsecured debt obligations of the Issuer Account Bank are currently rated F1+ (short term) by Fitch, P-1 (short term) by Moody's and A-1+ (short term) by S&P. The Issuer Bank Agreement will provide that if such ratings drop below F1 (short term) (Fitch), P-1 (short term) (Moody's) or A-1+ (short term) (S&P) then the Issuer Account Bank will be required, within 30 days following such downgrade, to arrange for the transfer of its obligations under the Issuer Bank Agreement to a successor account bank with the short term ratings of at least F1, P-1 or A-1+.
Liquidity Facility Provider	Danske Bank A/S (the "**Liquidity Facility Provider**"), acting through its London branch at 75 King William Street, London EC4N 7DT, will make the Liquidity Facility available to the Issuer under the Liquidity Facility Agreement.
Registrar	Structured Finance Management (Luxembourg) S.A. (in this capacity, the "**Registrar**") will act as registrar for the Class R Notes pursuant to a registrar agreement dated on or before the Issue Date and made between the Registrar, the Issuer and the Trustee (the "**Registrar Agreement**").
Finance Parties	The "**Finance Parties**" under any Credit Agreement are the lender(s) from time to time under the Credit Agreement (each a "**Lender**"), the arranger under the Credit Agreement, the facility agent under the Credit Agreement (if any), the Loan Hedge Counterparties (if any) and the Security Agent (if applicable).

Paying Agents and Agent Bank	Citibank, N.A., London Branch, acting through its Agency and Trust Division (in its capacities as the "**Principal Paying Agent**" (together with any other paying agents, the "**Paying Agents**") and the "**Agent Bank**"), will act as principal paying agent and agent bank in respect of the Rated Notes under the Agency Agreement. Citibank International plc will act under the Agency Agreement as a Paying Agent in Ireland (the "**Irish Paying Agent**").

RELEVANT DATES AND PERIODS

Cut-Off Date	The Cut-Off Date is 20 April 2007 (the "**Cut-Off Date**"). The Cut-Off Date is the date on which much of the information relating to the Loans and the Properties in this Prospectus is presented.
Issue Date	The Notes will be issued on or about 26 June 2007 (the "**Issue Date**"). All interest payments and collections that represent amounts due to be paid or accrued on the Loans and not paid as at the Issue Date will also be sold to the Issuer or the FCC, as the case may be.
Loan Interest Payment Date	Each of the Loans provides for payment of interest and (if applicable) principal by the relevant Borrower in quarterly instalments as specified in the relevant Credit Agreement (each a "**Loan Interest Payment Date**").
Loan Interest Period	Interest accrues on a Loan from and including a Loan Interest Payment Date up to but excluding the next succeeding Loan Interest Payment Date (each a "**Loan Interest Period**"). Interest is payable in arrear, on each Loan Interest Payment Date in respect of the immediately preceding Loan Interest Period.
Determination Date	The quarterly cut-off for collections on the Loans that are to be distributed, and for information regarding the Loans that are to be reported to the holders of the Notes (the "**Noteholders**") on any Interest Payment Date (as specified below), will be the close of business of the 27th day of each calendar month in which an Interest Payment Date falls (or, if such day is not a Business Day, on the next Business Day) (each a "**Determination Date**").
Calculation Period	Amounts available for payment on the Notes on any Interest Payment Date will depend primarily on the payments and other collections received with respect to the Loans, the payments received with respect to any Swap Transactions for the applicable Calculation Period, Revenue Priority Amount Drawings relating to such Interest Payment Date and interest accrued on the Issuer Accounts. Each "**Calculation Period**" will: (i) relate to the Interest Payment Date immediately following such Calculation Period; (ii) begin when the prior Calculation Period ends (or in the case of the first Calculation Period, will begin on the Issue Date); and (iii) end on (but exclude) the Determination Date that occurs in the same month as the Interest Payment Date to which such Calculation Period relates.

PRINCIPAL FEATURES OF THE LOANS AND THE PORTFOLIO

Loans . . . . . The Loans were originated by Citibank International plc or Citibank, N.A., London Branch, as the case may be, between 5 May 2006 and 16 April 2007. The Sunrise II Loan was jointly originated by the Second Seller and DB Lender in equal shares ranking *pari passu* with each other. DB Lender has sold its 50 per cent. interest in the Sunrise II Loan to the DB Issuer, a third party investor, which has securitised its interest in the DB Sunrise II Loan.

Each of the Bonn Loan and the Gutperle Loan has a junior tranche. The Issuer and each of the third party investors who acquires or has acquired any part of such junior tranches in the Bonn Loan and the Gutperle Loan will enter into an intercreditor agreement in respect of each such Loan (each a "**Whole Loan Intercreditor Agreement**").

Each Loan is secured by, among other things, a mortgage or charge over all of the relevant Borrower's interests in the Properties, security over the shares or partnership interest in respect of the Borrowers, insurance policies, hedging arrangements (if applicable), bank accounts (if applicable) and rental income in respect of the Properties. Each Loan contains certain representations and warranties given by the relevant Borrower.

The Henderson 1 (Oberursel) Loan, the Henderson 2 (Weiterstadt) Loan, the Henderson 4 (Bergen) Loan, the Henderson 5 (Bardowick) Loan, the Henderson 6 (Lüneburg) Loan, the Henderson 7 (Cluster 4 & 5) Loan, the Henderson 8 (Flensburg) Loan, the Bonn Loan and the Signac Loan are each secured on one property. Each of the remaining Loans are secured on a portfolio of properties.

Properties . . . . . The Portfolio comprises 125 Properties located in France and Germany. The Properties consist of offices, warehouses, retail properties, condominiums, social housing properties, industrial spaces and parking facilities.

In connection with the origination of the Loans, each of Citibank International plc and Citibank, N.A., London Branch, have ensured that certain due diligence procedures were undertaken such as would customarily be undertaken by a prudent lender making loans secured on commercial properties of these types, so as to evaluate each Borrower's ability to service their loan obligations and the quality of the associated Property(ies).

The following is a summary of certain characteristics of the top 20 largest Properties under the Portfolio as at the Cut-Off Date:

Property Name	Loan Name	Property Address	Location	Property Type	Valuation (€)*	% of Total	Total Square Metres	% of Total	Total Gross Rent*	% of Total	Total ERV*
Le Signac	Signac Loan	Parc Des Barbanniers, 1, Avenue Du General De Gaulle 92230 Gennevilliers, France	Gennevilliers, France	Office	73,000,000	11.0%	16,723	2.7%	4,554,778	9.4%	4,530,000
Hochstadter Strasse 115	Gutperle Loan	Hochstadter Strasse 115	Offenbach an der Queich, Germany	Logistics	67,000,000	10.1%	91,829	14.8%	4,269,732	8.8%	4,636,557
Heinrich-von-Stephan-Straße	Bonn Loan	Heinrich-von-Stephan-Straße	Bonn, Germany	Office	49,150,000	7.4%	16,656	2.7%	2,903,483	6.0%	2,903,483
Berlin, Am Juliusturm	Sunrise II Loan	Berlin, Am Juliusturm	Berlin, Germany	Retail	25,000,000	3.8%	10,947	1.8%	1,891,438	3.9%	1,955,365
Hans-Bockler Strasse 35	Gutperle Loan	Hans-Bockler Strasse 35	Minden, Germany	Logistics	22,500,000	3.4%	31,236	5.0%	2,445,253	5.0%	1,405,620
Am Erlenbruch 136	Henderson 3 (Staples) Loan	Am Erlenbruch 136, 60386 Frankfurt	Frankfurt, Germany	Retail	16,690,000	2.5%	18,772	3.0%	1,302,804	2.7%	1,410,978
Lanzstrasse 1	Henderson 3 (Staples) Loan	Lanzstrasse 1, 21244 Buchholz in der Nordheide	Buchholz, Germany.	Logistics/ Office	15,340,000	2.3%	20,879	3.4%	1,171,404	2.4%	1,163,910
Im Kreise 1-20	Epic Rhino Loan	Im Kreise 1-20	Fassberg, Germany	Residential	11,210,000	1.7%	19,744	3.2%	929,505	1.9%	952,955
Murwiker Strasse 81-89	Henderson 8 (Flensburg) Loan	Murwiker Strasse 81-89, Flensburg	Flensburg, Germany	Retail/Office	11,100,000	1.7%	6,013	1.0%	787,632	1.6%	800,172
Victor-Slotosch-Straße 18.	Henderson 4 (Bergen) Loan	Victor-Slotosch-Straße 18, 60388 Frankfurt am Main	Bergen-Enkheim, Germany	Retail/ Residential/ Office	10,900,000	1.6%	9,620	1.6%	830,376	1.7%	817,831
Auf den Blocken	Henderson 6 (Luneburg) Loan	Auf den Blocken, Luneburg	Luneburg, Germany	Retail	10,900,000	1.6%	6,363	1.0%	725,188	1.5%	725,382
Bornbach 9	Epic Horse Loan	Bornbach 9, Norderstedt	Norderstedt, Germany	Office	10,600,000	1.6%	8,187	1.3%	720,000	1.5%	736,830
Hohemarktstraße 20-22	Henderson 1 (Oberursel) Loan	Hohemarktstraße 22	Oberusal, Germany	Office	10,080,000	1.5%	5,256	0.8%	740,268	1.5%	753,576
Kantstr. 71, Sankt-Quentin-Ring 7.	Epic Rhino Loan	Kantstr. 71, Sankt-Quentin-Ring 7	Kaiserslautern, Germany	Residential	10,000,000	1.5%	17,074	2.8%	792,361	1.6%	1,002,675
1Stummstrasse 3-9, 66538 Neunkirchen	Sunrise II Loan	1Stummstrasse 3-9, 66538 Neunkirchen	Neunkirchen, Germany	Retail	9,950,000	1.5%	7,404	1.2%	663,175	1.4%	730,450
Ratzeburger Allee 111-125	Henderson 7 (Cluster 4 & 5) Loan	Ratzeburger Allee 111-125, Lubeck	Lubeck, Germany	Retail/office	9,900,000	1.5%	4,866	0.8%	701,733	1.4%	740,183
Brennaborstraße 48	Henderson 3 (Staples) Loan	Brennaborstraße 48, 44149 Dortmund-Oespel, Germany	Dortmund, Germany	Office	9,400,000	1.4%	3,570	0.6%	695,868	1.4%	707,371
Salzgitter, Konrad-Adenauer-Strasse	Sunrise II Loan	Salzgitter, Konrad-Adenauer-Strasse	Salzgitter, Germany	Retail	9,150,000	1.4%	5,304	0.9%	638,516	1.3%	676,000
Niehler Gürtel 104	Tshuva Loan	Niehler Gürtel 104, Köln, Nippes	Köln, Nippes, Germany	Residential	9,000,000	1.4%	11,382	1.8%	806,384	1.7%	806,384
Engelschanlkstrasse 5, Friedberg	Epic Horse Loan	Engelschanlkstrasse 5, Friedberg – Augsburg, Bad Orb	Munich, Germany	Office/Retail	9,000,000	1.4%	12,922	2.1%	733,344	1.5%	716,089
Total top 20 largest Properties					**399,870,000**	**60.5%**	**324,746**	**52.4%**	**28,303,241**	**58.4%**	**28,171,811**
Total Portfolio					661,038,000	100.0%	619,432	100.0%	48,477,643	100.0%	51,346,507

* Based on 50% interest in respect of the Sunrise II Loan.

For a more detailed description of each Loan, see "**Description of the Loans and the related Properties**" below.

Valuation . . . . . In relation to each Loan, as a condition precedent to making an advance to the relevant Borrowers, the relevant Seller obtained an independent valuation of the relevant Property or Properties constituting security for such Loan (each a "**Valuation**" and together, the "**Valuations**").

The circumstances in which additional valuations will be obtained under the Credit Agreements are limited. All references to Valuations (including related concepts, such as LTVs and property values) are references to or are taken from references in, the Valuations.

See further "**Description of the Loans and the related Properties**" below.

Related Security . . . . . As security for the repayment of each Loan, each Borrower and the relevant Lender or the relevant Security Agent (as the case may be) have entered into a charge document (each a "**Security Agreement**" and, together the "**Security Agreements**"), pursuant to which the relevant Borrower has granted security over the relevant Property or Properties and all related interests and assets including but not limited to:

(i) a mortgage or charge over the relevant interest the relevant Borrower holds in the relevant Property or Properties;

(ii) a pledge or charge over the relevant bank accounts (including any applicable Rent Account);

(iii) an assignment or a pledge of the insurance contracts or policies of the Borrower; and

(iv) an assignment of or a pledge in respect of rents.

The Related Security in respect of each Loan will include, where relevant, the benefit of the following:

(i) the Loan Hedging Arrangements;

(ii) a subordination agreement under which any other debt of the relevant Borrower is subordinated to the debt owed by the relevant Borrower in respect of the relevant Loan (each a "**Subordination Agreement**");

(iii) a charge over, or other security interest in, the shares of the Borrower or the partnership interest of the Borrower (each a "**Share Charge**"); and

(iv) cross collateralisations which, in the case of Borrowers in form of a German limited liability company (*Gesellschaft mit beschränkter Haftung*), is subject to the standard enforcement limitations.

For further information, refer to "**Characteristics of the Loans and the related Properties**" below.

Interest rate . . . . . Fourteen (14) of the Loans bear a fixed rate of interest calculated in accordance with the Credit Agreement under which that Loan was made and four (4) of the Loans bear a floating rate of interest calculated as the sum of EURIBOR plus a specified margin.

	The Bonn Borrower, the Ash Borrower, the Gutperle Borrower and the Signac Borrower have each entered into a swap agreement to address interest rate risk arising in connection with the payment of a floating rate of interest on the Bonn Loan, the Ash Loan, the Gutperle Loan and the Signac Loan (see "**Transaction Summary – Principal Features of the Loans and the Portfolio – Loan Hedging Arrangements**" below).
Interest payments	Each of the Loans provides for payment of interest and (if applicable) principal by the relevant Borrower in quarterly instalments as specified in the relevant Credit Agreement (each a "**Loan Interest Payment Date**") in respect of successive interest periods (each referred to herein as a "**Loan Interest Period**").
Repayment	Certain Loans are subject to scheduled repayment on each Loan Interest Payment Date or subject to other amortisation arrangements in accordance with the terms of the relevant Credit Agreement and, to the extent not repaid or prepaid earlier, are repayable at their respective final maturity dates (each such date a "**Loan Maturity Date**").
Voluntary prepayment	Each Loan is prepayable at the election of the relevant Borrower, in whole or in part, subject to the notice period and other terms specified in the relevant Credit Agreement. Amounts prepaid may not be redrawn.
Mandatory prepayment	Each Loan will become prepayable if it becomes unlawful in any jurisdiction for the Lender to perform any of its obligations under the relevant Credit Agreement or upon the occurrence of certain prepayment events specified in the relevant Credit Agreement.
Finance Documents	Includes, in relation to the Loan Pool, any Credit Agreement, any Security Agreement, any Subordination Agreement, any Share Charge, any Loan Hedging Arrangements and any other document designated as such pursuant to the provisions of the relevant Credit Agreement (each a "**Finance Document**"). The Finance Documents relating to a specific Loan are referred to in this Prospectus as the relevant Finance Documents in relation to that Loan.
Loan Hedging Arrangements	In respect of the Bonn Loan, the Gutperle Loan, the Signac Loan and the Ash Loan, the relevant Borrower has entered into swap agreements with a counterparty (each a "**Loan Hedging Arrangement**") to address interest risk arising in connection with the payment by the relevant Borrower of a floating rate of interest on the relevant Loan. The counterparties to any Loan Hedging Arrangement are referred to in this Prospectus as the "**Loan Hedge Counterparties**". For a more detailed description of the provisions of the Loan Hedging Arrangements, see "**Description of the Loans and the related Properties**" below.
Insurance	In respect of certain of the Loans, the relevant Borrower has undertaken, pursuant to the relevant Credit Agreement, to

maintain insurance of the relevant Property or Properties, including loss of rent insurance and/or third party liability insurance.

In respect of certain Loans, insurances required under the Credit Agreement must be with an insurance company or underwriter that meets a certain credit rating requirement at all times or is acceptable to the Lender and the facility agent.

Buy-back for breach of representations and warranties . . . . . The Mortgage Sale Agreements and the Signac Mortgage Sale Agreement will contain certain representations and warranties given by each Seller in respect of each Loan and its Related Security (the "**Loan Warranties**"). The Loan Warranties are summarised in the section entitled "**Transaction Documents – Mortgage Sale Agreements**".

If there is a material breach of any Loan Warranty (other than in respect of the Signac Mortgage Sale Agreement) by a Seller, the relevant Seller will, if the breach cannot be remedied or (if capable of remedy) has not been remedied within a period of 30 days from the date on which the relevant Seller or the Issuer first became aware of the relevant breach, be required to purchase the relevant Loan and Related Security sold or transferred to the Issuer from the Issuer, for a consideration equal to the then current outstanding principal balance of the relevant Loan plus any accrued but unpaid interest thereon up to and including the date of repurchase or, if such date is not an Interest Payment Date and an Acceleration Notice has not been served or the Notes have not otherwise become due and repayable in full, the immediately following Interest Payment Date together with any additional costs incurred by the Issuer in respect of such repurchase (including any swap termination payments due to the Swap Counterparty arising as a result of the repurchase).

If the Seller under the Signac Mortgage Sale Agreement or the FCC Management Company becomes aware that there is a material breach of any Loan Warranty by the Seller at any time after the Issue Date or that any of the Loan Warranties made by the Seller were false or incorrect on the Issue Date, then that party shall inform the other party without delay. If the breach cannot be remedied or (if capable of remedy) has not been remedied within a period of 30 days from the date on which the relevant Seller or the FCC Management Company first became aware of such an event, the transfer of the Signac Loan from the Seller to the Signac Compartment pursuant to the Signac Mortgage Sale Agreement shall automatically be deemed null and void without any further formalities (*résolu de plein droit*) and the Seller shall indemnify the Signac Compartment for an amount being equal to the sum of (i) the current outstanding principal balance of the Signac Loan as at the indemnification date and (ii) any unpaid amounts of interest, expenses and accessories relating to the Signac Loan, as at the indemnification date or, if such date is not an interest payment date of the FCC Notes, the immediately following interest payment date of the FCC Notes.

PRINCIPAL FEATURES OF THE NOTES

The Notes ..... The Notes will comprise:

(i) €380,250,000 Class A Mortgage Backed Floating Rate Notes due 2017;

(ii) €30,000,000 Class B Mortgage Backed Floating Rate Notes due 2017;

(iii) €35,000,000 Class C Mortgage Backed Floating Rate Notes due 2017;

(iv) €30,000,000 Class D Mortgage Backed Floating Rate Notes due 2017;

(v) €4,000,000 Class E Mortgage Backed Floating Rate Notes due 2017;

(vi) €6,625,000 Class F Mortgage Backed Floating Rate Notes due 2017; and

(vii) €3,900,000 Class R Floating Rate Notes due 2017.

The Notes will be constituted pursuant to a trust deed made between the Issuer and the Trustee dated on or before the Issue Date (the "**Trust Deed**"). The Notes of each class will rank *pari passu* and without any preference or priority among themselves.

Status and priority ..... The Notes will be limited recourse obligations of the Issuer only. The Notes will only be capable of being satisfied and discharged from the assets of the Issuer.

Payments of interest in respect of the Class A Notes will rank ahead of payments of interest in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class R Notes. Payments of interest in respect of the Class B Notes will rank ahead of payments of interest in respect of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class R Notes. Payments of interest in respect of the Class C Notes will rank ahead of payments of interest in respect of the Class D Notes, the Class E Notes, the Class F Notes and the Class R Notes. Payments of interest in respect of the Class D Notes will rank ahead of payments of interest in respect of the Class E Notes, the Class F Notes and the Class R Notes. Payments of interest in respect of the Class E Notes will rank ahead of payments of interest and principal in respect of the Class F Notes and the Class R Notes. Payments of interest in respect of the Class F Notes will rank ahead of payments of interest and principal in respect of the Class R Notes.

Available Redemption Funds will be applied based on a combination of sequential and *pro rata* payments unless a Sequential Payment Trigger has occurred. Upon the occurrence of a Sequential Payment Trigger, repayments of principal in respect of the Class A Notes will rank ahead of repayments of principal in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes. Repayments of principal in respect of the Class B Notes will rank ahead of repayments of principal in respect of the Class C Notes, the Class D Notes, the Class E

Notes and the Class F Notes. Repayments of principal in respect of the Class C Notes will rank ahead of repayments of principal in respect of the Class D Notes, the Class E Notes and the Class F Notes. Repayments of principal in respect of the Class D Notes will rank ahead of repayments of principal in respect of the Class E Notes and the Class F Notes. Repayments of principal in respect of the Class E Notes will rank ahead of repayments of principal in respect of the Class F Notes.

See "**Cashflows**" below.

Form of the Notes. . . . . Each class of Rated Notes will be in bearer form. Each Temporary Global Note and Permanent Global Note relating to the Class A Notes will be issued in NGN form and deposited on the Issue Date to a common safekeeper for Euroclear and Clearstream, Luxembourg. The Temporary Global Notes and the Permanent Global Notes of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be held by a common depositary for Euroclear and Clearstream, Luxembourg.

The Rated Notes will be in the specified denomination of €125,000 and, in each case, with integral multiples of €25,000 in excess thereof provided that, for so long as the Rated Notes are represented by Global Notes and the rules of Euroclear and Clearstream, Luxembourg so permit, the Rated Notes shall be tradeable in minimum nominal amounts of €125,000 in the case of the Rated Notes with integral multiples of €1,000 in excess thereof.

If Definitive Notes are required to be issued in respect of the Rated Notes, they will be issued and printed in the denomination of €125,000 and every denomination between €126,000 and €249,000 that is an integrated multiple of €1,000. Under no circumstances will Definitive Notes be issued in respect of a principal amount which is less than €125,000 in the case of the Rated Notes.

The Class R Notes will be in registered form and in the denomination of €100,000 with integral multiples of €50,000 in excess thereof.

Ratings . . . . . It is expected that the Rated Notes will, on issue, be assigned the following ratings:

Class	S&P	Fitch	Moody's
Class A Notes	AAA	AAA	Aaa
Class B Notes	AA	AA	Aa2
Class C Notes	A	A	A2
Class D Notes	BBB	BBB	N.R.
Class E Notes	BBB–	BBB	N.R.
Class F Notes.	BB	BB	N.R.

Listing . . . . . Application has been made to the Irish Stock Exchange for the Rated Notes to be admitted to the Official List of the Irish Stock Exchange. The Class R Notes will not be listed on any stock exchange.

Liquidity Facility . . . . . On or before the Issue Date, the Issuer, the Trustee and the Liquidity Facility Provider, *inter alios*, will enter into an

	agreement (the "**Liquidity Facility Agreement**") pursuant to which the Liquidity Facility Provider will make available to the Issuer a facility (the "**Liquidity Facility**") which the Issuer can, subject to certain reductions and conditions, draw on to fund certain shortfalls in available funds including amounts payable by a Borrower to a Loan Hedge Counterparty under a Loan Hedging Arrangement (as described further under "**Transaction Documents – Liquidity Facility Agreement**" below).
Final redemption	Unless previously redeemed in full, the Notes are scheduled to be redeemed at their Principal Amount Outstanding together with accrued interest on the Interest Payment Date falling in April 2014 (the "**Expected Maturity Date**"), provided that in any event, the maturity date of the Notes may not be later than the Interest Payment Date falling in April 2017 (the "**Final Maturity Date**").
Mandatory redemption in part	Prior to the Final Maturity Date and the service of an Acceleration Notice in accordance with Condition 10, the Notes of each class will be subject to mandatory *pro rata* and/or sequential redemption, as the case may be, in part out of Available Redemption Funds, which will be applied by the Issuer, on each Interest Payment Date, in redeeming Notes in accordance with the Pre-Enforcement Principal Priority of Payments (see "**Cashflows**" below).
Optional redemption in whole	On any Interest Payment Date, the Issuer may, in accordance with Condition 7.4, provided that it has satisfied the Trustee that it has sufficient funds available to it, at its option, redeem all, but not some only, of the Notes at their then Principal Amount Outstanding, together with accrued interest (other than any Excess Interest Amount), in any of the following circumstances: (i) any withholding tax is imposed in respect of payments to be made by the Issuer under the Notes or in respect of any payments to be made under the Swap Transactions or in respect of any payment by a Borrower under the Loans; and/or (ii) the aggregate Principal Amount Outstanding of the Rated Notes is less than or equal to 10 per cent. of the aggregate initial Principal Amount Outstanding of the Notes.
No purchase of Notes by the Issuer.	The Issuer will not be permitted to purchase any of the Notes.
Interest rates on the Rated Notes	Each class of Rated Notes will initially bear interest, payable quarterly in arrear, calculated as the sum of Note EURIBOR (as determined in accordance with Condition 5.3) for three months deposits in Euros (or in the case of the first Interest Period, a linear interpolation of the interest rates for 1 month deposits in Euros and 2 month deposits in Euros) plus the relevant Margin.

The interest rate margins applicable to each class of Rated Notes will be as follows (each a "**Margin**"):

Class	Margin (% p.a.)
Class A Notes	0.17
Class B Notes	0.27
Class C Notes	0.48
Class D Notes	0.85
Class E Notes	1.00
Class F Notes	3.25

Interest amount on the Class R Notes . . The interest on the Class R Notes (the "**Class R Interest Amount**") will be all the Revenue Funds received by the Issuer during an Interest Period (save for the Interest Period ending immediately prior to the Final Maturity Date) less all amounts payable by the Issuer on the relevant Interest Payment Date pursuant to paragraphs (i) to (xxv) in the Pre-Enforcement Revenue Priority of Payments. No Class R Interest Amount will be payable on the Final Maturity Date and only the Principal Amount Outstanding in respect of the Class R Notes will be payable on such date in accordance with Condition 7.3. The interest payable on each Class R Note will be a *pro rata* share of the Class R Interest Amount based on the Principal Amount Outstanding of that Note.

Interest payments . . . . . Interest will be payable on the Notes in Euros quarterly in arrear on the 30th day of January, April, July and October in each year or, if such day is not a Business Day, on the next Business Day, unless it will then fall into the next calendar month, in which event it shall be brought forward to the immediately preceding Business Day (each an "**Interest Payment Date**"). For these purposes, "**Business Day**" means a day (other than Saturday and Sunday) on which (i) commercial banks are open for business and settle payments in Euros in London and (ii) the Trans-European Automated Real-Time Gross Settlement Expenses Transfer (TARGET) System is open.

Interest on the Class D Notes, the Class E Notes and the Class F Notes. . . . . The payment of interest on the Class D Notes, the Class E Notes and the Class F Notes is subject to the deferral provisions set out in Condition 5.6, provided that if on any Interest Payment Date:

(i) the amount of interest that would otherwise be due and payable in respect of the Rated Notes would not be paid in full out of the Revenue Funds available to the Issuer;

(ii) there has been a prepayment in respect of any Loan; and

(iii) all interest has been paid when due under each Loan,

then the amount of interest remaining unpaid in respect of the Class D Notes, the Class E Notes and the Class F Notes after application of the Revenue Funds will not be due and will only become payable by the Issuer if there are sufficient Revenue Funds available in accordance with the relevant Priority of Payments on any subsequent Interest Payment Date (the aggregate of the amounts in respect of the Class D

	Notes being the "**Excess Class D Interest Amount**", in respect of the Class E Notes being the "**Excess Class E Interest Amount**" and in respect of the Class F Notes being the "**Excess Class F Interest Amount**", and together the "**Excess Interest Amounts**"). The general deferral provisions in Condition 5.6 will not apply to any Excess Interest Amount and any Excess Interest Amount will not themselves accrue interest.
Deferral of interest	Subject to Condition 5.6, to the extent that funds available to the Issuer on any Interest Payment Date, after paying any interest then accrued due and payable on the most senior class of Notes then outstanding and any amounts ranking in priority thereto, are insufficient to pay in full interest otherwise due on any remaining one or more classes of more junior-ranking Notes then outstanding, the shortfall in the amount then due will not be paid on such Interest Payment Date but will be deferred without triggering an Event of Default and will only be paid, in accordance with the relevant Priority of Payments, on subsequent Interest Payment Dates if and when permitted by subsequent cash flows which are available after the Issuer's higher priority liabilities have been discharged. Any interest not paid on the Notes when due will accrue interest for each Interest Period they are outstanding and will be paid only to the extent that there are funds available on a subsequent Interest Payment Date in accordance with the relevant Priority of Payments (as described in "**Cashflows**" below).
Shortfall after application of Net Proceeds	Pursuant to Condition 2.3, if the net proceeds of the enforcement and/or realisation of the security under the Deed of Charge or from assets otherwise of the Issuer (the "**Net Proceeds**") are not sufficient to make all payments which, but for the effect of Condition 2.3, would then be due to the Secured Creditors, then the obligations of the Issuer in respect of them will be limited to such Net Proceeds, which shall not be available for payment of any Shortfall arising therefrom. Any such Shortfall shall be borne by the Noteholders in inverse order of priority as set out in Condition 2.1. The Issuer will not be obliged to make any further payment in excess of the Net Proceeds and accordingly no debt shall be owed by the Issuer in respect of any Shortfall remaining after realisation of the security under Condition 2.2 and application of the Net Proceeds in accordance with the Deed of Charge. The Trustee, the Principal Paying Agent, the Irish Paying Agent, the Agent Bank and the Registrar, any Noteholder and any other Secured Creditor may not take any further action to recover such Shortfall. Failure to make any payment in respect of any Shortfall shall in no circumstances constitute an Event of Default under Condition 10. "**Shortfall**" means the difference between the amount of the Net Proceeds and the amount which would but for Condition 2.3 have been due to the Secured Creditors.

Interest Periods	The first Interest Period will run from (and including) the Issue Date to (but excluding) the Interest Payment Date falling in July 2007 and subsequent Interest Periods will run from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date. The Noteholders will be entitled to receive payment of interest only in so far as payment is permitted in accordance with the Pre-Enforcement Revenue Priority of Payments, as described in the section "**Cashflows**". Any interest not paid on the Notes when due will accrue interest (other than in respect of the Excess Interest Amounts) and will be paid only to the extent that there are funds available on a subsequent Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments. However, to the extent that there is a Principal Deficiency (as defined in Condition 5.4) on a particular tranche of Notes, the Principal Amount Outstanding in respect of that class of Notes will be reduced and any such reduction will not accrue interest.
Issue price	Each class of the Notes will be issued at 100 per cent. of its aggregate initial Principal Amount Outstanding.
Withholding tax	All payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of tax unless such deduction is required by law. If any withholding tax or other deduction is imposed in respect of the Notes, the Issuer will make payments subject to such withholding tax or other deduction and neither the Issuer nor any other entity will be required to pay any additional amount or otherwise compensate in respect thereof. See "**Taxation**" below.
Security for the Notes	The Notes will be secured pursuant to a deed of charge and assignment made between the Issuer, the Trustee and the other Secured Creditors (other than the Noteholders) and dated on or prior to the Issue Date (together with any deed supplemental thereto, the "**Deed of Charge**"). The Trustee will hold the security granted under the Deed of Charge on trust for itself, any receiver, the Noteholders, the Paying Agents, the Agent Bank, the Swap Counterparty, the Corporate Services Provider, the Master Servicer, the Special Servicer, the Registrar, the Cash Manager, the Issuer Account Bank and the Liquidity Facility Provider (together, the "**Secured Creditors**"). The Issuer will grant the following security interests under or pursuant to the Deed of Charge (the "**Issuer Security**"): (i) a first ranking assignment of its interest in the Direct Loan Pool; (ii) a first ranking assignment of its rights under the Transaction Documents to which it is a party; (iii) a first ranking assignment of its rights under the Whole Loan Intercreditor Agreements; (iv) a first fixed charge of its rights to all monies standing to the credit of the Issuer Accounts;

(v) a first fixed charge of its interest in any Eligible Investments made by it or on its behalf; and

(vi) a first floating charge over the whole of its undertaking and all of its property and assets, present and future, not already subject to the security mentioned above, other than any such assets, undertakings, property and rights located in any jurisdiction where such floating charge would not be recognised.

The security interests referred to in paragraphs (i) to (vi) above may take effect as floating security and thus rank behind the claims of certain preferential and other creditors. Upon the enforcement of the Issuer Security and service of an Acceleration Notice, payments in respect of each class of Notes will rank in accordance with the Post-Acceleration Priority of Payments (as described under "**Cashflows**" below).

The Issuer will also pledge the FCC Senior Notes and the FCC Residual Notes it purchases, together with its accounts into which the revenues and the proceeds attached to or derived from such notes are paid, in favour of the Trustee (as the beneficiary) pursuant to certain French law governed pledge agreements (the "**French Pledge Agreements**").

Quarterly reporting. . . . . Quarterly reports will be produced by the Master Servicer (being appointed master servicer by the Issuer (in respect of each of the Direct Loans) and the FCC Management Company (in respect of the Signac Loan and the FCC Notes on a several basis) to the Cash Manager who will compile global reports taking into account the reports produced by the Master Servicer and Issuer cash flows not monitored by the Master Servicer.

The Master Servicer will be required to provide to the Cash Manager reports (the "**Master Servicer Cash Reports**") at least three Business Days prior to each Determination Date. The Master Servicer Cash Reports will contain details of, *inter alia*, the cashflows in relation to the Direct Loans, the Signac Loan and the FCC Senior Notes, for the Calculation Period then ended.

The Cash Manager will be required to compile a report (the "**Cash Report**") on each Determination Date containing details of the amounts of Revenue Funds and Principal Receipts for the Calculation Period then ended together with details of the balances of each of the Issuer Accounts, the Principal Amount Outstanding of each class of Notes and details of the balances of the Principal Deficiency Ledgers.

The Master Servicer will be required to provide to the Cash Manager reports (the "**Master Servicer Loan Pool Reports**") by the third Business Day after the Determination Date containing certain information regarding the performance of the Loan Pool for the Calculation Period then ended.

The Cash Manager will be required to compile a report (the "**Loan Pool Report**") on or around the tenth Business Day after the Determination Date containing certain information (based on the Master Servicer Loan Pool Reports) regarding the performance of the Loan Pool for the Calculation Period then ended.

	The Cash Manager will be required to provide to the Issuer, the Trustee, the Swap Counterparty and the Rating Agencies a completed report (the "**Investor Report**") by the tenth Business Day after each Determination Date. Each Investor Report will include: (i) the information contained in the relevant Loan Pool Report; and (ii) details of payments made by the Issuer in respect of the Calculation Period and Interest Period then ended. The Cash Manager will publish each Investor Report on its website (http://sf.citidirect.com). The Cash Manager will be required to prepare and deliver to the Issuer and the Trustee certain standard Commercial Mortgage Securities Association ("**CMSA**") reports with respect to each Loan (which together make up the "**CMSA Investor Reporting Package**") by the tenth Business Day after each Determination Date, in respect of the immediately preceding Loan Interest Period, as more fully described in the section entitled "**Servicing (other than in relation to the Sunrise II Loan) – Quarterly Reporting**" below.
Principal Deficiency Ledgers.	The Cash Manager will be required to maintain in the books of the Issuer certain ledgers (the "**Principal Deficiency Ledgers**") in respect of each class of Rated Notes to record, by way of debit entry, from time to time the amount of Available Redemption Funds applied on any Interest Payment Date in accordance with paragraph (i) of the Pre-Enforcement Principal Priority of Payments equal to the Senior Expenses Shortfall on such date, and/or the amount of principal losses in respect of outstanding Loans, being (i) the amount of any provisioned principal reduction agreed to by the Special Servicer in respect of a Loan after a valuation has been carried out on the instructions of the Special Servicer acting in accordance with the Servicing Agreement (taking into account any decrease in property value, valuation cost, enforcement cost and other administrative costs), and/or (ii) the amount of any loss (to the extent not already recorded pursuant to (i) above) of principal in respect of a Loan as notified to the Cash Manager and the Issuer by the Relevant Servicer following completion of all enforcement procedures in respect of that Loan (the amount of each entry, a "**Loss**") in the following order of priority: (i) to the ledger designated the "**Class F Principal Deficiency Ledger**" until the balance of that ledger is equal to the then Principal Amount Outstanding of the Class F Notes (ignoring any adjustments for Principal Deficiencies); (ii) to the ledger designated the "**Class E Principal Deficiency Ledger**" until the balance of that ledger is equal to the then Principal Amount Outstanding of the Class E Notes (ignoring any adjustments for Principal Deficiencies); (iii) to the ledger designated the "**Class D Principal Deficiency Ledger**" until the balance of that ledger is equal to the then Principal Amount Outstanding of the Class

D Notes (ignoring any adjustments for Principal Deficiencies);

(iv) to the ledger designated the "**Class C Principal Deficiency Ledger**" until the balance of that ledger is equal to the then Principal Amount Outstanding of the Class C Notes (ignoring any adjustments for Principal Deficiencies);

(v) to the ledger designated the "**Class B Principal Deficiency Ledger**" until the balance of that ledger is equal to the then Principal Amount Outstanding of the Class B Notes (ignoring any adjustments for Principal Deficiencies); and

(vi) to the ledger designated the "**Class A Principal Deficiency Ledger**" until the balance of that ledger is equal to the then Principal Amount Outstanding of the Class A Notes (ignoring any adjustments for Principal Deficiencies).

The amount of any Writebacks and any Revenue Funds applied as Deemed Principal Receipts will be applied as a credit entry to the Principal Deficiency Ledgers in the reverse order of priority to the above, until there is no debit balance on any of the Principal Deficiency Ledgers. For further information, see "**Cashflows**" below.

Governing law . . . . . The Notes will be governed by English law.

FCC AND FCC RELATED PARTIES

FCC	FCC EuroProp (EMC) is a French "debt mutual fund" (*fonds commun de créances*) comprising, on the Issue Date, of, *inter alia*, the Signac Compartment. The FCC and the FCC Compartments are governed by the provisions of Articles L. 214-5, L. 214-43 and L. 231-7 and Articles R. 214-92 to R. 214-115 of the French Monetary and Financial Code, the General Regulations and the FCC Compartments by the relevant FCC Compartment Regulations. The Signac Compartment shall be established on the Issue Date by the FCC Custodian and the FCC Management Company.
FCC Custodian	BNP PARIBAS Securities Services is a limited liability company (*société anonyme*) with a share capital of EUR 165,279,835 incorporated under and governed by the laws of France, licensed as a credit institution (*établissement de crédit*) under the French Monetary and Financial Code whose principal office is at 3, rue d'Antin, 75002 Paris, France and which is registered with the Trades and Companies Register (*Registre de Commerce et des Sociétés de Paris*) under number 552 108 011.
FCC Management Company	EuroTitrisation, a commercial company (*société anonyme*) with a share capital of EUR 684,000, is licensed and supervised by the French Financial Market Authority (*Autorité des Marchés Financiers*) (the "**French Financial Market Authority**") in accordance with Article L. 214-47 of the French Monetary and Financial Code. The exclusive purpose of the FCC Management Company is to manage French debt mutual funds (*fonds communs de créances*). The head office of the Management Company is located at 20, rue Chauchat, 75009 Paris. It is registered with the Trade and Companies Registry of Paris under number 353 458 368.
FCC Servicer	Citibank International plc will act as a servicer to the FCC (the "**FCC Servicer**") pursuant to Article L. 214-46 of the French Monetary and Financial Code and the terms of the relevant Signac Loan Servicing Agreement.
FCC Special Servicer	Citibank International plc will act as a special servicer to the FCC (the "**FCC Special Servicer**") pursuant to Article L. 214-46 of the French Monetary and Financial Code and the terms of the Signac Loan Servicing Agreement.
FCC Liquidity Facility Provider	Danske Bank A/S (the "**FCC Liquidity Facility Provider**")
FCC Liquidity Facility Agreement	The FCC Management Company and the FCC Custodian will in accordance with Article L. 214-43 and R. 214-101 of the French Monetary and Financial Code enter into a liquidity facility agreement with the FCC Liquidity Facility Provider in respect of the Signac Compartment (the "**Signac Liquidity Facility Agreement**") pursuant to which the FCC Liquidity Facility Provider will make available (subject to certain reductions and conditions) a facility of approximately €50,000 to the Signac Compartment which it can draw on to fund certain expenses shortfalls. For the avoidance of doubt, such facility will not be used to fund any interest shortfalls.

FCC Account Bank	BNP PARIBAS Securities Services (the "**FCC Account Bank**").
FCC Paying Agent	BNP PARIBAS Securities Services (the "**FCC Paying Agent**").
FCC Related Parties	The FCC Custodian, the FCC Management Company, the FCC Account Bank, the FCC Paying Agent, the FCC Liquidity Facility Provider, the FCC Servicer and the FCC Special Servicer are together referred to as the "**FCC Related Parties**".
FCC Transaction Documents	On or around the Issue Date, the FCC Related Parties, among others, will enter into the following transaction documents (the "**FCC Transaction Documents**"): (i) the General Regulations; (ii) the FCC Compartment Regulations for the Signac Compartment; (iii) the Signac Mortgage Sale Agreement; (iv) the Signac Loan Servicing Agreement; (v) the bank account and paying agency agreements for the Signac Compartment; (vi) the subscription agreements relating to the FCC Notes and the Signac Units; (vii) the Signac Liquidity Facility Agreement; (viii) the French Pledge Agreements; and (ix) any other ancillary agreements relating to the issue of the FCC Notes.

PRINCIPAL FEATURES OF THE FCC NOTES

Status and form of the FCC Notes	The FCC will issue FCC Senior Notes, FCC Junior Notes, FCC Residual Notes (by the Signac Compartment) pursuant to the General Regulations and the respective FCC Compartment Regulations on the Issue Date in an aggregate amount of €61,900,000 and in denominations of €50,000. The FCC Notes will be issued in registered form (*forme nominative*). Title to the FCC Notes will be evidenced in accordance with Article L. 211-4 of the French Monetary and Financial Code by book entries (*inscription en compte*). No certificates (including *certificats représentatifs* issued pursuant to Article R. 211-7 of the French Monetary and Financial Code), global notes or physical documents of title will be issued in respect of the FCC Notes.
FCC Senior Notes, FCC Junior Notes and FCC Residual Notes	The FCC Junior Notes rank junior in all cases to the relevant FCC Senior Notes. The holders of the FCC Junior Notes will have certain rights to cure payment defaults of the relevant Borrower by subscribing for further junior notes issued by the FCC but they will remain a junior interest to that of the holders to the FCC Senior Notes. The FCC Residual Notes rank junior in all cases to the relevant FCC Junior Notes and the FCC Senior Notes.
Liability and limited recourse	In accordance with the provisions of Article L. 214-43 of the French Monetary and Financial Code: "Notwithstanding Article 2285 of the French Civil Code, and unless otherwise stipulated in the fund's constituting documents, the assets of a given compartment may only be used to meet that compartment's debts, commitments and obligations and only benefit from that compartment's receivables". Therefore the FCC Notes issued in respect of the Signac Compartment and interest thereon will not be obligations or responsibilities of any person other than the Signac Compartment. In particular, the FCC Notes will not be obligations or responsibilities of the FCC Related Parties and none of such persons accepts any liability whatsoever in respect of any failure by the Signac Compartment to make payment of any amount due on the FCC Notes.
Interest on the FCC Notes	The FCC Notes will bear interest, payable quarterly in arrear, calculated as the sum of EURIBOR for three month Euros deposits plus a specified margin. The margin for the FCC Senior Notes and the FCC Residual Notes to be subscribed for by the Issuer are as follows: FCC Senior Notes: 0.70% p.a. FCC Residual Notes: 0.00% p.a. The holder of the FCC Residual Notes may also be entitled to an additional interest (the "**FCC Residual Interest**") (if any).
FCC Residual Interest	The FCC Residual Interest will be paid on a quarterly basis by the Signac Compartment.

	The FCC Residual Interest on the FCC Residual Notes is an amount equal to the residual proceeds accruing from the Signac Loan after payment of all other amounts including but not limited to interest on the FCC Senior Notes and the FCC Junior Notes, fees, expenses and costs due from the Signac Compartment on such interest payment date.
Interest Payment Dates	Two business days following 16 January, April, July and October respectively.
Principal Amount Outstanding on Issue Date	FCC Senior Notes: €48,300,000 FCC Junior Notes: €13,500,000 FCC Residual Notes: €100,000
Final Maturity Date	18 July 2015
Mandatory redemption	If a FCC Compartment Liquidation Event (as defined below) occurs and is continuing and the FCC Junior Noteholder purchases the related Signac Loan from the Signac Compartment for a price equal to the outstanding principal balance plus accrued interest, expenses and any break costs that will be incurred by the Issuer upon termination in whole or part of any Swap Transactions as a result of the purchase, such amount will be used to redeem the FCC Senior Notes on a *pari passu* basis. Subject to the occurrence of an event of default under the FCC Notes or any FCC Compartment Liquidation Event (as defined below), all amounts received as principal receipts or principal recoveries on the Signac Loan will be allocated to the applicable FCC Notes. Amounts received as principal receipts or principal recoveries on the Signac Loan will be used to redeem notes of the same class on a *pari passu* basis with the FCC Senior Notes being repaid in full prior to any redemption of the FCC Junior Notes, and the FCC Junior Notes being repaid in full prior to any redemption of the FCC Residual Notes.
FCC Compartment Liquidation Events	In accordance with Articles L. 214-43 and Article R. 214-107 of the French Monetary and Financial Code and under the FCC Compartment Regulations, each of the following events shall constitute an "**FCC Compartment Liquidation Event**": (i) the liquidation of the Signac Compartment is in the interest of the holders of the Signac Units and the FCC Notes; (ii) the aggregate principal outstanding amount of the unmatured Signac Loan (*créances non échues*) transferred to the Signac Compartment falls below 10 per cent. of the maximum aggregate principal outstanding amount of the unmatured receivables initially acquired by the Signac Compartment; (iii) a favourable or an unfavourable trend in respect of the risks which are borne by the Signac Compartment in the context of its management strategy occurs or is anticipated. The criteria allowing to determine such

	favourable or unfavourable trend will be the occurrence of any of the Material Events of Default under the Signac Loan; or (iv) the Signac Units and the FCC Notes issued by the Signac Compartment are held by one holder only and the liquidation is requested by such holder.
Limited recourse	The FCC Notes are effectively pass-through securities and the FCC's liability to make payment of the FCC Notes will be limited to proceeds received from the Signac Loan.
Transfer and selling restrictions	The FCC Notes will be subject to certain transfer and placement restrictions as set forth and described in "Description of the FCC Notes, the FCC Related Parties and the FCC Purchased Notes" below.
Governing law	The FCC Notes will be governed by French law.
Tax status	For information on the tax status of the FCC Notes, see "Taxation – French Taxation relating to the FCC Notes" below.

RISK FACTORS

The following is a summary of certain aspects of the Notes and the related transactions of which prospective Noteholders should be aware. This summary is not intended to be exhaustive. Prospective Noteholders should read the detailed information set out in this Prospectus and reach their own views prior to making any investment decision.

The risk factors addressed in the following discussion have been grouped into the following categories:

(a) considerations relating to the Issuer and the Notes;

(b) considerations relating to the Properties;

(c) considerations relating to the Tenants;

(d) general considerations; and

(e) considerations relating to the FCC Notes and liability under the FCC Notes.

Considerations Relating to the Issuer and the Notes

Liability under the Notes

The Notes will be the sole obligations of the Issuer. The Notes will only be capable of being satisfied and discharged from the assets of the Issuer and will not be the responsibility of, or guaranteed by, any other entity. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by, the Trustee, the Swap Counterparty, the Finance Parties, the Managers, the Paying Agents, the Registrar, the Agent Bank, the Master Servicer, the Special Servicer, the Cash Manager, the Sellers, the Issuer Account Bank, the Liquidity Facility Provider or the Corporate Services Provider or any other company in the same group of companies as, or affiliated to, any of such entities.

Limited resources of the Issuer

The Notes will be full recourse obligations of the Issuer. However, the assets of the Issuer will themselves be limited. The ability of the Issuer to meet its obligations under the Notes will be dependent primarily upon the receipt by it of principal and interest from the Borrowers under the Direct Loans (see further "Considerations relating to the Loans and the Related Security" and "Considerations relating to the Properties" below), the receipt by it of principal and interest under the FCC Senior Notes, the receipt of funds (if available to be drawn) under the Liquidity Facility Agreement, the receipt of funds (if due) from the Swap Counterparty under the Swap Transactions, the receipt of any income or other proceeds from any Eligible Investments and the receipt of funds under the Security Agreements. Other than the foregoing and any interest earned by the Issuer in respect of its bank accounts, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes and/or any other payment obligation ranking in priority to, or *pari passu* with, the Notes.

Upon enforcement of the Issuer Security for the Notes, the Trustee or any receiver will have recourse only to the assets of the Issuer (comprising, principally, the FCC Senior Notes, the FCC Residual Notes, the Direct Loan Pool and the Issuer's interest in the Direct Loan Pool Security). Other than the buy-back provisions in the Mortgage Sale Agreements for breach of warranty, none of the Issuer, the FCC or the Trustee will have any recourse to the Sellers. It should be noted that, upon acceleration of the Issuer Security, the Issuer will not be able to make any further drawings under the Liquidity Facility Agreement.

Consequences of winding-up proceedings

If the Issuer fails for any reason to meet its obligations or liabilities to a creditor who has not agreed not to make an application for the commencement of winding-up or similar proceedings against the Issuer, such creditor may be entitled to make an application for the commencement of insolvency proceedings against the Issuer.

The commencement of such proceedings may entitle creditors to terminate contracts with the Issuer and claim damages for any loss arising from such early termination. The commencement of such proceedings may result in the Issuer's assets being realised and applied to pay the fees and costs of the liquidator, debts preferred by law and debts payable in insolvency, before any surplus is distributed to the holders of debt securities. In the event of proceedings being commenced, the Issuer may not be able to pay the amounts anticipated by the Conditions.

Luxembourg taxation regime

The Issuer is a securitisation company incorporated by virtue of the law dated 22 March 2004 on securitisation (the "**Securitisation Law**"). The Securitisation Law sets forth a specific tax regime benefiting securitisation undertakings, including securitisation companies created under the Securitisation Law, such as the Issuer.

On 13 February 2006, the EU Commission (the "**Commission**") wrote to the Luxembourg Government, requesting information from it in respect of the Securitisation Law and the Luxembourg law on investment companies in risk capital (SICAR) (Law of 15 June 2004) as regards the compatibility of these laws with European legislation relating to the provision of state aid.

If the Commission determines that a legislative regime is in breach of EU legislation relating to the provision of state aid, it could (as a worst case scenario) require that such legislation be repealed, depending upon the circumstances. In addition, the Commission could require that such legislation be repealed with retrospective effect.

Given that the process remains at a very preliminary stage, it is impossible to assess the impact, if any, of the Commission's request for information made to the Luxembourg Government.

Even if the tax regime provided for in the Securitisation Law were repealed, it is unlikely that this would have a material adverse effect on the funds available to the Issuer to satisfy its obligations under the Notes. The most likely consequence of a repeal of the Securitisation Law is that the Issuer would be required to make an annual tax payment of €62. However, there would be no impact on the tax deductibility of interest served by the Issuer under the Notes. The Issuer's reserves have been determined so as to take account of a minimal tax charge applying to the vehicle if the existing zero tax regime is altered.

Yield and prepayment considerations

The yield to maturity of the Rated Notes of each class will directly or indirectly depend on, among other things, the amount and timing of payments of principal (including prepayments, sale proceeds arising on enforcement of a Related Security and rescissions due to breaches of representations and/or warranties) on the Loans and the Principal Amount Outstanding under the Notes. Such yield may be adversely affected by a higher or lower than anticipated rate of prepayments on the Loans.

The rate of prepayment of Loans cannot be predicted and is influenced by a wide variety of economic and other factors, including, without limitation, prevailing interest rates, the buoyancy of the property market, the availability of alternative financing and local and regional economic conditions. Therefore, no assurance can be given as to the level of prepayment that the Loans will experience. Any partial or total prepayment of the Loans will result in the partial or total prepayment of the Notes accordingly.

See the section entitled "Estimated Average Life of the Rated Notes and Assumptions" below.

Source of funds for redemption in full of the Rated Notes

The ability of the Issuer to redeem all the Rated Notes in full (whether before or after any Event of Default (as defined in Condition 10) under the Rated Notes) while any of the Loans are still outstanding will depend upon whether the outstanding Loans can be sold or otherwise realised so as to obtain an amount sufficient to redeem the Rated Notes directly or indirectly by redemption of the FCC Senior Notes and the FCC Residual Notes. There is currently only a limited secondary market for commercial mortgage loans and related security in Germany and France. Therefore, none of the Issuer, the FCC or the Trustee may be able to sell the Loans on appropriate terms should it be required to do so. In addition, the Signac Compartment may only sell the Signac Loan in limited circumstances provided for under Articles R. 214-104 to R. 214-108 of the French Monetary and Financial Code and the provisions of the Signac Mortgage Sale Agreement.

Absence of secondary market; limited liquidity for Notes

There is not, at present, an active and liquid secondary market for the Notes, and there can be no assurance that a secondary market for the Notes will develop. Even if a secondary market does develop, it may not continue for the life of the Notes or it may leave Noteholders with illiquidity of investment. Illiquidity means that a Noteholder may not be able to find a buyer to buy its Notes readily or at prices that will enable the Noteholder to realise a desired yield. Illiquidity can have a severe adverse effect on

the market value of the Notes. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Notes. Any class of Notes may experience illiquidity, although generally illiquidity is more likely to occur in respect of classes that are especially sensitive to prepayment, credit or interest rate risk, or that have been structured to meet the investment requirements of limited categories of Noteholders.

Ratings of Rated Notes

The ratings assigned to each class of Rated Notes by the Rating Agencies are based on the Loan Pool and other relevant structural features (including the available funds cap mechanism described below) of the transaction, including, among other things, the long or short term, unsecured and unsubordinated debt ratings of the Issuer Account Bank, the Liquidity Facility Provider and the Swap Counterparty. These ratings reflect only the views of the Rating Agencies.

The Class D Notes, the Class E Notes and the Class F Notes are subject to an available funds cap mechanism which caps interest payable on the Class D Notes, the Class E Notes and the Class F Notes at the interest available from the then outstanding Loans in the Loan Pool. Therefore, any interest shortfall arising from prepayments or repayments of the Loans, being the Excess Class D Interest Amounts and/or the Excess Class E Interest Amounts and/or the Excess Class F Interest Amounts, will not be due to the Noteholders at that time or in the future and will not accrue interest. Any Excess Interest Amount will only become payable by the Issuer if there are sufficient Revenue Funds available in accordance with the relevant Priority of Payments on any subsequent Interest Payment Date.

The ratings address the likelihood of full and timely payment to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders of all payments of interest (other than the Excess Interest Amount) on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on each Interest Payment Date and the full and ultimate payment of principal in respect of such Notes on the Final Maturity Date. A security rating is not a recommendation to buy, sell or hold securities and will depend, among other things, on certain underlying characteristics of the Issuer's business from time to time. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies (or any of them) as a result of changes in or unavailability of information or if, in any Rating Agency's judgement, circumstances so warrant. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the other ratings, the market value and/or liquidity of any class of Notes.

Rating agencies other than the Rating Agencies may seek to rate the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes without having been requested to do so by the Issuer, and if such "unsolicited ratings" are lower than the comparable rating assigned to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes by the Rating Agencies, such shadow ratings could have an adverse effect on the value of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes. For the avoidance of doubt and unless the context otherwise requires, any references to "ratings" or "rating" in this Prospectus are to solicited ratings assigned by the Rating Agencies only. Future events also, including but not limited to events affecting the Loan Pool and/or the office or retail or other commercial borrower market generally, could have an adverse impact on the ratings of the Class A Notes and/or the Class B Notes and/or the Class C Notes and/or the Class D Notes and/or the Class E Notes and/or the Class F Notes.

Ratings confirmation

Where a particular matter (including the determination of material prejudice by the Trustee and changes to certain of the operational covenants) involves the Rating Agencies being requested to confirm the then current ratings of the Rated Notes, such confirmation may or may not be given at the sole discretion of the Rating Agencies. It should be noted that, depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that the Rating Agencies cannot provide their confirmation in the time available or at all, and they will not be responsible for the consequences thereof. No assurance can be given that any such confirmation will not be given in circumstances where the relevant proposed matter would materially adversely affect the interests of the holders of the Class A Notes and/or the Class B Notes and/or the Class C Notes and/or the Class D Notes and/or the Class E Notes and/or the Class F Notes.

Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the Notes form part since the Issue Date. A confirmation of ratings represents only a restatement of the opinions given at the Issue Date and cannot be construed as advice for the benefit of any parties to the transaction or as confirmation that an event or amendment is in the best interests of, or not materially prejudicial to the interests of the holders of the Rated Notes. No assurance can be given that a requirement to seek ratings confirmation will not have a subsequent impact upon the business of the Issuer.

"**Extraordinary Resolution**" means a resolution passed at a meeting of the holders of the Rated Notes duly convened and held in accordance with the provisions contained in the Trust Deed.

Status and priority of the Rated Notes

On each Interest Payment Date, prior to the enforcement of the Issuer Security, Available Redemption Funds will be applied in or towards redeeming the Principal Amount Outstanding of the Rated Notes in accordance with the Pre-Enforcement Principal Priority of Payments. Prior to the occurrence of a Sequential Payment Trigger, there may be circumstances under which repayments of principal in respect of the Class F Notes would rank ahead of repayments of principal in respect of other more senior classes of Rated Notes.

See the section headed "**Cashflows – Pre-Enforcement Principal Priority of Payments**" below for details.

Fees and expenses

The fees of the Master Servicer, the Special Servicer and the Trustee have been, or will be, fixed in the agreements with the Issuer to which they are or may become a party. However, the fees of the auditors and other parties have not been fixed and the Master Servicer and the Trustee can charge their properly incurred out-of-pocket expenses to the Issuer. In addition, should it become necessary to appoint a substitute Master Servicer, substitute Special Servicer and/or Trustee then the relevant fees may be higher than those currently in place. As a result, the expenses of the Issuer may be materially higher in a particular Interest Period than in other Interest Periods. Payments of such fees and expenses will be made by the Issuer in accordance with the relevant Priority of Payments and will be made in priority to amounts due to the Noteholders and therefore payment of any such fees may reduce amounts payable to the Noteholders.

The Signac Compartment is liable to make payments relating to certain fees and expenses in priority to amounts due on the FCC Notes. Such fees and expenses are not subject to a cap and as a result, to the extent that such expenses shortfall cannot be adequately funded by the Signac Compartment, amounts received by the Issuer as a noteholder of the FCC Notes may be reduced. This will in turn affect the amounts available to pay the Noteholders.

Income and Principal Deficiency

If there are any income or principal deficiencies, then either of the following consequences may arise:

(i) the interest and other income of the Issuer may not be sufficient, after making the payments to be made in priority thereto, to pay, in full or at all, the interest due on each class of Rated Notes; and/or

(ii) there may be insufficient funds to redeem each class of Rated Notes prior to or at any time on or after the Final Maturity Date.

To the extent that there is a Principal Deficiency on a particular tranche of Notes, the principal amount outstanding in respect of that class of Notes will be reduced and any such reduction will not accrue interest, as further described in Condition 5.4 and in Condition 7.3 below.

Principal Deficiencies will be reduced by any Writebacks (as defined under "**Cashflows**" below) and by the subsequent application of Revenue Funds in accordance with the Pre-Enforcement Revenue Priority of Payments, which provides that, subject to the payment of prior ranking obligations, Revenue Funds will be first credited to the Class A Principal Deficiency Ledger and secondly (once the balance on the Class A Principal Deficiency Ledger is reduced to nil) to the Class B Principal Deficiency Ledger and thirdly (once the balance on the Class B Principal Deficiency Ledger is reduced to nil) to the Class C Principal Deficiency Ledger and fourthly (once the balance on the Class C Principal Deficiency Ledger is reduced to nil) to the Class D Principal Deficiency Ledger and fifthly (once the balance on the Class D Principal Deficiency Ledger is reduced to nil) to the Class E Principal Deficiency Ledger and sixthly (once the

balance on the Class E Principal Deficiency Ledger is reduced to nil) to the Class F Principal Deficiency Ledger. Revenue Funds credited to a Principal Deficiency Ledger will be treated as Deemed Principal Receipts and applied as described in "**Cashflows**" below.

Any Writebacks will be applied to reduce any debit balance of the Principal Deficiency Ledgers in the same order of priority as the application of Revenue Funds described above (and such amounts will be Available Redemption Funds).

Deferral of payments of interest

The Issuer may not have sufficient funds to pay in full interest otherwise due on any one or more classes of the Rated Notes then outstanding on an Interest Payment Date (which, for the avoidance of doubt, does not include any Excess Class D Interest Amount, the Excess Class E Interest Amount and the Excess Class F Interest Amount). The shortfall in the amount then due will not be paid on such Interest Payment Date but will be deferred without triggering an Event of Default and will only be paid, in accordance with the relevant Priority of Payments, on subsequent Interest Payment Dates if and when permitted by subsequent cashflows which are available after the Issuer's higher priority liabilities have been discharged. Such deferred amount will be paid only to the extent that there are funds available on a subsequent Interest Payment Date in accordance with the relevant Priority of Payments.

Availability of Liquidity Facility

Under the Liquidity Facility Agreement, the Liquidity Facility Provider will (prior to the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full and certain other conditions) make available to the Issuer the €31,600,000 Liquidity Facility which will decrease as the outstanding principal balance of the Loans decreases in accordance with the terms of the Liquidity Facility Agreement but will at all times be (i) where the outstanding principal balance of the Loans is more than €336 million, an amount equal to 6.5 per cent of such outstanding principal balance; and (ii) where the outstanding principal balance of the Loans is €336 million or less, an amount equal to 8.7 per cent. of such outstanding principal balance. Subject as provided below, the Liquidity Facility will be available to the Issuer where there is a shortfall in the Revenue Funds to pay in full on any Interest Payment Date any of the items specified in (i) to (vii) (inclusive), (ix), (xi), (xiii), (xv) and (xvii) of the Pre-Enforcement Revenue Priority of Payments. Liquidity Drawings under the Liquidity Facility will therefore assist the Issuer in making payments of, among other things, interest in respect of the Notes.

The initial Liquidity Facility will expire 364 days from and including the Issue Date, although it is extendable for successive periods of up to 364 days. The Liquidity Facility Provider is not obliged to extend or renew the Liquidity Facility at its expiry, but if it does not renew or extend the Liquidity Facility on request then the Issuer will, subject to certain terms, be required to make a Liquidity Stand-by Drawing and place the proceeds of that drawing on deposit in the Liquidity Stand-by Account.

The amount available to be drawn under the Liquidity Facility due to a non-payment in respect of a Loan may, if followed by an Appraisal Reduction in respect of such Loan, be reduced such that insufficient funds may be available to the Issuer to pay in full interest due on the Notes. See further "Transaction Documents – Liquidity Facility Agreement" below.

Trust Deed

The Notes will be constituted pursuant to the Trust Deed. Pursuant to the terms of the Trust Deed, the Trustee may retire at any time on giving not less than three months' prior written notice to the Issuer without assigning any reason and without being responsible for any costs occasioned by such retirement. The Noteholders shall have the power (exercisable by an Extraordinary Resolution of each class of Notes) to remove any trustee or trustees for the time being under the Trust Deed. The Issuer undertakes that it will use all reasonable endeavours to procure a new trustee to be appointed as soon as reasonably practicable after the Trustee under the Trust Deed retires or is removed. The retirement or removal of any such trustee will not become effective until a successor trustee is appointed. If a successor trustee has not been appointed within two months after the date of the notice of retirement of the Trustee, then the retiring Trustee may appoint its own successor trustee.

Conflict of interests between classes of Noteholders

The Trustee will be required, in performing its duties under the Trust Deed, to have regard to the interests of all the classes of Noteholders together. However, if (in the sole opinion of the Trustee) there is a conflict

between the interests of the holders of one or more classes of Notes and the interests of the holders of one or more other classes of Notes, then the Trustee will be required in certain circumstances to have regard only to the interests of the holders of the Most Senior Class of Notes then outstanding. For all purposes when the Trustee performs its duties under the Trust Deed and/or the Deed of Charge, the interests of individual Noteholders will be disregarded and the Trustee will determine interests viewing the holders of any particular class of Notes as a whole.

Certain decisions by the Trustee

The Trustee will be entitled to agree with the Issuer (subject to the consent of the Secured Creditors, to the extent that such modification could prejudice the rights of such Secured Creditor), without the consent of the Noteholders of any class, (i) to any modification (including a Basic Terms Modification) of, or to the waiver or authorisation of any breach or proposed breach by the Issuer of, any of the provisions of the Notes of such class (including the Conditions) or any of the Transaction Documents, which is not, in the opinion of the Trustee, materially prejudicial to the interests of the holders of the Notes then outstanding or (ii) to any modification (including a Basic Terms Modification) of the Notes of such class (including the Conditions) or any of the Transaction Documents to which it is a party, which in the Trustee's opinion is to correct a manifest or proven error or is of a formal, minor or technical nature.

In respect of each class of Notes, the Trustee may also, without the consent of the Noteholders of such class, determine that any Event of Default or any condition, event or act which, with the giving of notice and/or lapse of time and/or the issue of a certificate and/or the making of any determination, would constitute an Event of Default will not, subject to specified conditions, be treated as such (but the Trustee may not make any such determination or any such waiver or authorisation of any such breach or proposed breach of the Notes (including the Conditions) or any of the Transaction Documents in contravention of an express direction of the Noteholders given by Extraordinary Resolution or a request under Condition 10 or Condition 11). Any such modification, waiver, authorisation or determination will be binding on the Noteholders of each such class, and, unless the Trustee agrees otherwise, any such modification will be notified to such Noteholders in accordance with Condition 15 as soon as practicable thereafter.

The Trustee will be entitled to take into account, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Conditions or any of the Transaction Documents in respect of a particular class of Rated Notes, any confirmation by any Rating Agency (if available) that the then current ratings of such class of Rated Notes would not be adversely affected by such exercise. However it should be noted that a decision by the Rating Agencies not to downgrade the Rated Notes does not indicate that the action taken by the Trustee would not be prejudicial to the interests of the Noteholders.

Indemnification and exoneration of the Trustee

Each of the Trust Deed and the Deed of Charge will contain provisions governing the responsibility (and relief from responsibility) of the Trustee, and providing for its indemnification in certain circumstances. These will include provisions relieving it from taking enforcement proceedings or enforcing the Issuer Security unless indemnified to its satisfaction.

The Trustee and its related companies will be entitled to enter into business transactions with, *inter alios*, the Issuer and Master Servicer, and/or related companies of any of them without accounting for any profit resulting therefrom. The Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of, *inter alia*, any assets comprised in the Issuer Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of the Master Servicer or by a clearing organisation or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the Trustee.

The Trust Deed will provide that the Trustee will be under no obligation to make any searches, enquiries or independent investigations of title in relation to any of the properties secured by the mortgages.

The Trustee will be entitled to accept and rely on reports from professional advisers notwithstanding that the terms of engagement may contain limitations (including financial limitations) on the liability of the relevant professional adviser and notwithstanding that such reports may not be addressed to the Trustee.

Reliance on the Swap Counterparty

The Issuer will on the Issue Date enter into novations of existing fixed/floating swap transactions entered into between Citibank, N.A., London Branch and the First Seller in respect of each of the Epic Rhino

Loan, Epic Horse Loan and Tshuva Loan in addition to new fixed/floating swap transactions in respect of the Henderson Loans and the Citibank Sunrise II Loan (following cancellation of the existing internal hedging arrangements in respect of such Loans) so that the notional amount of the fixed/floating swap transactions reflects the principal amount of the aforementioned Loans being acquired by the Issuer. The underlying payment obligations in respect of these Loans from the relevant Borrowers are determined on a fixed rate basis while each class of Rated Notes bears interest at a rate based on three-month EURIBOR plus a margin. The Loan Interest Periods under the Loans will not match the Interest Periods under the Notes. In order to hedge interest rate risk in respect of interest payable on the Rated Notes (i) the Direct Loans in the Direct Loan Pool and (ii) the FCC Senior Notes and the FCC Residual Notes, the Issuer and the Swap Counterparty will enter into the Basis Swap Transactions with the Swap Counterparty under the Swap Agreement. There can be no assurance, however, that the Basis Swap Transactions and/or the Fixed/Floating Swap Transactions will adequately address unforeseen interest rate hedging risks.

If the Issuer fails to make payments of amounts due and payable under the Swap Transactions in accordance with the terms of the Swap Agreement, it will have defaulted under the relevant transaction. The Swap Counterparty is only obliged to make payments to the Issuer as long as the Issuer complies with its obligations under the relevant transaction. If the Swap Counterparty is not obliged to make payments, or defaults in its obligations to make payments to the Issuer on the payment date under the relevant transactions, the Issuer will be exposed to any changes in the relevant rates of interest. Unless a replacement swap transaction is entered into following such default, the Issuer may have insufficient funds to make payments under the Rated Notes.

If the Swap Transactions terminate early, the Issuer may be obliged to make a termination payment to the Swap Counterparty. There can be no assurance that the Issuer will have sufficient funds available to make a termination payment under the relevant Swap Transaction, nor can there be any assurance that the Issuer will be able to enter into a replacement swap transaction, or if one is entered into, that the credit rating of the replacement swap counterparty will be sufficiently high to prevent a downgrade of the then current ratings of the Rated Notes by the Rating Agencies.

The Issuer may be liable to pay an amount calculated by reference to the change in the mark to market value of the Swap Transactions following any adjustment to the notional amount of the Swap Transactions pursuant to the terms thereof.

The risks described in this risk factor also apply to the Loan Hedging Arrangements of the Borrowers. The Issuer will be allowed to request advances pursuant to the terms of the Liquidity Facility Agreement in order to fund amounts due by the relevant Borrower under the relevant Loan Hedging Arrangements so as to prevent the early termination of such Loan Hedging Arrangements. These amounts will then be repayable to the Issuer by the relevant Borrower or Borrowers.

Termination of the Swap Transactions

Any termination payment due from the Issuer to the Swap Counterparty on termination of a Swap Transaction (except following a default by, or ratings downgrade of, the Swap Counterparty) and any related costs will rank ahead of all payments due to the Noteholders. In addition, any payment due from the Issuer to the Swap Counterparty following a redemption of the Notes will rank ahead of all payments due to the Noteholders. The Issuer may not have sufficient funds available to it to make any such termination payment or additional payment, but if it does make such termination payment or additional payment, this may affect its ability to make subsequent payments in respect of the Notes.

If a Swap Transaction is terminated by reason of an Event of Default (as defined in the Swap Agreement) in respect of which the Swap Counterparty is the Defaulting Party or by reason of an Additional Termination Event (each as defined in the Swap Agreement) following a ratings downgrade of the Swap Counterparty, and the relevant termination payment is payable by the Issuer to the Swap Counterparty, the Issuer's obligation to make such payment will be subordinated to its obligations in respect of the Rated Notes.

Non-payment by Borrowers

The Issuer's ability to make payments due under the Notes and in respect of its operational and administrative expenses will be, directly or indirectly, dependent primarily upon it and the FCC receiving payments from the Borrowers in respect of the Loans in the Loan Pool and its ability, if necessary, to realise the Related Security and other Related Security. Such payments are subject to credit and interest rate risks (see the sections "Transaction Documents – The Swap Agreement" and "Credit Structure" below).

Matters which may influence mortgage delinquency rates, prepayment rates, repossession and receivership frequency and ultimate payment of interest and principal include, but are not limited to, changes in the national or international economic climate, regional economic conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investment, political developments and government policies. In respect of any Borrower that is a landlord of the relevant Property, the financial condition of the tenant may also impact on the ability of the Borrower to repay the relevant Loan. In addition, if any Borrower defaults in circumstances where property values in Germany and France are generally depressed, the proceeds of any enforcement action against the Borrower in connection with its Related Security may be reduced. This could adversely affect the Issuer's ability to make payments due under the Notes.

If, upon non-payment by Borrowers and the exercise of all available remedies under the Loan Pool, the Issuer and/or the FCC, as the case may be, do not receive the full amount due by those Borrowers, the Issuer's income may not be sufficient, after making the payments to be made in priority thereto, to pay, in full or at all, interest due on each class of the Notes. If there is a debit balance in any of the Principal Deficiency Ledgers as at the Final Maturity Date, the holders of the relevant class(es) of Notes may receive by way of principal repayment less than the face value of their Notes.

German tax risks

There are various tax risks with respect to the German Loans which might have a significant impact on the Borrowers' ability to make payments under the Loans as well as the Issuer's ability to make payments due under the Notes. An exhaustive description of every single risk with respect to every single loan would exceed the volume of this Prospectus. Therefore, it is just pointed out that in particular income tax, corporate income tax, trade tax, value added tax and real estate transfer tax might be triggered.

The German Federal Parliament (*Bundestag*) decided the Business Tax Reform Act 2008 (*Unternehmensteuerreformgesetz 2008*) on 25 May 2007. It is expected that the Federal Council (*Bundesrat*) will agree and, thus, the bill will come into force on 1 January 2008 without any further changes.

The corporate income tax rate will decrease from 25 per cent. to 15 per cent. (in each case plus 5.5 per cent. solidarity surcharge (*Solidaritätszuschlag*) thereon). In connection with the decrease of the average trade tax rate from 20 per cent. to 14 per cent, this will lead to an average aggregate nominal income tax burden for corporations (corporate income tax and trade tax) of less than 30 per cent.

However, the Business Tax Reform Act 2008 (*Unternehmensteuerreformgesetz 2008*) also contains measures for counterfinancing, in particular, the introduction of a new earning stripping rule (*Zinsschranke* – "**ESR**"). The deductibility of payments shall be limited. The net interest expenses (the difference between interest payments and interest income, where positive) shall generally only be deductible in an amount equal to 30 per cent. of the earnings before interest (this meaning interest income as well as interest payments), taxes, depreciation and amortization ("**EBITDA**"). Non-deductible net interest payments exceeding 30 per cent. of the EBITDA shall be carried forward and may be deducted in the following years, again subject to the ESR.

The application of the ESR to a Borrower might affect the ability of the respective Borrower to comply with its obligations under the respective Loan.

The ESR shall only be applicable, if the annual net interest expenses amount to or exceed EUR 1,000,000. In cases where the annual net interest expenses of the relevant Borrower exceed EUR 1,000,000, an exemption from the ESR, the so called escape clause, might apply. Generally, a Borrower can benefit from the escape clause if the equity ratio of the relevant Borrower is equal to or better than the equity ratio in the consolidated balance sheet of the group in which the relevant Borrower is integrated.

Prepayment of the Loans

Borrowers may be obliged, under certain circumstances, to prepay a Loan in whole or in part prior to the maturity date of such Loan (the "**Loan Maturity Date**"). These circumstances include, in certain of the Credit Agreements, the disposal of all or part of a relevant Property, a change of control of a Borrower and where it would be unlawful for the Lender to perform any of its obligations under a Finance Document or to fund or maintain its share in the relevant Loan. Certain of these events are beyond the control of the Borrowers, the FCC and the Issuer. Any such prepayment may result in the Notes being prepaid earlier than anticipated.

Prepayment or Cancellation Fee

Upon any prepayment or cancellation of a Loan, the Borrowers shall pay to the Agent a prepayment or cancellation fee (if any and as applicable) in the amount and at the times agreed in the relevant loan agreement.

With respect to the Ash Loan the following applies: Under German law, a prepayment fee for floating rate interest loans governed by German law (such as the Ash Loan) is not enforceable. The Ash Borrower has agreed with the Ash Lender to pay a prepayment fee under a separate fee letter governed by English law. English courts will have jurisdiction for claims arising out of this fee letter. Such fee letter might not be enforceable before German courts.

With respect to the Henderson Loans and the Tshuva Loan the following applies: Pursuant to Section 490 para. 2 BGB (*Bürgerliches Gesetzbuch* – German Civil Code), a borrower is entitled to terminate and prepay a loan with fixed interest (for a certain period of time) which is secured by a land charge/mortgage if the borrower's legitimate interests (*berechtigte Interessen*) so require (e.g., the sale of the encumbered property). A notice period of three months would be applicable, and the borrower could exercise its termination right no earlier than six months after the full drawdown of the loan. If the borrower terminates and prepays the loan in accordance with these statutory provisions, the lender is entitled to prepayment damages. There are good arguments that the calculation of the amount of prepayment damages pursuant to Section 490 para. 2 BGB might also apply to certain prepayments to be made under the relevant Loan Agreement, potentially leading to a lower prepayment fee than contractually provided for. Case law has developed precise requirements for the calculation of prepayment damages. German civil courts have also held that the calculation method applied by the lender in an individual case must be made transparent to the borrower so that the borrower is able to check whether the calculation is in line with legal requirements. Any provisions in loan agreements which entitle the lender to a lump sum in case of a prepayment of the loan may, therefore, not be valid and enforceable to the extent that they contravene Section 490 para. 2 BGB and the corresponding legal requirements.

Issuer's Indirect Rights to the Related Security

Following the sale of the Signac Loan by the relevant Seller, the FCC will become the holder of the Signac Loan and its Related Security. The Issuer will purchase notes backed by the Signac Loan and its Related Security which are issued by the FCC and will only acquire indirect access to such Related Security. Upon the occurrence of a payment default under the relevant Credit Agreement only the FCC, as the case may be, and not the Issuer, will be entitled to enforce the relevant Related Security.

The FCC will enter into separate servicing agreements under which Citibank International plc will be appointed as the initial Master Servicer and Special Servicer. Each of the Master Servicer and the Special Servicer must act in accordance with the Servicing Standard at all times to ensure the maximisation of recovery of funds in respect of the relevant Loans, including taking steps to enforce the relevant Related Security.

Operating Adviser, Controlling Creditor and Intercreditor Issues

Direct Loans

Under the terms of the Servicing Agreements in respect of the Whole Loans, the Controlling Creditor (as determined in accordance with such agreements) will have the right to appoint an Operating Adviser. The Operating Adviser will have the right to be consulted by the Special Servicer before the Special Servicer takes certain actions in respect of a Loan including, amongst other things, appointing an insolvency official, waiving or amending any material term of the finance documents or releasing any security. The Operating Adviser will also have the right to propose courses of action to the Special Servicer and the Controlling Creditor will have the right to instruct the Issuer to remove and replace the Special Servicer, subject to an appropriate replacement being appointed, and certain notification rights.

In respect of the Bonn Loan and the Gutperle Loan (which each comprise the senior part of the relevant Whole Loans, with certain third party lenders holding the remaining balance of the relevant Whole Loan not transferred to the Issuer (each being a "**Direct Loan Junior Lender**")), the Direct Loan Junior Lender will be the Controlling Creditor for so long as a Subordinated Lender Control Valuation Event is not continuing.

If a Subordinated Lender Control Valuation Event is continuing in respect of the Bonn Loan or the Gutperle Loan, the Controlling Creditor will generally speaking be the holders of the then most junior class of Rated Notes.

There can be no assurance that any advice or course of action proposed by the Operating Adviser or the Controlling Creditor through the Operating Adviser would ultimately maximise the recovery in respect of a Whole Loan. Further, the rights of the Operating Adviser may prevent the Special Servicer from taking action that, if it had not been for the rights of the Operating Adviser, it would have taken or refrained from taking in respect of a Whole Loan and which may have ultimately realised a greater recovery in respect of such Whole Loan.

As the Operating Adviser and the Controlling Creditor represent the holders of the most junior class of Rated Notes or, if a Subordinated Lender Control Valuation Event is not continuing, the Direct Loan Junior Lender, the Controlling Creditor and the Operating Adviser will have interests which may conflict with the holders of more senior classes of the Notes or holders of all classes of the Notes, as the case may be.

Any replacement special servicer appointed following the removal of the Special Servicer by the Controlling Creditor may (despite having to adhere to the Servicing Standard) not perform the functions of the Special Servicer in the same manner as the Special Servicer would have done. This may affect recoveries in respect of the relevant Whole Loans.

The Operating Adviser and the Controlling Creditor may have special relationships that conflict with the holders of one or more classes of the Notes and will act solely in the interests of the Controlling Creditor without taking into consideration or having any duty towards the interests of any other more senior class of Notes or any class of Notes, as the case may be, and will have no liability nor be considered negligent for so doing.

Moreover, upon the occurrence of a payment default in respect of a Whole Loan, the Direct Loan Junior Lender may make cure payments to the Issuer so as to avoid the Issuer or Trustee taking enforcement action or accelerating the relevant Whole Loan. If such cure payments are not made, any amount otherwise available for distribution to the Direct Loan Junior Lender will be retained by the Direct Loan Master Servicer until the relevant default is remedied or the Borrower makes cure payments to remedy such default and will only be distributed to the Direct Loan Junior Lender on the immediately following loan payment date.

There can be no assurance that the making of such cure payments would ultimately maximise the recovery in respect of a Whole Loan or be in the best interests of the holders of the Rated Notes.

Sunrise II Loan

The Sunrise II Lenders will have rights to make protection advances. If such protection advances are made by one Sunrise II Lender and not the other, such Sunrise II Lender will have a senior claim to recover amounts equal to such protection advances from proceeds received from the Sunrise II Borrowers on subsequent Interest Payment Dates and will be paid ahead of the Sunrise II Lender who did not make an equal contribution to such payments.

However, were the Issuer (or the Master Servicer or the Special Servicer on the Issuer's behalf) to make such protection advances there can be no assurance that there would be sufficient funds for it to be reimbursed in full.

The servicing functions to be undertaken by the Master Servicer and Special Servicer in the case of the Sunrise II Loan will be performed by the servicers appointed pursuant to the servicing arrangements agreed for the Sunrise II Loan. The servicing arrangements will combine the requirements of each of the Sunrise II Lenders in respect of servicing. Due to these differences there may be variations in the way the Sunrise II Loan is serviced in comparison to how it would have been serviced by the Master Servicer and the Special Servicer.

The servicing arrangements agreed between the Sunrise II Lenders in connection with the Sunrise II Loan provide for a facility agent appointed under the servicing arrangements to co-ordinate the views of the Sunrise II Lenders (as represented by the servicers appointed thereby) in respect of any proposed modifications, waivers, amendments and consents. Provided that the Sunrise II Loan is not being "specially serviced" (due to, amongst other things, payment default, enforcement proceedings or insolvency events in respect of the Sunrise II Borrowers), the facility agent will seek instructions from the servicers appointed by the Sunrise II Lenders based upon the provisions of the facility agreement in respect of the Sunrise II Loan which requires, variously, majority or unanimous agreement, depending on the nature of the modification, waiver, amendment or consent; in some cases neither majority or unanimous agreement is specified and in these cases the servicing arrangements provide for the facility

agent to attempt to establish a consensus approach. In the event of deadlock or a failure to establish a consensus approach in relation to a proposed modification, waiver, amendment and/or consent, the facility agent will make the final decision based on the best interests (in its opinion) of each of the Sunrise II Lenders and a servicing standard which is substantially the same as the Servicing Standard. If the Sunrise II Loan is being "specially serviced" then the decisions in relation to modifications, waivers, amendments and/or consents will be taken by the special servicer (initially Citibank International plc) in respect of the Sunrise II Loan in accordance with the Servicing Standard, subject to consultation with operating advisers which may be appointed by the controlling party, unless and until the special servicer is replaced by or at the instruction of the controlling party. The controlling party will be a representative of each of the holders of the most junior ranking class of the Notes and, in respect of the DB Sunrise II Loan, the issuer in relation to such securitisation.

In respect of enforcement action prior to the Sunrise II Loan being "specially serviced", the facility agent will seek instructions from the servicers appointed by the Sunrise II Lenders and in the event that no majority or unanimous decision is made, or a consensus approach cannot be agreed (depending on what is required), the facility agent may make decisions and take action based on the best interests (in its opinion) of each of the Sunrise II Lenders and a servicing standard which is equivalent to the Servicing Standard. If the Sunrise II Loan is being specially serviced, then decisions as to enforcement action will be taken by the special servicer (initially Citibank International plc) in respect of the Sunrise II Loan in accordance with the Servicing Standard.

There can be no assurance that any advice or course of action proposed by any operating adviser, the facility agent or the special servicer under the servicing arrangements relating to the Sunrise II Loan would ultimately maximise the recovery in respect of the Sunrise II Loan. Further, the rights of the operating adviser or operating advisers, the DB Lender may lead to a course of action being taken that, if the rights of such parties did not have to be taken into consideration, would not have been taken. This could have an adverse affect on the ultimate recoveries in respect of the Sunrise II Loan, though the servicing standard applicable to the Sunrise II Loan does, by its terms, require the maximisation of recoveries.

Additionally, the Sunrise II Lenders (and any operating adviser appointed by such party) will act solely in their own interests (or, in the case of an operating adviser, the interests of its principal) without taking into consideration or having any duties towards any other party and will have no liability, nor be considered negligent, for so doing. The interests of such parties may conflict and each such party may have special relationships with other parties which may affect how it exercises its rights.

However, the facility agent and the servicers appointed by the Sunrise II Lenders in respect of the Sunrise II Loan must at all times act in accordance with the relevant servicing standard and within the express limits of the servicing agreement (including by taking immediate action if such action is required by the Servicing Standard and refraining from following any instruction or provision of the relevant Servicing Agreement if this would contradict the relevant Servicing Standard).

Signac (France): FCC Intercreditor Issues

The FCC Notes issued by the Signac Compartment have been structured so that the holder of the FCC Junior Notes (the "**FCC Junior Noteholder**") will, in relation to the Signac Loan, have similar economic rights to those a Direct Loan Junior Lender has in relation to a Whole Loan. The FCC Junior Noteholder will, for so long as a control valuation event is not continuing, be the Controlling Creditor in respect of the FCC Notes and have the right to appoint an Operating Adviser. The Operating Adviser will have the right to be consulted by the Special Servicer before the Special Servicer takes certain actions in respect of the Signac Loan including, amongst other things, appointing an insolvency official, waiving or amending any material term of the finance documents or releasing any security. The Operating Adviser will also have the right to propose courses of action to the Special Servicer and the Controlling Creditor will have the right to request the FCC Management Company to remove and replace the Special Servicer, subject to the appointment of an appropriate replacement, and certain notification rights.

There can be no assurance that any advice or course of action proposed by the Operating Adviser or the Controlling Creditor through the Operating Adviser would ultimately maximise the recovery in respect of the Signac Loan. Further, the rights of the Operating Adviser may prevent the Special Servicer from taking action that, if it had not been for the rights of the Operating Adviser, it would have taken or refrained from taking in respect of the Signac Loan and which may have ultimately realised a greater recovery in respect of the Signac Loan.

As the Operating Adviser and the Controlling Creditor represent the FCC Junior Noteholders, the Controlling Creditor and the Operating Adviser will have interests which may conflict with the Issuer as holder of the FCC Senior Notes and the FCC Residual Notes.

Any replacement special servicer appointed following the removal of the Special Servicer in respect of the Signac Loan by the Controlling Creditor may (despite having to adhere to the Servicing Standard) not perform the functions of the Special Servicer in the same manner as the Special Servicer would have done and this may affect recoveries in respect of the Signac Loan.

The Operating Adviser and the Controlling Creditor may have special relationships that conflict with the Issuer as holder of the FCC Senior Notes and the FCC Residual Notes and will act solely in the interests of the FCC Junior Noteholders without taking into consideration or having any duty towards the interests of the Issuer as holder of the FCC Senior Notes and the FCC Residual Notes and will have no liability nor be considered negligent for so doing.

Refinancing risk

All of the Loans are expected to have substantial remaining principal balances as at their respective Loan Maturity Dates. Unless previously repaid, each Loan will be required to be repaid by the relevant Borrower on the relevant Loan Maturity Date. The ability of a relevant Borrower to repay a Loan in its entirety on the Loan Maturity Date will depend, among other things, upon its ability to find a lender willing to lend to the relevant Borrower (secured against some or all of the relevant Properties) sufficient funds to enable repayment of the Loan. Such lenders will generally include banks, insurance companies and finance companies. The availability of funds in the credit market fluctuates and no assurance can be given that the availability of such funds will remain at or increase above, or will not contract below, current levels. In addition, the availability of assets similar to the Properties, and competition for available credit, may have a significant adverse effect on the ability of potential purchasers to obtain financing for the acquisition of the Properties.

The Issuer, the FCC and the Sellers are under no obligation to provide any refinancing or enter into new hedging arrangements. There can be no assurance a Borrower would be able to refinance a Loan.

If the relevant Borrower cannot find such a lender, the relevant Borrower may be forced, in circumstances which may not be advantageous, into selling some or all of the Properties it owns in order to repay its Loan. Failure by the relevant Borrower to refinance its Loan or to sell the Properties on or prior to the Loan Maturity Date may result in the relevant Borrower defaulting on that Loan. In the event of such a default, directly or indirectly, the Noteholders, or the holders of certain classes of Notes, may receive by way of principal repayment an amount less than the then Principal Amount Outstanding (had it not been written down to reflect any Principal Deficiencies) on their Notes and the Issuer may be unable to pay in full interest due on the Notes.

Security over bank accounts

Each Borrower under the Loans has, in accordance with the terms of the relevant Credit Agreement, established a number of bank accounts into which, among other things, rental income and disposal proceeds in respect of the relevant Properties must be paid. Each Borrower has, pursuant to the terms of the relevant Security Agreement, granted security over all of its interests in the relevant accounts of the Borrower. Furthermore, under the Deed of Charge, the Issuer will grant security over all of its bank accounts, which security will be expressed to be fixed security.

Although the various bank accounts are stated to be subject to various degrees of control, there is a risk that monies paid into accounts could be diverted to pay preferential creditors were a receiver, liquidator or administrator to be appointed in respect of the relevant entity in whose name the account is held.

Limited payment history

As of the Issue Date, all of the Loans were originated within 14 months of the Issue Date. As such, those Loans do not have a longstanding payment history. There can be no assurance required payments will be made or, if made, will be made on a timely basis.

Recent acquisition of the Properties

Borrowers have limited experience in operating the Properties. Therefore, there is a risk that the net operating income and cashflow of such Properties may vary significantly from the operations, net operating income and cashflow generated by the Properties under prior ownership and management.

***Transfer of ownership and registration of land* charges under the Gutperle Loan**

The transfer of ownership over certain properties under the Gutperle Loan has not yet been registered in the land register maintained at the local court in Offenbach because the real estate transfer tax clearance certificate has not yet been issued by the relevant tax authorities. As registration of transfer of title is only a question of time, registration of title is fully secured.

Signac Loan – Islamic financing

Whilst the Signac Loan is not made on terms that are Shari'a compliant, the proceeds of such loan has been used as part of a Shari'a compliant transaction structure. In order to be Shari'a compliant, a transaction must not involve the payment of interest by the relevant entity to a third party lender. Islamic financing objects to the charging for the mere use of money, considering it unjust to make a financial gain from a transaction without assuming a share of the risks associated with it. Thus the transaction relating to the Signac Loan (the "**Signac Loan Transaction**") has been structured such that the ultimate borrowing entity, the relevant Target Company (as defined below), has a payment obligation under a share purchase agreement to the Signac Borrower rather than having a payment obligation under a loan which is seen to be a more conventional arrangement. Therefore, the Signac Loan has been structured such that:

(i) the Signac Borrower has used the proceeds of the relevant Loan to (a) purchase the shares in the company owning directly or indirectly through its subsidiaries the Signac Property (the "**Target Company**"), and (b) make an inter-company loan to the Target Company (the "**French Inter-Company Loan**") in order to allow it to refinance in particular a loan made by a third party bank;

(ii) in the Signac Loan Transaction, the obligations of the Target Company under the French Inter-Company Loan are secured by certain security interests in favour of the Signac Borrower and, in particular, mortgages;

(iii) the Signac Borrower has on-sold the shares in the Target Company and assigned the French Inter-Company Loan to the acquisition vehicle of an Islamic property investor (the "**French Property Investor**") for a deferred consideration which is payable on the final maturity date, in respect of the Signac Loan Transaction, pursuant to the relevant share purchase agreement; and

(iv) as security for its obligations under the share purchase agreement, the French Property Investor (a) caused the Target Company to pledge the rental income and the insurance proceeds, (b) has granted certain security interests, (c) has pledged the shares of the Target Company in favour of the Signac Borrower in respect of the Signac Loan Transaction, and (d) has pledged the French Inter-Company Loan (incorporating the mortgages in respect of the Signac Loan Transaction) in favour of the Signac Borrower.

As a result of this structure, the Signac Borrower only has an indirect right to (i) the companies owning directly the Signac Property (each a "**French Property Company**") and (ii) the Signac Property. More particularly, the right of the Signac Borrower to receive the rental income in respect of the Signac Property and the right to enforce the mortgage guarantees (*cautionnements hypothécaires*) and, in the case of the Signac Loan Transaction, the mortgages and/or lender's liens over the Signac Property both derive from the share purchase agreement between the Signac Borrower and the French Property Investor. Upon the occurrence of a payment default under the share purchase agreement, the Signac Borrower (or its agents) will become entitled to enforce the pledge over the shares of the relevant Target Company but the ability of the Signac Borrower (or its agents) to take enforcement actions will be restricted in case of insolvency of the Target Company.

The above text describes some of the risks for a prospective Noteholder arising from the Shari'a transaction structure underlying the Signac Loan. It does not purport to offer nor should be construed as offering advice on Shari'a law nor on the effectiveness of the Shari'a transaction structure underlying the Signac Loan.

Signac Loan – subrogation

In keeping with common French real estate loan refinancing practice, subrogation has been chosen as the method for transferring the benefit of the existing property security interests and mortgages (*hypothèques*)) which were granted originally to secure the loan made by a third party bank and refinanced with the French Inter-Company Loan made by the Signac Borrower to the relevant French Property Company with part of the Signac Loan.

Subrogation is a mechanism provided for by Article 1250 of the French Civil Code, whereby a new creditor that pays a debtor's existing creditor (or provides the debtor with the funds to repay the existing creditor) is substituted in lieu of the existing creditor in respect of its rights and security interests against the borrower. The advantage of subrogation is that the existing security interests are maintained and transferred with their existing ranking being preserved, up to the amount of the repaid debt, without the need to take and register new mortgages on the refinanced assets, thus allowing a significant saving on otherwise considerable mortgage registration duties.

Certain recent decisions of the *Cour de Cassation* (the French Supreme Court) have introduced some uncertainty into the law of subrogation, by holding that a new creditor could not claim interest from the debtor at the rate applicable to the subrogated debt (or such other rate as may have been agreed between the debtor and the creditor), but instead only at the *taux légal (*the legal interest rate used for late payment interest when not contractually agreed (amounting to 2.1 per cent. p.a. in 2006)), as from the date of the subrogation. Whilst not limiting the right of the debtor and the new creditor to agree on the rate of interest in respect of the subrogated debt going forward, such case law suggests that the new creditor may not be secured as to interest by the existing mortgage, which secured the pre-subrogation interest payment obligation.

Limitation of the Issuer's rights due to partial purchase of the Bonn Whole Loan and the Gutperle Whole Loan

Each of the Bonn Loan and the Gutperle Loan is the senior tranche of the Bonn Whole Loan and the Gutperle Whole Loan, respectively, and each of the Bonn Whole Loan and the Gutperle Whole Loan also has a junior tranche which will not be acquired by the Issuer on the Issue Date and will instead be retained by the Bonn Investor and the Gutperle Investor respectively. As a consequence, the Issuer will not hold the whole amount of the Bonn Whole Loan and the Gutperle Whole Loan, and accordingly, the consent of the Bonn Investor and the Gutperle Investor, respectively, must be obtained prior to the Master Servicer or the Special Servicer agreeing to certain modifications or waivers of a term of the relevant Finance Documents in respect of the Bonn Whole Loan and the Gutperle Whole Loan, as the case may be. The views of the Bonn Investor and the Gutperle Investor, as applicable, in relation to any amendment, waiver or approval in respect of which its consent must be obtained may differ to those of the Issuer (or the Master Servicer or the Special Servicer on behalf of the Issuer) and may prevent the Master Servicer from taking on behalf of the Issuer action which it would otherwise consider appropriate to take in accordance with the Servicing Agreement. However, each of the Whole Loan Intercreditor Agreements provides that if the Master Servicer or the Special Servicer agrees to a modification, waiver or consent in accordance with the Servicing Agreement and the Servicing Standard, then such action will be binding on the Bonn Investor and the Gutperle Investor, as applicable, as well as the Issuer.

Limitation on Enforcement

As a general principle, German capital maintenance rules limit the ability of a limited liability company (*Gesellschaft mit beschränkter Haftung – GmbH*) and German limited liability partnerships with a limited liability company as general partner (*GmbH & Co. KG*) to provide upstream or cross stream guarantees and security for a debt incurred by a direct or indirect shareholder or to issue upstream or cross-stream loans or collateral to a direct or indirect shareholder. In particular, a GmbH and a GmbH & Co. KG may not provide such guarantees or loans if this would cause the net assets of the relevant German Borrowers to fall below its registered share capital (*Stammkapital*) or increase its negative capital (*Begründung einer Unterbilanz*). Any amount received by a direct or indirect shareholder in violation of these rules must be repaid and collateral given in violation of such rules may be void. Furthermore, the GmbH or the GmbH & Co. KG may be entitled to damage claims. In respect of the Epic Rhino Loan, the Henderson 3 (Staples) Loan, the Tshuva Loan and the Sunrise II Loan (the "**German Multi Borrower Loans**"), each of the relevant Borrowers has guaranteed the punctual performance by the other Borrowers for the relevant German Multi Borrower Loan of all their respective payment obligations under the loan documents. The guarantee obligations of certain borrowers in the German Multi Borrower Loans are subject to customary limitation language providing that the right to enforce a guarantee given by a guarantor incorporated in Germany as a GmbH or GmbH & Co. KG will be set aside if and to the extent that such enforcement would cause the net assets of the relevant German Borrowers to fall below its registered share capital (*Stammkapital*) or increase its negative capital (*Begründung einer Unterbilanz*).

Title of the Issuer and the FCC to the Loan Pool

France

The Signac Sale and Purchase Agreement is secured by mortgage guarantee (*cautionnements hypothécaire*). A mortgage guarantee (*cautionnement hypothécaire*) is a form of security *in rem* granted over a real property whose beneficiary is secured up to the amount of the secured obligations only and not for the whole value of the property. When the Loan secured by such security is refinanced, the mortgage guarantee will not benefit the new creditors by way of subrogation. The beneficiary of a mortgage guarantee ranks ahead of all unsecured creditors (*créanciers chirographaires*).

The Signac Loan is secured by mortgages (*hypothèques*). A mortgage (*hypothèque*) is a security granted by the mortgagor over one of its properties in favour of its creditor (known as a *créancier hypothécaire (*mortgagee)), in order to secure payment of a debt owed by the mortgagor to the mortgagee. When a loan is refinanced, a mortgage granted in favour of the initial lender whose Loan is being refinanced can be transferred to the new lender by way of subrogation up to the principal amount of the Loan.

The beneficiary of a mortgage will rank ahead of all unsecured creditors (*créanciers chirographaires*) of the relevant debtor but will rank after certain creditors in the context of the insolvency of such debtor (for further information about insolvency, see "**Enforcement Procedures – Enforcement in France**" below). Secured amounts comprise the principal amount of the loan in question as well as interest and other ancillary amounts. It should be noted, however, that only three years of interest at the contractual rate can be secured by a lender's mortgage.

Registration of a mortgage

France

In order to be enforceable against third parties, mortgages must be registered at the relevant French local Land and Charges Registry (*Conservation des Hypothèques*).

The registration of a mortgage in France is only valid for a limited period of time. As a general rule, a mortgage is valid until the date of validity specified in the registration deed, provided, however, that the secured period does not exceed 50 years.

The registration of a mortgage ceases to be effective on the last day of the secured period unless it is renewed on or before that date.

Germany

The German Loans are secured by, among other things, certified land charges (*Briefgrundschulden*). A land charge creates a security interest in land which permits the creditor of the secured obligation to enforce its right in the land once the debtor of the secured obligation does not comply with its payment obligations under the secured obligation.

The valid perfection of a land charge requires the agreement between the mortgagor and the mortgagee, the registration with the land register and, in the case of a certified land charge (*Briefgrundschuld*), the delivery of a land charge certificate to the mortgagee.

The agreement to perfect a mortgage or a land charge needs to be signed by the owner of the encumbered land. Such signature needs to be certified. The registration must be made with the land register of the competent local court (*Grundbuchamt*), i.e. the local court of the area where the property is located. Usually, under the terms of the agreement to perfect a mortgage or land charge, the mortgagor agrees to submit to immediate foreclosure (*sofortige Zwangsvollstreckungsunterwerfung*) which enables the mortgagee to enforce its security interest more easily. Since such submission grants an immediately enforceable title in favour of the mortgagee, the agreement must be executed in the form of a notarial deed.

The land charges are generally registered in order of application for registration. A prior application will normally lead to a prior ranking of the mortgage (*Hypothek*) or land charge, as the case may be. In order to obtain a first ranking mortgage or land charge it is necessary to ensure at an early stage that no other mortgages, land charges or encumbrances have already been registered.

Special Purpose/Single Purpose Entity

Special purpose entity ("**SPE**") covenants are generally designed to limit the purpose of the borrowing entity to owning the related Property, making payments on the related Loan and taking such other actions

as may be necessary to carry out the foregoing in order to reduce the risk that circumstances unrelated to the Loan and related Property result in a borrower bankruptcy. SPEs are generally used in commercial loan transactions to satisfy requirements of institutional lenders and recognised statistical rating organisations. In order to minimise the possibility that SPEs will be the subject of insolvency proceedings, provisions are generally contained in the documentation relating to mortgage loans which, among other things, limit the indebtedness that can be incurred by such entities and restrict such entities from conducting business as an operating company (thus limiting exposure to outside creditors).

Certain of the Loans contain provisions that require the related Borrower to conduct itself in accordance with certain SPE covenants, which may include some or all of the foregoing. However, there can be no assurance that all or most of the restrictions customarily imposed on SPEs by institutional lenders and recognised statistical ratings organisations will be complied with by the Borrowers, and even if all or most of such restrictions have been complied with by the Borrowers, there can be no assurance that such compliance will prevent the Borrowers from becoming insolvent.

In addition, certain of the Borrowers under the Loans were incorporated or formed for the purposes of acquiring (or refinancing the acquisition of) and holding the legal and beneficial interests in the Property charged as security for its related Loan, or for acquiring the entire issued share capital in other companies owning the legal and beneficial interests in such Property (whether directly or indirectly). Save as set out under "**Characteristics of the Loans and the related Properties**" below, the Issuer has been informed by such parties that the relevant company or entity has no material or contingent liabilities (other than indebtedness permitted under the related Credit Agreement and which is fully subordinated pursuant to a formal subordination agreement) except in relation to the Properties which are security for the Loans.

An insolvency of any Borrower would result in a Loan Event of Default with respect to the related Loan giving rise to an acceleration of such Loan and an enforcement of the Related Security. This could result in significant delays in the receipt by the Issuer of payments under the relevant Loan which could adversely affect its ability to make all payments due on the Notes. "**Loan Event of Default**" means an event of default under any Loan as defined in the relevant Credit Agreement or relevant Security Agreement.

Other indebtedness, liabilities and financing

The existence of indebtedness incurred by a Borrower other than its Loan could adversely affect the financial viability of such Borrower. Additional debt increases the likelihood that a Borrower would lack the resources to perform on both its Loan and such additional debt. In addition, the existence of any actual or contingent liabilities of a Borrower may result in the insolvency or (if applicable) administration of that Borrower which may lead to an unanticipated default under its Loan.

Litigation

There may be pending or threatened legal proceedings against any of the Borrowers and their affiliates. To the knowledge of each Seller, as at the Issue Date, there is no litigation pending or threatened against any Borrower in respect of the Properties. Each of the relevant Credit Agreements in respect of the Loans and the relevant Security Agreements includes an obligation by the relevant Borrower to notify the relevant Seller of any legal proceedings which might have a material adverse effect on the ability of the Borrower to make payments under a Loan.

Considerations Relating to the Properties

General risks relating to Properties

The Loans will be secured by, among other things, the mortgages or land charges over offices, warehouses, retail properties, social housing properties, industrial spaces and parking facilities. Commercial mortgage and land charge lending is generally viewed as exposing a lender to risk of loss since the repayment of a loan secured by income-producing properties is typically dependent upon the successful operation of the related property. If the cashflow from the property is reduced (for example, if leases are not obtained or renewed or if tenants default in their obligations under the leases), a Borrower's ability to repay a Loan may be impaired.

The volatility of property values and the net operating income depend upon a number of factors, including (i) the volatility of property revenue and (ii) the relevant property's "operating leverage", which generally

refers to (a) the percentage of total property operating expenses in relation to property revenue, (b) the breakdown of property operating expenses between those that are fixed and those that vary with revenue and (c) the level of capital expenditures required to maintain the property and retain or replace tenants. Even when the current net operating income is sufficient to cover debt service, there can be no assurance that this will continue to be the case in the future.

The repayment of each Loan in part may be, and the payment of interest on each Loan is, dependent on the ability of the applicable Property or Properties to produce cashflow. However, the net operating income and value of the Properties may be adversely affected by a large number of factors. Some of these factors relate specifically to a Property itself, such as: (i) the age, design and construction quality of the Property; (ii) perceptions regarding the safety, convenience and attractiveness of the Property; (iii) the proximity and attractiveness of competing properties; (iv) the adequacy of the Property's management and maintenance; (v) an increase in the capital expenditure needed to maintain the Property or make improvements; (vi) a decline in the financial condition of a major tenant and the creditworthiness generally of tenants; (vii) a decline in rental rates as leases are renewed or entered into with new tenants; and (viii) the length of tenant leases.

Other factors are more general in nature, such as: (i) national, regional or local economic conditions (including plant closures, industry slowdowns and unemployment rates); (ii) local property market conditions from time to time (such as an oversupply or undersupply of retail or office space); (iii) demographic factors; (iv) consumer confidence; (v) consumer tastes and preferences; (vi) retrospective changes in building codes or other regulatory changes; (vii) changes in governmental regulations, fiscal policy, planning/zoning or tax laws; (viii) potential environmental legislation or liabilities or other legal liabilities; (ix) the availability of refinancing; and (x) changes in interest rate levels. In particular, a decline in the commercial property market or in the financial condition of a major tenant or a general decline in the local, regional or national economy will tend to have a more immediate effect on the net operating income of properties with short term revenue sources and may lead to higher rates of delinquency or defaults.

Any one or more of the above described factors or others not specifically mentioned above could operate to have an adverse effect on the income derived from, or able to be generated by, a particular Property, which could in turn cause the relevant Borrower to default on its Loan, reduce the chances of a Borrower refinancing a Loan or reduce a Borrower/mortgagor's ability to sell a Property at a required price or at all.

No assurance can be given that tenants in the Properties will continue making payments under their leases or that any such tenants will not become insolvent or subject to administration in the future or, if any such tenants become subject to administration, that they will continue to make rental payments in a timely manner. In addition, a tenant may, from time to time, experience a downturn in its business, which may weaken its financial condition and result in a failure to make rental payments when due. If a tenant, particularly a major tenant, defaults in its obligations under its occupational lease, the applicable Borrower may experience delays in enforcing its rights as lessor and may incur substantial costs and experience significant delays associated with protecting its investment, including costs incurred in renovating and re-letting the relevant Property.

The occupational tenancies granted may contain provisions for the review of rent. However, such rent review provisions do not generally provide for upward rent reviews only.

The net cash flows realised from and/or the residual value of the Properties may be affected by management decisions. As the Properties are usually managed by property managers, the net cash flows realised from and/or the residual value of such Properties are dependent on the performance of the property managers. The property managers have certain discretions, in particular, the property managers are (subject to general restrictions) responsible for the day-to-day operating of the property and providing building services and assuring that maintenance and capital improvements are carried out in a timely manner. While property managers are generally experienced in managing office, residential and/or retail property, there can be no assurance that decisions taken by them will not adversely affect the values and/or cashflows of the Properties.

Property Expenses

Maintaining the value of the Properties is dependent, to some extent, on undertaking periodic capital expenditure in respect thereof. In the ordinary course of events, the Borrowers shall fund such capital expenditure out of cash-flow available to them. Such capital expenditure may be required, however,

following the occurrence of an event of default in respect of a Loan. In this scenario, it is unlikely that the Borrowers would be able to fund such capital expenditure from their own resources. They are not obliged to do so. In the event that the necessary capital expenditure is not undertaken, this could lead to a diminution in the value of the relevant Property, impacting the liquidation or refinancing value thereof. The possibility of such diminution in value would be heightened in the event that the enforcement proceedings following an event of default in respect of a Loan are protracted.

Risks Relating to Retail Properties

A large part of the Loans is secured by retail properties. The value of retail properties is significantly affected by the quality of the tenants as well as fundamental aspects of commercial property, such as location and market demographics. In addition to location, competition from other retail spaces or the construction of other retail space, retail properties face competition from other forms of retailing outside a given property market (such as mail order and catalogue selling, discount shopping centres and selling through the internet), which may reduce retailers' need for space at a given shopping centre. The continued growth of these alternative forms of retailing could adversely affect the demand for space and, therefore, the rents collectable from retail properties.

Risks Relating to Residential Properties/Social Housing in Germany

The Ash Loan portfolio of Properties contains some subsidised social housing.

Subsidised Construction of Buildings

Some of the Ash Properties were built with the support of public funds or subsidies in Germany. When a building is partly or entirely developed with public funds or subject to public subsidies, the authority (local, regional or federal government) has statutory rights under various Subsidised Housing Acts (*Wohnungsbauförderungsgesetze*) to limit the rent and to name the tenants. Both the extent of public financing, mostly loans on very low interest, and the developers' duties are laid down in a public contract. The rights of occupancy and the maximum rent (*Kostenmiete*) charged by the lessor are laid down in a calculation which has to be accepted by the relevant authority. The public rights (rental limitation and occupancy) last until the public subsidies for the construction of the properties have been repaid. Under the Ash Loan, all public funds and subsidies for the construction of the relevant Ash Properties have been repaid by the respective owners, and in some cases, prematurely. However, even when public funds or subsidies have been repaid prematurely, the rent restrictions and other public rights can continue for up to twelve years (*Nachwirkungsfrist*). This is the case with regard to some of the relevant Ash Properties.

Subsidised Housing

The statutory provisions for subsidised housing have been subject to significant changes in recent years. On 1 January 2002 the new Subsidised Housing Act (*Wohnraumförderungsgesetz*) came into force, replacing several regulations that are, however, still partly applicable with respect to property subsidised prior to 1 January 2002. In view of the complex regulations regarding subsidised housing, the following is only a very general discussion, to provide a general understanding of certain restrictions which can apply to subsidised housing.

Subsidised properties are generally subject to certain restrictions in respect of rent (*Mietpreisbindungen*), eligible tenants (*Belegungsbindungen*) or occupancy rights (*Belegungsrechte*). These restrictions often (although not invariably) mean that subsidised properties are let at sub-market rents. Such restrictions eventually expire over time and after expiry, the properties are regulated in the same way as unsubsidised properties.

According to social housing regulations (*Wohnungsbindungsgesetz* and *Neubaumietenverordnung*), a landlord of subsidised housing is only allowed to demand rent in an amount that covers its ongoing expenses (cost-based rent, *Kostenmiete*), which includes an element providing for a return on certain and limited capital. Such cost-based rent has to be based on a profitability calculation (*Wirtschaftlichkeitsberechnung*). The profitability calculation has to contain the following aspects: description of land and building, calculation of the total costs, financial budget, ongoing expenses and revenues. Of the aforementioned aspects, the ongoing expenses and the revenues are the main elements of the profitability calculation. Revenues on the one hand consist of the rent generated by the respective property. The ongoing expenses on the other hand cover the costs of capital (*Kapitalkosten*) and the operating costs (*Bewirtschaftungskosten*).

The landlord of a subsidised social housing flat may only rent such flat to a tenant who is the holder of a public housing permit (*Wohnberechtigungsschein*) entitling the holder to a live in subsidised social housing. The public housing permit is issued by local authorities and will be provided to tenants who fulfil certain statutory requirements. Generally, a tenant is entitled to obtain a public housing permit if his or her income, together with the income of all family members living together with such tenant, is below a certain threshold for generally accepted income (*Einkommensgrenze*).

In respect of the Ash Properties, there is a tenant nomination right which allows the welfare authorities of Germany to nominate the persons to whom such apartments may be let to.

Pre-emption rights

It cannot be ruled out that some of the Properties may be subject to pre-emption rights including, among other things, pre-emption rights in favour of the landlords who have granted heritable building rights which the Borrower owns or pre-emption rights in favour of municipalities in respect of properties situated in re-grouping areas (*Umlegungsgebiete*), renewal and/or redevelopment areas (*Sanierungs-und/oder Entwicklungsgebiete*) or areas subject to a preservation of certain neighbourhood ordinances (*Erhaltungssatzung*). The pre-emption right will only be triggered in case of the sale of the relevant property, but not in case of the sale of hereditary building rights. Where pre-emption rights exist, it will not be possible to dispose of the affected Properties without first notifying the holders of such pre-emption rights and giving them an opportunity to purchase or to waive the pre-emption right. Moreover there could be a delay in reaching agreement on the price to be paid in respect of such pre-emption.

Concentration of Loans

The effect of mortgage pool loan losses will be more severe if the pool is comprised of a small number of loans, each with a relatively large principal balance or if the losses relate to loans that account for a disproportionately large percentage of the pool's aggregate principal balance. As there are only eighteen Loans in the Loan Pool, losses on any Loan may have a substantial adverse effect on the ability of the Issuer to make payments under the Notes. The relative approximate percentages of the Cut-Off Date Balance of the eighteen Loans as at the Cut-Off Date are as follows:

Loan Name	**Percentage of Cut-Off Date Balance as at the Cut-Off Date (%)**
The Henderson 1 (Oberursel) Loan	1.5
The Henderson 2 (Weiterstadt) Loan	1.3
The Henderson 3 (Staples) Loan	8.3
The Henderson 4 (Bergen) Loan	1.7
The Henderson 5 (Bardowick) Loan	1.1
The Henderson 6 (Lüneburg) Loan	1.7
The Henderson 7 (Cluster 4 & 5) Loan	4.3
The Henderson 8 (Flensburg) Loan	1.6
The Henderson 9 (Cluster 1) Loan	2.3
The Henderson 10 (Cluster 2) Loan	3.0
The Epic Rhino Loan	7.1
The Bonn Loan	7.0
The Ash Loan	1.8
The Tshuva Loan	4.1
The Sunrise II Loan	23.7
The Epic Horse Loan	5.6
The Gutperle Loan	13.9
The Signac Loan	10.0
Total	100.0

In addition, the repayment, in whole or in part, of any Loan will affect the concentration of the Loans.

Also, concentrations of properties in geographic areas may increase the risk that adverse economic or other developments, which are beyond the control of the Borrowers, or a natural disaster affecting a

particular region could increase the frequency and severity of losses on loans secured by properties in such areas. As the Properties are located in Germany and in France, the performance and the market value of the Properties will be dependent upon the strength of the German and French economies.

Lastly, concentrations of Properties in one sector may increase the risk that adverse economic or other developments affecting a particular industry sector could increase the frequency and severity of losses on loans secured by such Properties. Details of the types of Properties comprised in the Portfolio are set out in "**Description of the Loans and the related Properties**".

Any one or more of the factors described above could operate to have an adverse affect on the income derived from, or able to be generated by, a particular Property, which could in turn cause the relevant Borrower to default on its Loan, or impair the ability of a Borrower to refinance its Loan or sell its Property and may result in the liquidation value or refinancing value of the Property being less than the amount required to repay the Loan advanced against such Property. This would, in turn, negatively impact the Issuer's ability to pay interest on or under the Notes and repay the principal of the Notes.

Tenant concentration

A deterioration in the financial condition of a tenant can be particularly significant if a Property is leased to a small number of tenants (as is the case with respect to the Henderson 2 (Weiterstadt) Loan, the Henderson 3 (Staples) Loan, the Henderson 5 (Bardowick) Loan, the Henderson 6 (Lüneberg) Loan, the Henderson 8 (Flensburg) Loan and the Gutperle Loan) or a sole tenant (as is the case with respect to the Bonn Loan). Properties leased to a small number of tenants or a sole tenant are also are more susceptible to interruptions of cashflow if a tenant fails to renew its lease. This is so because (i) the financial effect of the absence of rental income may be severe, (ii) more time may be required to re-lease the space and (iii) substantial capital costs may need to be incurred to make the space appropriate for replacement tenants.

In addition, risks related to tenants may also be increased if there is a concentration of tenants in particular industries at one or more Properties. If a Property is leased predominantly to tenants in a particular industry, the Lender may not have the benefit of risk diversification that would exist in a case where tenants were not so concentrated.

Insurance

If a claim under an insurance policy is made, but the relevant insurer fails to make payment in respect of that claim on a timely basis or at all, this could prejudice the ability of the relevant Borrower to make payments in respect of a Loan, which would in turn ultimately prejudice the ability of the Issuer to make payments in respect of the Notes.

Loss of rent insurance will, subject to certain exceptions, cover the loss of rent during the period of rent cessation. Although a relevant tenant will again be liable to pay the rent once a property has been reinstated, it is likely that a tenant so affected would exercise any rights it might have to terminate its lease (where such right is granted) if the premises are not reinstated in time. In such circumstances, the relevant Borrower may not be entitled to loss of rent insurance and rent from the Property and any proceeds of insurance may be insufficient to cover amounts due by the relevant Borrower under the Credit Agreement.

Uninsured losses

The Credit Agreements also contain provisions requiring the relevant Borrower to carry or procure the carrying of insurance with respect to the relevant Properties in accordance with specified terms. The relevant Borrowers have covenanted to insure the Properties on a full reinstatement basis, including not less than three years' loss of rents. The Borrowers have also covenanted to maintain third party liability and professional fees insurance and insurance against risks such as, but not limited to, fire, storm, lightning, explosion, air crash, impact, floods and damage caused by public acts such as terrorism. In relation to the Epic Rhino Loan, the Epic Horse Loan, the Gutperle Loan and the Sunrise II Loan and the Bonn Loan, the relevant Borrower has covenanted to maintain insurance against all such risks of loss or damage as the relevant Security Agent/Security Trustee may from time to time require (including without limitation, terrorism and subsidence) and in respect of the Henderson Loans, the Ash Loan and the Tshuva Loan the relevant Borrower has covenanted to maintain such insurance as a prudent company in the same business as the relevant Borrower would maintain. Under the Gutperle Loan, the Sunrise II Loan and the Bonn Loan, the relevant Borrower has also covenanted to maintain insurance against risks and contingencies as are insured in accordance with sound commercial practice.

There are, however, certain types of losses (such as losses resulting from war, terrorism, nuclear radiation, radioactive contamination and heaving or settling of structures) which may be or become either uninsurable or not insurable at economically viable rates or which for other reasons are not covered, or required to be covered, by the required insurance policies. The relevant Borrower's ability to repay the relevant Loan (and, consequently, the Issuer's ability to make payments on the Notes) might be affected adversely if such an uninsured or uninsurable loss were to occur, to the extent that such loss is not the responsibility of the occupational tenants pursuant to the terms of their occupational leases.

Environmental risks

Under the lending criteria, the Sellers do not make any specific environmental investigations in respect of any Property, unless the valuation report obtained in connection with the proposed lending recommends any environmental enquiries. Under the German Federal Soil Protection Act (*Bundes-Bodenschutzgesetz*) a number of parties can be held liable for soil and groundwater contamination, including the party that has caused the contamination, its legal successor, the relevant property owner, the occupant of the relevant real estate property and the previous owner of the property. The term "**owner**" would include anyone with a proprietary interest in a property. With regard to these potentially liable parties there is no general ranking as to which of the parties is primarily held liable by the competent authority. The decisive criterion in this context is who can be held liable most efficiently. Even if more than one person may have been responsible for the contamination, each person covered by the relevant environmental laws may be held responsible for all the clean-up costs incurred. In cases involving several obligated parties, such parties may have statutory recourse claims. If no other arrangements are agreed, the obligation to provide compensation and the extent of compensation to be provided depends on who has predominantly caused the contamination.

If any environmental liability were to exist in respect of any Property or Borrower or mortgagor, the Trustee should incur no responsibility for such liability prior to enforcement of the relevant Loan and Related Security, unless it could be established that the Trustee (or the Master Servicer or Special Servicer on behalf of the Trustee) had entered into possession of the affected Property or could be said to be in control of the Property. After enforcement, the Trustee, if deemed to be a mortgagee in possession, or a receiver appointed on behalf of the Trustee, could become responsible for environmental liabilities in respect of a Property.

If an environmental liability arises in relation to any Property which is not, or cannot be, remedied, this may result in an inability to sell the Property or in a reduction in the price obtained for the Property resulting in a sale at a loss. In addition, third parties may sue a current or previous owner, occupier or operator of a site for damages and costs resulting from substances emanating from that site, and the presence of substances on the Property could result in personal injury or similar claims by private claimants.

The environmental liability for clean-up costs in respect of any mortgaged Property varies depending on relevant jurisdictions. However, it will generally be the operator of the business or activity that is situated on the land where the contamination has originated who will be liable for the clean-up costs. Where the person who caused (or who is presumed to have caused) the contamination cannot be found, or is insolvent, it will either be the owner, the long lease holder, the surface owner or the life tenant of the land who will be liable for the costs of cleaning up the contamination. The owner of the land, the operator, the long lease holder, the surface owner or the life tenant designated by the authorities as the person liable for cleaning up the contamination may seek to recoup his costs from the person who caused the contamination or who is liable for it under general third party or central liability rules.

Prior to the enforcement of a mortgage, the Security Agent in its capacity as mortgagee over a contaminated mortgaged Property will not be found liable for any costs attached to the clean-up of such Property. Upon enforcement, the Property would typically be sold by the Court at a public auction. The Security Agent would be repaid out of the sale price. The Security Agent is not deemed to take possession of the mortgaged Property (unless it is the highest bidder at the auction sale, in which case it becomes the owner of such mortgaged Property). As such, a mortgagee would not usually be exposed to liability for any remediation cost unless it were held by the Court to be the de-facto operator of the Property. The Security Agent will not risk assuming such liability unless it had first been indemnified and/or secured to its satisfaction. As a result, the Noteholders may ultimately suffer a loss if such a liability should arise.

The costs of any environmental surveys, monitoring, cleaning up or other activities undertaken to address environmental risks, if imposed on a German Borrower, may affect its ability to service its debts. When

such measures or their costs are imposed on a tenant, this might affect its ability to pay rents to the Borrower and so affect the Borrower's ability to service the Loans. It might also adversely affect the value of the related Property and consequently the security (especially the mortgage or land charge) granted by the Borrower. If an environmental liability arises in relation to any Property and is not remedied, or cannot be remedied, this may result in an inability to sell the Property or in a reduction in the price obtained for the Property. In addition, third parties may bring a claim against a current or a previous owner, occupier or operator of a site for damages and costs resulting from substances emanating from that site. The presence of substances on the Property could result in personal injury or similar claims by private plaintiffs. In addition, under German law, a tenant might be entitled to suspend or reduce its obligations to pay rent if its quiet enjoyment is disrupted as a consequence of the leased property being contaminated. This may affect a Borrower's ability to service its obligations under the related Loan.

Risks relating to the Permits

France

Construction works may only be carried out pursuant to one or more building permits (*permis de construire*) (a "**Permit**" or the "**Permits**") and, further to such works being carried out on a property in accordance with the provisions of a Permit, a compliance certificate (*Certificat de Conformité*) must be delivered.

According to the reports reviewed, the legal advisers of the Signac Borrower were provided with all necessary Permits and/or compliance certificates, except that they have not received the evidence that the last amendment of the relevant Permit has been posted on the site and at the town hall. If the works were not carried out in accordance with the terms of the relevant Permits, the relevant local authority and/or an interested third party (such as a neighbouring property owner) could require the building to be demolished if the building works were carried out less than 10 years ago.

However, such risk is strongly mitigated by the fact that, further to the amendment of the Permit mentioned above, a declaration of completion of works has been filed in 2002 and a compliance certificate has been issued in respect of the works on 7 March 2003.

Limitations of Valuations

The valuations (each a "**Valuation**") for the Properties were performed by (i) CB Richard Ellis (with respect to the Epic Rhino Loan, Epic Horse Loan, the Ash Loan, the Signac Loan and the Gutperle Loan), (ii) DTZ Debenham Tie Leung (with respect to the Bonn Loan and the Sunrise II Loan), (iii) Cushman & Wakefield Healey & Baker (with respect to the Henderson 1 (Oberursel) Loan, the Henderson 2 (Weiterstadt) Loan, the Henderson 3 (Staples) Loan and the Henderson 4 (Bergen) Loan) (iv) AAAcon GmbH (Tshuva Loan) and (v) Atisreal Consult GmbH (with respect to the Henderson 5 (Bardowick) Loan, the Henderson 6 (Lüneburg) Loan and the Henderson 7 (Cluster 4 & 5) Loan, the Henderson 8 (Flensburg) Loan, the Henderson 9 (Cluster 1) Loan and the Henderson 10 (Cluster 2) Loan) and (vi) AAAcon GmbH (with respect to the Tshuva Loan). In general, valuation reports represent the analysis and opinion of qualified valuers and are not guarantees of present or future value. One valuer may reach a different conclusion than another valuer would reach, were it appraising such Property. Moreover, valuations seek to establish the amount a typically motivated buyer would pay a typically motivated seller and, in certain cases, may have taken into consideration the purchase price paid by the related borrower. However, there can be no assurance that the market value of the Properties will continue to equal or exceed such valuation. As the market value of the Properties fluctuates, there can be no assurance that the market value of the Properties will be equal to or greater than the unpaid principal and accrued interest and any other amounts due under the documentation entered into in connection with the Loans and Related Security (the "**Loan Documentation**"). If the Properties with respect to a Loan are sold following a Loan Event of Default, there can be no assurance that the net proceeds of such sale will be sufficient to pay in full all amounts due under the Loan Documentation. In particular, it should be noted that where the Properties are large office buildings, these are specialised property assets for which no ready market may exist.

Valuers, lawyers and notaries

The reports given by the valuers, lawyers or notaries in respect of the Properties are addressed to the relevant Seller or in the case of the Sunrise II Loan, the Sunrise II Facility Agent, and may only be relied upon by the addressee. The benefit of such reports will not be assigned to the Issuer or the FCC. However,

please note the warranty given by each Seller in respect of the valuations (see "**Transaction Documents – Mortgage Sale Agreements – Representations and warranties**" below).

The values of the Properties securing the Loans have not been and will not be assessed specifically for the purposes of the issue of the Notes, but each such valuation has been conducted within 15 months preceding the date of this Prospectus. If, in respect of any Loan, there is a breach of a representation and warranty given by the Seller responsible for originating that Loan, the Issuer or the FCC represented by the FCC Management Company (although it may be difficult in the case of the FCC), as the case may be, may, at its discretion, in certain cases sue third party professional advisers directly. Full recovery of loss may not be possible if, for example, (i) the relevant valuer, lawyer or notary raises a successful defence to any claim in respect of breach of contract, fraud, negligence or failure to disclose brought against it or (ii) prior to the settlement of any claim the relevant valuer, lawyer or notary becomes insolvent or otherwise ceases to exist (other than to the extent of any successful claim being made in relation to the relevant valuer's, lawyer's or notary's professional indemnity insurance). In addition, damages in respect of a breach of the representation and warranty in relation to valuers' reports will be limited to the diminution in value of the relevant Property (i.e. from the Valuation) which can be shown to be attributable to the breach of contract, negligence, fraud or failure to disclose of the relevant valuer, and will exclude any diminution in the value of the relevant Property which is attributable to a reduction in the value of comparable properties generally in the area where the relevant Property is situated.

Considerations Relating to the Tenants

Borrowers' dependence on tenants

A Borrower's ability to make its payments under a Loan will be dependent on payments being made by the tenants of the relevant Property. Income from, and the market value of, the Properties would be adversely affected if space in the Properties could not be leased or re-let, if tenants were unable to meet their lease obligations, if a significant tenant (or a number of smaller tenants) became insolvent, or if for any other reason rental payments could not be collected.

The ability to attract the appropriate types and number of tenants paying rent levels sufficient to allow a Borrower to make payments due under the relevant Credit Agreement will depend on, among other things, the performance generally of the commercial property market. Continued global instability (resulting from economic and/or political factors, including the threat of global terrorism) may adversely affect the economies of Germany and France. Any tenant may, from time to time, experience a downturn in its business, which may weaken its financial condition and result in a reduction or failure to make rental payments when due. If a tenant defaults in its obligations under its lease, the applicable Borrower may experience delays in enforcing its rights as lessor and may incur substantial costs and experience significant delays associated with protecting its investment, including costs incurred in renovating and re-letting the Property.

Net operating income from a commercial property may be reduced, and the Borrower's ability to repay the related loan impaired, as a result of, among other things, an increase in vacancy rates for the Property, a decline in market rental rates as leases are renewed or entered into with new tenants, an increase in operating expenses of the Property and/or an increase in capital expenditure needed to maintain the Property.

Any one or more of the factors described above could operate to have an adverse effect on the amount of income derived from a Property or the income capable of being generated from that Property, which could in turn cause the Borrower in respect of such Property to default under its loan agreement, impair the ability of a Borrower to refinance its Loan or sell its Property and may result in the liquidation value or refinancing value of the Property being less than the amount necessary to repay the relevant Loan in full. This would, in turn, negatively impact the Issuer's ability to pay interest on or under the Notes and repay the principal of the Notes.

Terms of the Leases

Some of the Leases will expire prior to the Final Maturity Date of the Notes. In addition, other Leases may terminate earlier than anticipated if the relevant tenant surrenders its lease or defaults in the performance of its obligations. Further, Leases contain break clauses which, if exercised, will lead to a termination of that Lease. In such circumstances, the relevant Borrowers will have to seek to renew such tenancies or to find new tenants for the vacated premises.

However, there can be no assurance that leases on terms (including rent payable and covenants of the landlord) equivalent to those applicable to the Leases in place on the Issue Date will be obtainable in the market at such time, that market practice will not have changed or that the circumstances of prospective tenants will not make some or all of such provisions inappropriate. Certain discretions given to the Borrowers under the Credit Agreements as to the matters described above may result in a diminution in the quality of the tenants of the relevant Properties or the terms of their Leases over the life of the Notes.

Any of these factors may result in a decline in the income produced by the Properties or the incurrence by the Borrowers of unforeseen liabilities, which may in turn adversely affect the ability of the Borrowers to meet their obligations in respect of the Loans and hence the ability of the Issuer to make payments on the Notes.

Written Form of the Leases

Leases of the German Properties may have been entered into without observing the written form requirement for term leases. Leases not observing the written-form requirement are valid and binding under German law. However, leases of office and retail space not observing the written-form requirement may be terminated by the third day of any calendar quarter effective at the end of the next quarter.

Rights of Tenants

France

A number of statutory rights of tenants under the French leases may affect the net cashflow derived from the Signac Property or cause delay in the payment of the rental income.

In particular, such rights may include the following:

(i) where the landlord of the Signac Property is in default of its obligations under a French lease, the tenant may have the right under general principles of French law (*principe d'exception d'inexécution*) to withhold its rental payments until such time as the default is cured or to refrain from performing its other obligations thereunder;

(ii) a legal right of set-off (*droit de compensation légale*) could be exercised by a tenant of the Signac Property in respect of its rental obligations under the relevant French lease if a reciprocal debt is owed to this tenant by the landlord of the Signac Property;

(iii) French courts may in some circumstances grant time to a tenant in respect of its payment obligations under a French lease, taking into account its financial standing and the needs of the landlord of the Signac Property or may reschedule the debt of the tenant (in both cases not in excess of two years), treating the extension of time as a matter of procedural law governed by Articles 1244-1, 1244-2 and 1244-3 of the French Civil Code, thus disregarding any provision of the French lease to the contrary;

(iv) a tenant who has legitimately carried out a business (*fonds de commerce*) at the Signac Property for the three years preceding the expiry of the relevant French lease and who is registered at the French trade and company registry acquires a protected leasehold right, subject to certain other conditions, and is entitled to the renewal of the lease (*droit au renouvellement*) upon its expiry or to compensation for eviction (*indemnité d'éviction*) should the landlord elect not to renew the French lease. The compensation consists of (a) an amount corresponding to the market value of the *fonds de commerce* which is determined in accordance with local standard business practices and methods based mainly on operating profit and (b) additional amounts relating to moving costs, disruption of business, redundancy of staff, etc. Compensation is not payable, however, if a tenant is in serious breach of its obligations under the French lease.

The exercise of any such rights may have an adverse effect on the ability of the Signac Borrower to meet its obligations under the Signac Loan which in turn may have an adverse effect on the ability of the FCC to meet its payment obligations under the FCC Notes and which in turn may result in the receipt by the Noteholders of a principal repayment less than the face value of their Notes and the Issuer may be unable to pay in full interest due on the Notes.

Germany

A number of statutory rights of tenants under the German occupational leases may affect the net cashflow realised from the German Properties or cause delay in the payment of the rental income.

In particular, such rights may include the following:

(i) in the case of a defect of the German Properties, rental payments will automatically be reduced by an appropriate amount (*Mietminderung*). The tenant will only be responsible for the reduced rental payments and may recover any excess amount on the basis of unjust enrichment (*ungerechtfertigte Bereicherung*) of the relevant Borrower as landlord;

(ii) if the relevant Borrower as landlord is in default of its obligations under a lease, the tenant may have the right, under general principles of German law, to retain its rental payments (*Zurückbehaltungsrecht*) until the default is remedied or even refrain from performing its other obligations thereunder, if the breach makes it impossible for the tenant to use the premises;

(iii) a legal right of set-off (*Aufrechnungsrecht*) could be exercised by a tenant of the German Properties in respect of its due rental obligations under the relevant leases if a reciprocal due debt is owed to this tenant by the relevant Borrower as landlord or otherwise;

(iv) breach of statutory form requirements can lead to early termination rights of tenants despite agreed fixed terms; and

(v) invalid provisions on repair, insurance and ancillary costs might affect reimbursement of the corresponding claims of the landlord.

The exercise of any such rights may affect the ability of the relevant Borrower to meet its obligations under the respective German Loan which in turn may adversely affect the timely receipt of interest and principal by the Noteholders.

Compulsory purchase

There is often a delay between (i) the compulsory purchase of a property, (ii) a title being acquired by the acquiring authority and (iii) the payment of compensation, the length of which will largely depend on the ability of the property owner and the entity acquiring the property to agree on the open market value of such property. Should such a delay occur in the case of any Property, unless the Borrower has other funds available to it, a Loan Event of Default may occur under the relevant Loan.

Subject to the applicable local law, any Property may at any time be acquired by, *inter alia*, a local authority or the state or a governmental department, generally in connection with proposed redevelopment or infrastructure projects.

In the event of a compulsory purchase order or a compulsory purchase law being made in respect of a Property, generally compensation would be payable on the basis of the open market value of all owners' and tenants' proprietary interests in the Property at the time of the purchase.

Frustration

France

Even though there is no doctrine of frustration as such under current French law, the tenants under Leases entered into in relation to the Properties may be released from the performance of their obligations under the Leases when external unavoidable and unforeseeable events ("*force majeure*" events) make the performance of their obligations impossible.

Germany

The German Civil Code provides that a party to a contract (e.g. a lease contract) may under certain circumstances claim the modification of the contract because unforeseen circumstances occur. These circumstances have to be of such nature that for one party, adhering to the contract would be unreasonable according to criteria of reasonableness and fairness, legal risk allocation and other contractual circumstances. This would also be the case if substantial understandings forming the basis of the contract proved to be wrong (*Störung der Geschäftsgrundlage*). If such modification of the contract is impossible or unreasonable, the party affected may terminate the contract. The German courts have only acknowledged such right of termination where the parties did not and could not have foreseen the circumstances leading to the termination. Also, the parties must not already have allocated the risk of termination in the contract. Lastly, continuing to adhere to the contract must be not only difficult but intolerable.

Privity of contract

France

Subject to any agreement to the contrary, the legal rights of a tenant under a French lease cannot be transferred to a new tenant without the consent of the landlord. Neither the tenant nor the new tenant can require such consent to be given. However, if the tenant decides to sell its business (*fonds de commerce*), the lease can be transferred to the buyer together with the business, in which case there can be no assurance that the buyer, as new tenant under the Lease, will have the same credit quality as the original tenant.

If a tenant were to enter into French insolvency proceedings, the relevant landlord would be prohibited from taking any action against it for recovery of sums due or re-entry to the relevant premises. If the tenant under a French lease is still carrying on business at the premises or has plans to recommence business with a view to the survival of the company as a going concern, it is possible that the court would refuse to grant such leave to re-enter to the landlord on the grounds that to do so would frustrate the purpose of the administration or safeguard (*sauvegarde*) procedure.

Germany

Subject to any contractual agreement, the legal rights of a tenant cannot be transferred (*Vertragsübernahme*) to a new tenant without the consent of the landlord. Neither the tenant nor the new tenant can require such consent to be given. An agreement among all the parties is required.

A tenant is not entitled to transfer the use of a Property to a third party or to sublet the Property without the landlord's permission unless the transfer of use or subletting of the Property to a third party is explicitly permitted under the individual lease agreement. If a tenant transfers the use to a third party, he is, unless released, responsible for any fault committed by such third party in the use, even if the landlord has given permission for the transfer. The tenant will remain liable to pay rent under the lease. If the landlord unreasonably refuses permission to sublet (notwithstanding the tenant's continuing liability under the lease in such circumstances), the tenant may give extraordinary notice to terminate the lease with observance of the statutory period unless otherwise agreed.

Pursuant to section 543 of the German Civil Code (*Bürgerliches Gesetzbuch*), both the tenant and the landlord are entitled to terminate a lease agreement for good cause without notice. In general, each party may terminate a lease agreement for good cause where, after the balancing of both parties' interests, it is unduly burdensome (*unzumutbar*) for the terminating party to continue the lease until the end of its regular term or until the end of a notice period. This extraordinary termination right for good cause in particular applies (i) if the tenant is fully or partially deprived of the use of the leased property, (ii) if the tenant infringes upon the landlord's rights by putting the leased property at risk or by letting it to a third party without being duly authorised, or (iii) if the tenant has defaulted in the payment of rent for either two consecutive payment periods or in an amount equal to two months' rent. In the case of (iii), the landlord, however, may not terminate for good cause if the unpaid rent is paid by the tenant before the notice to terminate the lease agreement is served.

Should good cause result from a breach by one party of any of its obligations under the lease agreement, the other party may generally terminate the lease agreement only upon expiry of a reasonable grace period or if the terminating party has given a reminder that has not been complied with. However, in certain cases, such as where a grace period or a reminder will obviously (*offensichtlich*) not be successful, a grace period or a reminder will not be required.

The right to receive rents is assignable in the absence of specific agreement to the contrary. The assignment of tenants' payments and ancillary costs is generally forbidden by contract. However, even if the parties to a lease have agreed that an assignment of rights shall not be permitted, an assignment of monetary claims is still possible if the lease has been agreed between commercial parties in their normal course of business subject to section 354a of the German Commercial Code (*Handelsgesetzbuch*).

General Considerations

Breach of representation or warranty in relation to the Loans and Related Security

None of the Issuer, the FCC or the Trustee has undertaken or will, at any time, undertake its own due diligence, investigations, searches or other actions as to the status of the Borrowers. However, certain of

the reports provided by professional advisers to the Sellers (including lawyers, notaries and valuers) have been drafted such that the benefit thereof may be assigned to, and can be directly relied upon by, the Issuer and/or the FCC, as applicable, and can be charged or pledged by the Issuer and/or the FCC, as applicable. Other than that, the Issuer, the FCC or the Trustee each will rely instead on the warranties given by each of the Sellers in relation to its Loans in respect of the matters referred to in the relevant Mortgage Sale Agreement (see further "**Transaction Documents – Mortgage Sale Agreements – Representations and warranties**"). None of the Issuer, the FCC or the Trustee will have any other recourse to the Sellers save as provided in the relevant Mortgage Sale Agreement (see further "**Transaction Documents – Mortgage Sale Agreements**").

Due diligence

Due diligence (including valuations of properties) in relation to the Loans and the Properties has been undertaken in the context of and at the time of the origination of each particular Loan by the relevant Lender. Other than this, none of the due diligence previously undertaken will be verified or updated prior to the sale of the Loans and Related Security to the Issuer.

Replacement of Master Servicer and Special Servicer

If the appointment of the Master Servicer or the Special Servicer is terminated following the occurrence of, among other things, certain defaults by the Master Servicer or the Special Servicer, as the case may be, or the insolvency of the Master Servicer or the Special Servicer, a replacement party will be appointed as Master Servicer or Special Servicer, as appropriate, to provide the administration services. The Issuer, the FCC and the Trustee will be entitled to appoint a substitute Master Servicer or substitute Special Servicer upon confirmation from the Rating Agencies that any such appointment would not adversely affect the then ratings of the Rated Notes. The ability of any substitute Master Servicer or substitute Special Servicer to administer the Loan successfully would depend on the information and records then available to it. There is no guarantee a substitute Master Servicer or substitute Special Servicer willing to administer the Loan at a commercially reasonable fee, or at all, on the terms of the Servicing Agreement could be found. However, the Servicing Agreement will provide for the fees payable to a substitute Master Servicer and a substitute Special Servicer to be consistent with those payable generally at that time for the provision of commercial mortgage administration services. The fees and expenses of a substitute Master Servicer or substitute Special Servicer would be payable in priority to payments due under the Notes. See the section "**Servicing (other than in relation to the Sunrise II Loan) – Removal or resignation of the Master Servicer or the Special Servicer**" below for further details.

It should be noted that each of the Master Servicer and the Special Servicer will be entitled to delegate the performance of its duties under any of the Servicing Agreements and/or the Sunrise II Loan Servicing Agreement. In these circumstances, the Relevant Servicer will remain liable for the performance of these obligations.

It should also be noted that the Master Servicer will, upon confirmation from the Rating Agencies that the then existing ratings would not be downgraded, be entitled to transfer its rights and obligations to a substitute Master Servicer. Under these circumstances, the transferring Master Servicer would not remain liable for the performance of obligations under the Servicing Agreement.

Risks relating to conflicts of interest

Conflicts of interest between the Sellers and each of their respective affiliates engaging in the acquisition, development, operation, financing and disposition of commercial property on the one side and the Issuer on the other side may arise. Neither of the Sellers, nor their respective affiliates will be prohibited in any way from engaging in business activities similar to or in competition with those of the Borrowers. The Sellers and each of their respective affiliates intend to continue to actively acquire, develop, operate, finance and dispose of property-related assets in the ordinary course of their business. During the course of their business activities, the Sellers, and each of their respective affiliates, may acquire, own or sell properties or finance loans secured by properties belonging to the same markets as the Properties. In such a case, the interests of the Sellers or their respective affiliates may differ from and compete with the interests of the Issuer. Decisions made with respect to such assets may adversely affect the amount and timing of payments with respect to the Notes. In addition, the Sellers and each of their respective affiliates may have business, lending or other relationships with, or equity investments in, obligors under loans or tenants. Conflicts of interest could arise between the interests of the Issuer and the interests of the relevant Seller and such affiliates arising from such business relationships.

The property managers of the Properties may manage additional properties, including properties that may compete with the Properties. Moreover, affiliates of the property managers and the property managers themselves may also own or manage other properties, including competing properties. Accordingly, the property managers may experience conflicts of interest while managing the properties. This could adversely affect the operation of the relevant Properties and the performance of the Properties.

Risks relating to rental income of the secured Properties in France

Under the Signac Loan, (i) all rental payments and other income in respect of the Signac Property are required to be paid into the Signac Borrower bank accounts and transferred to the French rent accounts after deduction of charges and taxes (including VAT due on the rents) forecast in the annual budget due and payable by the Signac Borrower in respect of the Signac Property, (ii) the Signac Borrower accounts are pledged (*nantis*) in favour of the First Seller and, after the Issue Date, the FCC, and (iii) Dailly law assignments (*cessions de créances professionnelles à titre de garantie*) of the claim over the French Property Investor (including security over rental payments due under the French leases) have been granted by the Signac Borrower to the First Seller and, after the Issue Date, the FCC (see below). The Dailly law assignments (*cessions de créances professionnelles à titre de garantie*) will be transferred to the FCC, to the extent of the FCC's benefit, as part of the Signac Loan Related Security.

There can be no assurance that in the event insolvency proceedings are commenced in respect of the Signac Borrower, all or part of such rental payments or other income will be effectively paid to the Signac Borrower bank accounts or otherwise recovered by the First Seller and, after the Issue Date, the FCC.

Changes to the Loan Pool

Unless specified otherwise, information with respect to the Loan Pool relates to the Loan Pool in this Prospectus as at the Cut-Off Date being 20 April 2007. Further reductions in the aggregate principal amount of the Loans, including (but not limited to) as a result of property disposals, may occur in respect of the Loan Pool prior to the Issue Date.

Implementation of Basel II risk-weighted asset framework

In June 1999, the Basel Committee on Banking Supervision issued proposals for reform of the 1988 Capital Accord and proposed a new capital adequacy framework which places enhanced emphasis on market discipline and sensitivity to risk. The third consultative paper on the New Basel Capital Accord was issued on 29 April 2003, with the consultation period ending on 31 July 2003. The committee announced on 11 May 2004 that it had achieved consensus on the remaining issues and published the text of the new Framework on 26 June 2004 (as updated in November 2005) under the title *Basel II: International Convergence of Capital Measurement and Capital Standards: a Revised Framework (*the "**Framework**"). The Framework will serve as the basis for national rule-making and approval processes to continue and for banking organisations to complete their preparations for implementation of the new Framework. Within the European Union and the European Economic Area (the "**EEA**"), the Framework will be implemented through the EU Capital Requirements Directive, which makes some modifications to the Framework. The committee confirmed that it is currently intended to implement the various approaches under the Framework and the EU Capital Requirements Directive in stages, some from year-end 2006 and the most advanced at year-end 2007. If implemented in its current form, the Framework could affect risk weighting of the Notes in respect of certain investors if those investors are subject to the new Framework (or any national legislative implementation thereof) following its implementation. Consequently, investors should consult their own advisers as to the consequences to and effect on them of the proposed implementation of the new Framework. No predictions can be made as to the precise effects of potential changes which might result if the Framework were adopted in its current form.

Change of law

The structure of the transaction and the issue of the Rated Notes and ratings assigned thereto are based on the law and administrative practice in each of Germany, France and Luxembourg in effect as at the date hereof as it affects the parties to the Transaction Documents, the Borrowers and the Portfolio, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to such law or administrative practice after the date of this document, nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuer to make payments under the Rated Notes.

Considerations Relating to the FCC Notes and Liability under the FCC Notes

The FCC Notes issued in respect of the Signac Compartment and interest thereon will not be obligations or responsibilities of any person other than the Signac Compartment. In particular, the FCC Notes will not be obligations or responsibilities of the FCC Related Parties and no such persons accept any liability whatsoever in respect of any failure by the Signac Compartment to make payment of any amount due on the FCC Notes.

Limited recourse

The FCC Noteholders will have no recourse against the FCC or the FCC Compartments in respect of the FCC Notes other than the Signac Compartment's available assets. The FCC is a special purpose entity without any capitalisation.

The ability of the Signac Compartment to make payments in respect of the FCC Notes issued by it is dependent upon and limited to its receipt of payments from the Signac Borrower in respect of the Signac Loan allocated to it.

In accordance with the provisions of Article L. 214-43 of the French Monetary and Financial Code: "Notwithstanding Article 2285 of the French Civil Code and unless otherwise stipulated in the fund's constituting documents, the assets of a given compartment may only be used to meet that compartment's debts, commitments and obligations and only benefit from that compartment's receivables".

Therefore, the FCC Noteholders of the Signac Compartment are solely entitled to receive payments deriving exclusively from the Signac Loan allocated to the Signac Compartment.

The FCC Noteholders of the Signac Compartment are not entitled to claim against the assets of any other FCC Compartment. Therefore, whereas the FCC Noteholders of one FCC Compartment may not be paid the full amounts due to them, the FCC Noteholders of another FCC Compartment may receive payments due to them in full.

The Signac Compartment's recourse against any Signac Borrower for payment of the Signac Loan is limited to the Related Security of the Signac Loan. Only the FCC Management Company on behalf of the FCC through the Master Servicer or Special Servicer, as applicable, is entitled to enforce the Related Security of the Signac Loan. The FCC Noteholders may not enforce the Related Security of the Signac Loan and may not require the FCC Management Company to enforce the Related Security of the Signac Loan, but the FCC Management Company is required at all times to act in their best interests.

In the event that the proceeds of enforcement of the Related Security of the Signac Loan and the Signac Compartment's other assets are insufficient to pay amounts due under the FCC Notes issued by the Signac Compartment then the Signac Compartment's obligation to pay any amount remaining unpaid will cease and the FCC Noteholders of the Signac Compartment will have no further claim against the Signac Compartment nor against any other person in respect of such unpaid amounts.

After the final maturity date of the FCC Notes issued by the Signac Compartment, any part of the nominal value of such FCC Notes or of the interest due thereon which may remain unpaid will be automatically cancelled, so that the FCC Noteholders issued by the Signac Compartment, after such date, shall have no right to assert a claim in this respect against the Signac Compartment, regardless of the amounts which may remain unpaid after the final maturity date of such FCC Notes.

The Signac Compartment will have no recourse to the relevant Seller save in respect of certain representations and warranties given by the relevant Seller in the Signac Mortgage Sale Agreement.

Interest paid by the Signac Borrower to the FCC

Pursuant to current French tax legislation, interest paid by Signac Borrower to the FCC on the Signac Loan is not subject to withholding tax in France.

French corporate income status of the FCC

The FCC is exempt from French corporate income tax on income (including interest income) realised within the framework of its legal purpose.

Withholding Tax in respect of the FCC Notes

In the event any withholding or deduction for or on account of taxes is imposed on or is otherwise applicable to payments of interest on or repayments of principal of the FCC Notes to FCC Noteholders

(except in respect of liquidation surplus on the Units) (see the section entitled "**Taxation**" below), the FCC is not obliged to gross-up or otherwise compensate FCC Noteholders for the lesser amounts the FCC Noteholders will receive as a result of such withholding or deduction.

Change of law

The structure of the issue of the FCC Notes are based on French law and administrative practice in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to French law or administrative practice after the date of this Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Signac Compartment to make payments under the FCC Notes issued by it.

Insolvency of the FCC and the FCC Compartments

The FCC and the FCC Compartments should be, in principle, neither subject to the provisions of the French *Code de commerce* relating to bankruptcy and insolvency proceedings, nor subject to the provisions of the French Monetary and Financial Code relating to credit institutions (*établissements de crédit*), investment companies (*entreprises d'investissement*) or investment funds (*organismes de placement collectif en valeurs mobilières*) and their winding up or liquidation may only be effected in accordance with the General Regulations and the relevant FCC Compartment Regulations (see "**Description of the FCC, the FCC Related Parties and the FCC Purchased Notes – The FCC**").

Limited resources of the FCC and of its Compartments

The ability of the Signac Compartment to meet its obligations under the FCC Notes issued by it will be dependent on the receipt by it of principal and interest from the Signac Borrower under the Signac Loan. Other than the foregoing, prior to the enforcement of the Related Security of the Signac Loan, the Signac Compartment is not expected to have any other funds available to it to meet its obligations under the FCC Notes issued by it and in respect of making any payment ranking in priority to, or *pari passu* with, such FCC Notes. The junior classes of FCC Notes in particular may be adversely affected by high levels of principal prepayments and/or defaults on the Signac Loan.

Liquidation of the FCC or of the Signac Compartment

Pursuant to Article L. 214-49 of the French Monetary and Financial Code, the FCC Management Company shall be responsible for the organisation of the liquidation process of the Signac Compartment no later than six months following the last French receivable held by the Signac Compartment being extinguished, sold or written off.

The FCC Management Company shall also be entitled to proceed with the liquidation of the Signac Compartment, in accordance with the provisions below and the provisions of the General Regulations and the relevant FCC Compartment Regulations.

Optional dissolution events – transfer of unmatured Signac Loan receivables

The FCC Management Company, acting on behalf of the Signac Compartment, may only assign the Signac Loan acquired by the Signac Compartment and if it has not matured or been accelerated, in a single or in several transactions or in their entirety, in accordance with the conditions set out in Articles R. 214-107 of the French Monetary and Financial Code and only in the following circumstances:

(i) the liquidation of the Signac Compartment is in the interest of the holder of the Signac Units and the FCC notes;

(ii) the aggregate principal outstanding amount of the unmatured Signac Loan (*créances non échues*) transferred to the Signac Compartment falls below 10 per cent. of the maximum aggregate principal outstanding amount of the unmatured receivables initially acquired by the Signac Compartment;

(iii) a favourable or an unfavourable trend in respect of the risks which are borne by the Signac Compartment in the context of its management strategy occurs or is anticipated. The criteria allowing to determine such favourable or unfavourable trend will be the occurrence of any of the Material Events of Default (as defined under the Signac Loan Agreement) under the Signac Loan; or

(iv) the Signac Units and the FCC Notes issued by the Signac Compartment are held by one holder only and the liquidation is requested by such holder.

Dissolution and liquidation procedures

Upon the occurrence of any of the dissolution events referred to above, the FCC Management Company, acting on behalf of the Signac Compartment, shall offer to purchase the Signac Loan receivable allocated to the Signac Compartment in accordance with the terms and conditions described hereafter.

The FCC Management Company will endeavour to sell the Signac Loan receivable to any credit institution (*établissement de crédit*) or any other entity authorised to acquire the Signac Loan receivable upon similar terms for an amount equal to the principal amount outstanding of the Signac Loan receivables plus the unpaid amount of all finance charges, interest payments and other amounts accrued on or payable under or in connection with the Signac Loan receivables and the Signac Loan Related Security so that the FCC Notes can be redeemed in full. In the event that the Signac Loan receivables are in default, the FCC Management Company will endeavour to sell the Signac Loan receivables for a purchase price based on the fair market value.

The repurchase price of the Signac Loan receivables under the above conditions must provide the Signac Compartment with sufficient funds to pay any amounts due in respect of principal, interest and other amounts due to the FCC Noteholders and FCC Residual Noteholders of the Signac Compartment. If the purchase price is less than the amount required to pay such amounts in full, the sale shall not be permitted, unless the sale is in the best interests of the FCC Noteholders and Residual Noteholders of the Signac Compartment.

Any transfer back of Signac Loan receivables by the Signac Compartment shall be carried out in accordance with the relevant provisions of the French Monetary and Financial Code.

The Signac Compartment shall be dissolved at the time of the assignment of the Signac Loan receivables by the Signac Compartment and liquidated no later than six months following such Signac Loan receivable being sold.

Duties of the FCC Management Company

Whatever the cause of the early liquidation of a Compartment of the FCC, the FCC Management Company shall be responsible for the liquidation process. For this purpose it shall be vested with the broadest powers (i) to dispose of any Compartment assets, (ii) to pay the Compartment's creditors in accordance with the General Regulations and the applicable Compartment's regulations and (iii) to distribute any available balance in accordance with the applicable orders of priority.

The FCC statutory auditors and the FCC Custodian shall continue to exercise their functions until the completion of the liquidation process.

Liquidation surplus

The liquidation surplus (if any) of the FCC shall be applied in repaying the principal amount outstanding of the FCC Senior Notes until the FCC Senior Notes have been redeemed in full and thereafter the FCC Junior Notes applicable for that compartment liquidated.

The Issuer believes that the risks described above are the principal risks inherent in the transaction for the holders of the securities, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the securities may occur for other reasons. The Issuer does not represent that the above statements regarding the risks of holding the securities are exhaustive. Although the Issuer believes the various structural elements described in this Prospectus lessen some of these risks for holders of the securities, there can be no assurance that these measures will be sufficient to ensure payment to holders of the securities of interest, principal or any other amounts on or in connection with the securities on a timely basis or at all.

THE ISSUER

Introduction

The Issuer, a company with limited liability (*société anonyme*), was incorporated as a securitisation vehicle under the laws of Luxembourg on 23 April 2007, for an unlimited period and with registered office at 7, Val Ste Croix, L-1371 Luxembourg (telephone number +352 22 1190). The Issuer is registered with the Luxembourg Commercial Register under registered number B-127186.

The Issuer has elected in its articles of incorporation to be governed by the law of 22 March 2004 on securitisation.

The articles of incorporation of the Issuer will be published in the Luxembourg Official Gazette, i.e. the *Mémorial C, Recueil des Sociétés et Associations*, as soon as practicable.

Corporate Purpose of the Issuer

The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities. The exclusive purpose of the Issuer is to enter into one or more securitisation transactions within the meaning of the Securitisation Law. The Issuer may, in this context, assume risks, existing or future, relating to the holding of assets, whether movable or immovable, tangible or intangible, as well as risks resulting from the obligations assumed by third parties or relating to all or part of the activities of third parties, in one or more transactions or on a continuous basis. The Issuer may assume those risks by acquiring the assets, guaranteeing the obligations or by committing itself in any other way. It may also, to the extent permitted by law and its articles of incorporation, transfer or dispose of the claims and other assets it holds, whether existing or future, in one or more transactions or on a continuous basis.

The Issuer may, in this same context, acquire, dispose of and invest in loans, stocks, bonds, debentures, obligations, notes, advances, shares, warrants and other securities. The Issuer may grant pledges, other guarantees or security of any kind, to the extent permitted by the Securitisation Law, to Luxembourg or foreign entities and enter into securities lending activity on an ancillary basis.

The Issuer may freely assign its assets on such terms as determined by the board of directors of the Issuer.

Corporate Administration and Management

The directors of the Issuer are:

Name	Business Address
Alexis Kamarowsky (Structured Finance Management (Luxembourg) S.A.)	7, Val Ste Croix L-1371 Luxembourg
Federigo Cannizzaro di Belmontino (Structured Finance Management (Luxembourg) S.A.)	7, Val Ste Croix L-1371 Luxembourg
Jean-Marc Debaty (Structured Finance Management (Luxembourg) S.A.)	7, Val Ste Croix L-1371 Luxembourg

The principal activities of the directors are limited to directorship services for special purpose, financing and holding companies.

Capital and Shares

The subscribed capital of the Issuer is set at €31,000, divided into 31 fully paid up, registered shares with a par value of €1,000 each.

Capitalisation

The unaudited capitalisation of the Issuer as at the date of this Prospectus, adjusted for the issue of the Notes on the Issue Date, is as follows:

(i) share capital
Authorised, issued and fully paid up: €31,000

(ii) loan capital*

Notes: €485,875,000

* The Notes are secured but not guaranteed.

Indebtedness

The Issuer has no material indebtedness, contingent liabilities and/or guarantees as at the date of this Prospectus, other than that which the Issuer has incurred or shall incur in relation to the transactions contemplated in this Prospectus.

Holding Structure

The issued and outstanding shares in the Issuer's share capital are owned and controlled by Structured Finance Management Offshore Limited.

Subsidiaries

The Issuer has no subsidiaries or affiliates.

Financial Statements

Audited financial statements will be published by the Issuer on an annual basis.

The business year of the Issuer extends from 1 January to 31 December.

The first business year begins on 23 April 2007 and ends on 31 December 2007, so that the first annual general meeting of the shareholders will be held on 15 May 2008. As the Issuer is in its first year of business, no annual accounts have yet been prepared.

The Notes will be obligations of the Issuer and will not be guaranteed by, or be the responsibility of, any other person or entity. It should be noted, in particular, that the Notes will not be obligations of, and will not be guaranteed by the Finance Parties (other than the Issuer), the Trustee, the Managers, the Swap Counterparty, the Paying Agents, the Cash Manager, the Agent Bank, the Master Servicer, the Special Servicer, the Sellers, the Issuer Account Bank, the Liquidity Facility Provider or the Corporate Services Provider or any other company in the same group of companies as, or affiliated to, any of such entities.

CITIBANK INTERNATIONAL PLC

Citibank International plc ("**CIP**") acts as the First Seller, the Master Servicer and the Special Servicer in relation to the Issuer.

CIP is authorised by the Financial Services Authority under the Financial Services and Markets Act 2000.

CIP engages in the provision of international corporate and investment banking, private banking and consumer banking through its various divisions and a branch network in the United Kingdom and continental Europe.

CIP has branches in Austria, Belgium, Denmark, Finland, France, Greece, Hungary, Ireland, Italy, Luxembourg, The Netherlands, Norway, Poland, Portugal (including in Madeira), Spain and Sweden, as well as the UK.

CIP's 2006 annual report and accounts includes disclosure of total consolidated shareholders' funds of £2,361 million (2005: £1,905 million) and a consolidated profit for the financial year of £140 million (2005: £65.5 million). CIP for these purposes includes Citibank International plc and its subsidiary undertakings to 31 December 2006.

The registered office of CIP is located at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. CIP was incorporated in England and Wales on 21 December 1972 under registered number 1088249 as Citicorp International Bank Limited, assuming its current name on 1 March 1993.

The long-term senior debt obligations of CIP are currently rated Aa1 by Moody's, AA+ by S&P and AA+ by Fitch.

The information in the preceding seven paragraphs has been provided by CIP for use in this Prospectus. Except for the foregoing seven paragraphs on this page, CIP and its affiliates do not accept responsibility for this Prospectus as a whole.

CITIBANK, N.A., LONDON BRANCH

Citibank, N.A. ("**Citibank**") acts as the Second Seller, the Cash Manager, the Issuer Account Bank, the Principal Paying Agent, the Agent Bank and the Swap Counterparty in relation to the Issuer.

Citibank was originally organised on 16 June 1812, and Citibank now is a national banking association organised under the National Bank Act of 1864 of the United States. Citibank is an indirect wholly-owned subsidiary of Citigroup Inc. ("**Citigroup**"), a diversified global financial services holding company incorporated in Delaware. As of 31 December 2006, the total assets of Citibank and its consolidated subsidiaries represented approximately 54 per cent. of the total assets of Citigroup and its consolidated subsidiaries.

Citibank is a commercial bank that, along with its subsidiaries and affiliates, offers a wide range of banking and trust services to its customers throughout the United States and the world.

Citibank, N.A., London Branch was registered in the United Kingdom as a foreign company in July 1920. The principal offices of the London Branch are located at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England. The London Branch is primarily regulated by the Financial Services Authority and operated in the United Kingdom as a fully authorised commercial banking institution offering a wide range of corporate banking products.

Citibank does not publish audited financial statements. However, Citigroup publishes audited financial statements that include data relevant to Citibank and its consolidated subsidiaries, including an audited balance sheet of Citibank and its consolidated subsidiaries. The consolidated balance sheets of Citibank as of 31 December 2006 and as of 31 December 2005 are set forth on page 108 of the Annual Report on Form 10-K of Citigroup and its subsidiaries for the year ended 31 December 2006 and as of 31 March 2005 and 31 December 2004 are set forth on page 63 of the quarterly report on Form 10-Q of Citigroup and its subsidiaries for the quarter ended 31 March 2007. Consolidated balance sheets of Citibank subsequent to 31 March 2007 will be included in the Form 10-Q's (quarterly) and Form 10-K's (annually) filed by Citigroup with the Securities and Exchange Commission (the "**SEC**"), which will be filed not later than 40 days after the end of the calendar quarter or 60 days after the end of the calendar year to which the report relates, or on Form 8-K with respect to certain interim events. Copies of such material may be obtained, upon payment of a duplicating fee, by writing to the SEC at 100 F Street, N.E., Washington, D.C. 20549. In addition, such reports of Citigroup are available at the SEC website (http://www.sec.gov).

In addition, Citibank submits quarterly to the U.S. Office of the Comptroller of the Currency (the "**Comptroller**") certain reports called "Consolidated Reports of Condition and Income for a Bank With Domestic and Foreign Offices" ("**Call Reports**"). The Call Reports are on file with and publicly available at the Comptroller's offices at 250 E Street, S.W., Washington, D.C. 20219 and are also available on the website of the U.S. Federal Deposit Insurance Corporation of the United States (http://www.fdic.gov). Each Call Report consists of a balance sheet, income statement, changes in equity capital and other supporting schedules at the end of and for the period to which the report relates. The Call Reports are prepared in accordance with the regulatory instructions issued by the U.S. Federal Financial Institutions Examination Council in the United States. While the Call Reports are supervisory and regulatory documents, not primarily accounting documents, and do not provide a complete range of financial disclosure about Citibank, the reports provide further information concerning the financial condition and results of operations of Citibank.

The obligations of Citibank, N.A., London Branch under the Swap Agreement will not be guaranteed by Citigroup or by any other affiliate.

The information in the preceding seven paragraphs has been provided by Citibank for use in this Prospectus. Except for the foregoing seven paragraphs on this page, Citibank, Citigroup and their affiliates do not accept responsibility for this Prospectus as a whole.

THE LIQUIDITY FACILITY PROVIDER

Danske Bank A/S ("**Danske Bank**") was founded in 1871 and has, through the years, merged with a number of financial institutions. Danske Bank is a commercial bank with limited liability and carries on business under the Danish Financial Business Act, Consolidation Act No. 286 of 4 April 2006, as amended.

The registered office of Danske Bank is at Holmens Kanal 2-12, DK-1092 Copenhagen K, Denmark; the telephone number is +45 33 44 00 00; CVR-nr. 61 12 62 28 – København.

Danske Bank operates through its London branch at 75 King William Street, London EC4N 7DT.

The Danske Bank Group provides a wide range of banking, mortgage and insurance products as well as other financial services, and is the largest financial institution in Denmark – and one of the largest in the Nordic region – measured by total assets.

The total assets of the consolidated Danske Bank Group were DKK 2,739 billion (USD 483.9 billion) at the end of 2006. Shareholders' equity was DKK 95 billion (USD 16.8 billion) at the end of 2006.

Current credit ratings of Danske Bank A/S as at the date of this Prospectus are as follows: Moody's: P-1 (short-term) and Aa1 (long-term), S&P: A-1+ (short-term) and AA– (long-term), and Fitch: F1+ (short-term) and AA– (long-term).

CHARACTERISTICS OF THE LOANS AND THE RELATED PROPERTIES

Loan Origination Process

The Loan Pool consists of eighteen loans, secured by mortgages on 125 properties consisting of offices, warehouses, retail properties, social housing properties, industrial spaces and parking facilities located in France and Germany. The Loans have an initial aggregate balance as at the Cut-Off Date of €485,816,385*.

Fourteen (14) of the Loans, which collectively represent 67.4 per cent. of the Loan Pool, are fixed rate loans. Four (4) of the Loans, which collectively represent 32.6 per cent. of the Loan Pool, are floating rate loans which are EURIBOR-based.

The Loans were originated by either Citibank International plc or Citibank, N.A., London Branch, as the case may be, between 5 May 2006 and 16 April 2007. The Sunrise II Loan was jointly originated by the Second Seller and DB Lender in equal shares ranking *pari passu*. The decision to advance any Loan (subject to obtaining satisfactory legal due diligence) was taken by Citibank International plc or Citibank, N.A., London Branch, as the case may be, in compliance with its lending criteria (the "**Lending Criteria**") as further described below.

In connection with the origination of the Loans, each Seller ensured that certain due diligence procedures were undertaken such as would customarily be undertaken by a prudent lender making loans secured on properties of the same type as the Properties, so as to evaluate the ability of the relevant Borrower to service its loan obligations and so as to analyse the quality of each Property. In order to do this, an analysis of the contractual cashflows, tenant covenants and lease terms and the overall quality of the real estate was undertaken by or on behalf of the Sellers. Risk was assessed by stressing the cashflows derived from underlying tenants and the risks associated with refinancing the amount due upon the maturity of the Loans.

The Henderson 1 (Oberursel) Loan

The Henderson 1 (Oberursel) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 1 (Oberursel) Loan was €7,500,000. The Henderson 1 (Oberursel) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Henderson 2 (Weiterstadt) Loan

The Henderson 2 (Weiterstadt) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 2 (Weiterstadt) Loan was €6,375,000. The Henderson 2 (Weiterstadt) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Henderson 3 (Staples) Loan

The Henderson 3 (Staples) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 3 (Staples) Loan was €40,465,378. The Henderson 3 (Staples) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Henderson 4 (Bergen) Loan

The Henderson 4 (Bergen) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 4 (Bergen) Loan was €8,175,000. The Henderson 4 (Bergen) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Henderson 5 (Bardowick) Loan

The Henderson 5 (Bardowick) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 5 (Bardowick) Loan was €5,175,000. The Henderson 5 (Bardowick) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

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* Includes additional amount of €527,859 drawn down on the Epic Horse loan on 18 June 2007

The Henderson 6 (Lüneburg) Loan

The Henderson 6 (Lüneburg) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 6 (Lüneburg) Loan was €8,175,000. The Henderson 6 (Lüneburg) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Henderson 7 (Cluster 4 & 5) Loan

The Henderson 7 (Cluster 4 & 5) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 7 (Cluster 4 & 5) Loan was €20,930,174. The Henderson 7 (Cluster 4 & 5) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Henderson 8 (Flensburg) Loan

The Henderson 8 (Flensburg) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 8 (Flensburg) Loan was €7,922,305. The Henderson 8 (Flensburg) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Henderson 9 (Cluster 1) Loan

The Henderson 9 (Cluster 1) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 9 (Cluster 1) Loan was €11,090,764. The Henderson 9 (Cluster 1) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Henderson 10 (Cluster 2) Loan

The Henderson 10 (Cluster 2) Loan is a term loan facility originated by the Second Seller. The outstanding principal balance as at the Cut-Off Date of the Henderson 10 (Cluster 2) Loan was €14,620,022. The Henderson 10 (Cluster 2) Loan will be acquired by the Issuer from the Second Seller on the Issue Date.

The Epic Rhino Loan

The Epic Rhino Loan is a term loan facility originated by the First Seller. The outstanding principal balance as at the Cut-Off Date of the Epic Rhino Loan was €34,277,748. The Epic Rhino Loan will be acquired by the Issuer from the First Seller on the Issue Date.

The Bonn Loan

The Bonn Whole Loan is a term loan facility originated by the Second Seller. The Second Seller is only selling a portion of the Bonn Whole Loan to the Issuer on the Issue Date and the outstanding principal balance of such portion as at the Cut-Off Date was €34,130,234. The Second Seller has sold its remaining interest in the Bonn Whole Loan to the Bonn Investor.

All references in this Prospectus to the Bonn Loan (including all financial information with respect to such Loan) are to the portion of the Bonn Loan that is being acquired by the Issuer on the Issue Date unless stated otherwise.

The Ash Loan

The Ash Loan is a term loan facility originated by the First Seller. The outstanding principal balance as at the Cut-Off Date of the Ash Loan was €8,719,600. The Ash Loan will be acquired by the Issuer from the First Seller on the Issue Date.

The Tshuva Loan

The Tshuva Loan is a term loan facility originated by the First Seller. The outstanding principal balance as at the Cut-Off Date of the Tshuva Loan was €19,939,838. The Tshuva Loan will be acquired by the Issuer from the First Seller on the Issue Date.

The Sunrise II Loan

The Sunrise II Loan is a term loan facility jointly originated by the Second Seller and DB Lender. The Second Seller will sell its 50 per cent. interest in the Sunrise II Loan to the Issuer on the Issue Date and

the outstanding principal balance of such portion as of the Cut-Off Date was €115,279,935. DB Lender has sold its 50 per cent. interest in the Sunrise II Loan to the DB Issuer for securitisation.

The Epic Horse Loan

The Epic Horse Loan is a term loan facility originated by the First Seller. The outstanding principal balance as at the Cut-Off Date of the Epic Horse Loan was €27,342,857*. The Epic Horse Loan will be acquired by the Issuer from the First Seller on the Issue Date.

The Gutperle Loan

The Gutperle Whole Loan is a term loan facility originated by the Second Seller. The Second Seller is only selling a portion of the Gutperle Whole Loan to the Issuer on the Issue Date and the outstanding principal balance of such portion as at the Cut-Off Date was €67,297,529. The Second Seller has sold its remaining interest in the Gutperle Whole Loan to the Gutperle Investor.

All references in this Prospectus to the Gutperle Loan (including all financial information with respect to such Loan) are to the portion of the Gutperle Loan that is being acquired by the Issuer on the Issue Date unless stated otherwise.

The Signac Loan

The Signac Loan is a term loan facility originated by the First Seller. The outstanding principal balance as at the Cut-off Date of the Signac Loan was €61,900,000. The Signac Loan will be acquired by the FCC which will then sell FCC Senior Notes and the FCC Residual Notes to the Issuer and FCC Junior Notes to the Subordinated Investor on the Issue Date.

Loan Characteristics

The following tables set out certain information with respect to the Loans and the Properties. The statistics in the following tables were primarily derived from information provided to the relevant Seller by the respective Borrowers, other than assumptions or projections used in calculating such statistics, which were determined by the relevant Seller.

For the purposes of the descriptions of the Loans herein, the following defined terms have the meanings set out below.

"**DSCR**", with respect to each Loan, is the annual net cashflow of the relevant Property(ies) divided by the scheduled interest and principal payments for such Loan for the next 12 months.

"**ICR**", with respect to each Loan, is the annual net cashflow of the relevant Property(ies) divided by the scheduled interest payments for such Loan for the next 12 months.

"**LTV**" means, with respect to any Loan, the principal balance of such Loan as of the Cut-Off Date divided by the aggregate value of the Properties securing the related Loan based on the most recent valuation.

"**OMV**" means, with respect to a Property, the most recent open market valuation of the relevant Property.

References to "**Loan**" below in so far as they relate to the Signac Loan means only the portion that represents the initial principal amount of the FCC Senior Notes and FCC Residual Notes to be acquired by the Issuer on the Issue Date which, as of the Cut-Off Date, had an outstanding principal balance of €48,400,000 (being 78.19 per cent.).

LTV (securitised facility)	As of the Cut-Off Date
Weighted Average	73.8%
Min	66.3%
Max	90.5%

* Includes additional amount of €527,859 drawn down on 18 June 2007

LTV (whole facility)	As of the Cut-Off Date
Weighted Average	78.1%
Min	70.7%
Max	90.5%

LTV at Loan Maturity Date (securitised facility)	As of the Cut-Off Date
Weighted Average	70.2%
Min	65.5%
Max	86.5%

LTV at Loan Maturity Date (whole facility)	As of the Cut-Off Date
Weighted Average	74.5%
Min	65.5%
Max	86.5%

ICR (securitised facility)	As of the Cut-Off Date
Weighted Average	1.89
Min	1.50
Max	2.14

ICR (whole facility)	As of the Cut-Off Date
Weighted Average	1.75
Min	1.38
Max	2.12

DSCR (securitised facility)	As of the Cut-Off Date
Weighted Average	1.62
Min	1.27
Max	2.12

DSCR (whole facility)	As of the Cut-Off Date
Weighted Average	1.51
Min	1.23
Max	2.12

Cut-Off Date Balance (securitised facility)	(€)
Average	26,989,799
Min	5,175,000
Max	115,279,935

Remaining Loan Term	Months
Weighted Average	61.40
Min	51.47
Max	85.10

Cut-Off Date Balance (securitised facility) (€)	Number of Loans	Balance (€)	Balance (%)
less than 10,000,000	7	52,041,905	10.7
10,000,000≤ x <25,000,000	4	66,580,798	13.7
25,000,000≤ x <50,000,000	5	184,616,217	38.0
50,000,000≤ x <100,000,000	1	67,297,529	13.9
100,000,000≤ x <150,000,000	1	115,279,935	23.7
Grand Total	18	485,816,385	100.0

Cut-Off Date LTV (securitised facility)	Number of Loans	Balance (€)	Balance (%)
65%≤ x <70%	2	82,530,234	17.0
70%≤ x <75%	10	263,636,326	54.3
75%≤ x <80%	4	110,990,386	22.8
80%≤ x <85%	—	—	0.0
85%≤ x <90%	1	19,939,838	4.1
90%≤ x <95%	1	8,719,600	1.8
Grand Total	18	485,816,385	100.0

Loan Maturity Date LTV (securitised facility)	Number of Loans	Balance (€)	Balance (%)
65%≤ x <70%	5	299,385,447	61.6
70%≤ x <75%	9	141,421,500	29.1
75%≤ x <80%	3	36,289,838	7.5
80%≤ x <85%	—	—	0.0
85%≤ x <90%	1	8,719,600	1.8
Grand Total	18	485,816,385	100.0

Cut-Off Date LTV (whole facility)	Number of Loans	Balance (€)	Balance (%)
67%≤ x <72%	3	69,317,857	13.5
72%≤ x <77%	9	210,668,469	41.0
77%≤ x <82%	1	27,342,857	5.3
82%≤ x <87%	4	197,769,445	38.5
87%≤ x <92%	1	8,719,600	1.7
Grand Total	18	513,818,228	100.0

Loan Maturity Date LTV (whole facility)	Number of Loans	Balance (€)	Balance (%)
62%≤ x <67%	1	34,277,748	6.7
67%≤ x <72%	5	211,940,649	41.2
72%≤ x <77%	8	136,218,868	26.5
77%≤ x <82%	2	60,761,363	11.8
82%≤ x <87%	2	70,619,600	13.7
Grand Total	18	513,818,228	100.0

Cut-Off Date ICR (securitised facility)	Number of Loans	Balance (€)	Balance (%)
1.40≤ x <1.50	—	—	0.0
1.50≤ x <1.60	3	70,340,205	14.5
1.60≤ x <1.70	1	8,175,000	1.7
1.70≤ x <1.80	1	19,939,838	4.1
1.80≤ x <1.90	5	53,293,243	11.0
1.90≤ x <2.20	8	334,068,098	68.8
Grand Total	18	485,816,385	100.0

Cut-Off Date DSCR (securitised facility)	Number of Loans	Balance (€)	Balance (%)
1.50≤ x <1.60	7	306,987,742	63.2
1.60≤ x <1.70	1	8,175,000	1.7
1.70≤ x <1.80	—	—	0.0
1.80≤ x <1.90	5	53,293,243	11.0
1.90≤ x <2.20	5	117,360,400	24.2
Grand Total	18	485,816,385	100.0

Securitised Loan Margin	Number of Loans	Balance (€)	Balance (%)
0.40%≤ x <0.60%	1	34,130,234	7.0
0.60%≤ x <0.80%	8	144,163,489	29.7
0.80%≤ x <1.00%	6	237,182,456	48.8
1.00%≤ x <1.20%	—	—	0.0
1.20%≤ x <1.40%	3	70,340,205	14.5
Grand Total	18	485,816,385	100.0

Remaining Loan Term (months)	Number of Loans	Balance (€)	Balance (%)
40≤ x <55	6	220,404,769	45.4
55≤ x <70	4	135,877,745	28.0
70≤ x <85	7	102,191,013	21.0
85≤ x <100	1	27,342,857*	5.6
Grand Total	18	485,816,385	100.0

* Includes additional amount of €527,859 in respect of the Epic Horse Loan drawn down on 18 June 2007

Year of Maturity	Number of Loans	Balance (€)	Balance (%)
2011	6	220,404,769	45.4
2012	2	87,237,368	18.0
2013	9	150,831,391	31.0
2014	1	27,342,857*	5.6
Grand Total	18	485,816,385	100.0

* Includes additional amount of €527,859 in respect of the Epic Horse Loan drawn down on 18 June 2007

Year of Origination of the Loans	Number of Loans	Balance (€)	Balance (%)
2006	8	321,980,047	66.3
2007	10	163,836,338	33.7
Grand Total	18	485,816,385	100.0

Year of Property Valuation	Number of Properties	OMV (€)*	% OMV
2006	85	525,808,000	79.5
2007	40	135,230,000	20.5
Grand Total	125	661,038,000	100.0

* Based on 50% interest in respect of the Sunrise II Loan.

20 Largest Tenant Exposures (Tenant Name)	Total Rent (€)**	% of Total Rent
Daimler Chrysler KG	4,269,732	10.7
GMC Generalmietgesellschaft mbH Deutsche Telekom AC	2,903,483	7.2
ESM Ertl Systemlogistik GmbH & Co.	2,445,253	6.1
Pechiney-Alcan	2,237,376	5.6
C & A	1,777,578	4.4
Kaufhof	1,499,108	3.7
KROKOFANT Möbel GmbH & Co. Vertriebs KG	1,302,804	3.2
Arrivo Marketing GmbH & Co. KG	1,171,404	2.9
B2S	1,056,308	2.6
Wal Markt	1,000,499	2.5
Sinn Leffers	900,000	2.2
Rewe	852,054	2.1
Toys R Us	829,095	2.1
Kaufland (Lidl & Schwarz)	810,386	2.0
Toom-Baumarkt	729,752	1.8
Carus AG	720,000	1.8
CTD Innovations-Technologie imDialog	695,868	1.7
Familia	608,899	1.5
Plus	584,802	1.5
UPS	520,602	1.3
Total of top 20 tenants	26,915,002	67.1
Total of all tenants*	40,090,925	100.0

* Current gross rent

** Based on 50% interest in respect of the Sunrise II Loan

Tenant Lease Expiry** (Year)	Total Rent (€)*	% of Total Rent
Before 2008	1,256,645	3.1
2008≤ x <2010	2,715,135	6.8
2010≤ x <2012	6,052,436	15.1
2012≤ x <2014	6,912,579	17.2
2014≤ x <2016	6,333,647	15.8
2016 and beyond	16,513,561	41.2
Unlimited	306,923	0.8
Grand Total	40,090,925	100.0

* Current gross rent

** Based on 50% interest in respect of the Sunrise II Loan

Property Type	Number of Properties	OMV (€)*	% OMV
Retail	62	233,443,000	35.3
Residential	43	93,125,000	14.1
Office	7	162,130,000	24.5
Logistics	2	89,500,000	13.5
Other	11	82,840,000	12.5
Grand Total	125	661,038,000	100.0

* Based on 50% interest in respect of the Sunrise II Loan

Distribution	Number of Properties	OMV (€)*	% OMV
Germany	124	588,038,000	89.0
France	1	73,000,000	11.0
Grand Total	125	661,038,000	100.0

* Based on 50% interest in respect of the Sunrise II Loan

Interest Rate Type	Number of Loans	Balance (€)	Balance (%)
Fixed	14	327,269,021	67.4
Floating	4	158,547,364	32.6
Grand Total	18	485,816,385	100.0

Tenure	Number of Properties	OMV (€)*	% OMV
Freehold	123	649,088,000	98.2
Leasehold	2	11,950,000	1.8
Grand Total	125	661,038,000	100.0

* Based on 50% interest in respect of the Sunrise II Loan

Amortisation Table (quarter ending)

Quarter Ending	Expected Amortisation (including balloon payment) (€)	Expected Amortisation (excluding balloon payment) (€)
July 2007	1,034,568	1,034,568
October 2007	1,034,568	1,034,568
January 2008	1,034,568	1,034,568
April 2008	1,101,848	1,101,848
July 2008	1,123,379	1,123,379
October 2008	1,123,379	1,123,379
January 2009	1,123,379	1,123,379
April 2009	1,140,490	1,140,490
July 2009	1,226,615	1,226,615
October 2009	1,226,615	1,226,615
January 2010	1,226,615	1,226,615
April 2010	1,295,058	1,295,058
July 2010	1,295,058	1,295,058
October 2010	1,295,058	1,295,058
January 2011	1,295,058	1,295,058
April 2011	1,295,058	1,295,058
July 2011	157,552,359	858,433
October 2011	55,620,001	749,362
January 2012	61,589,044	409,476
April 2012	18,493,041	309,137
July 2012	309,137	309,137
October 2012	309,137	309,137
January 2013	48,949,515	309,137
April 2013	68,222,401	309,137
July 2013	31,055,759	136,887
October 2013	136,887	136,887
January 2014	136,887	136,887
April 2014	24,570,905	0

Borrower	Loan Name	Cut-Off Date Balance (€)	% of Total Balance	Interest Basis	Initial Draw-down Date	Final Maturity Date	Total No of Properties	Total No of Tenants	Cut-Off Date LTV Ratio (securitised facility)	LTV Ratio at Loan Maturity Date (securitised facility)	Cut-Off Date ICR (securitised facility)	Cut-Off Date DSCR (securitised facility)	Property Type	Jurisdiction of Property
Multiple entities, subsidiaries to Treveria D. Sarl	Sunrise II Loan	115,279,935	23.7%	Fixed	19 May 2006	20 July 2011	48	92	74.3%	69.8%	1.91	1.45	Retail	Germany
Beate Erste Property Gmbh and Beate Zweite Property Gmbh	Epic Rhino Loan	34,277,748	7.1%	Fixed	5 May 2006	5 May 2013	8	NA*	72.6%	65.5%	1.59	1.39	Residential	Germany
Findi Real Estate	Signac Loan	48,400,000	10.0%	Floating	12 July 2006	16 July 2011***	1	6	66.3%	66.3%	1.92	1.92	Office	France
Opportunity Fund III Property I Sarl	Henderson 1 (Oberursel) Loan	7,500,000	1.5%	Fixed	7 August 2006	7 August 2011	1	10	74.4%	74.4%	2.12	2.12	Office	Germany
Opportunity Fund III Property II Sarl	Henderson 2 (Weiterstadt) Loan	6,375,000	1.3%	Fixed	1 September 2006	1 September 2011	1	3	74.6%	74.6%	2.03	2.03	Retail	Germany
Develica Deutschland (Atrium Bonn) Limited	Bonn Loan	34,130,234	7.0%	Floating	2 October 2006	17 October 2011	1	1	69.4%	66.5%	1.92	1.55	Office	Germany
DDE 20 Limited/DDE 21 Limited	Gutperle Loan	67,297,529	13.9%	Floating	1 December 2006	16 January 2012	2	2	75.2%	68.4%	2.14	1.47	Logistics	Germany
PRG Subsidiary 1 Sarl	Ash Loan	8,719,600	1.8%	Floating	12 October 2006	17 October 2011	9	NA*	90.5%	86.5%	1.50	1.27	Residential	Germany
Opportunity Fund III Property IV Sarl	Henderson 4 (Bergen) Loan	8,175,000	1.7%	Fixed	10 January 2007	16 January 2013	1	9	75.0%	75.0%	1.85	1.85	Retail/ Residential/ Office	Germany
Opportunity Fund III (Germany) GmbH and Opportunity Fund III Property One (I) GmbH	Henderson 3 (Staples) Loan	40,465,378	8.3%	Fixed	9 January 2007	16 January 2013	5	10	70.7%	70.7%	1.96	1.96	Logistics/ Office/ Retail	Germany

Borrower	Loan Name	Cut-Off Date Balance (€)	% of Total Balance	Interest Basis	Initial Draw-down Date	Final Maturity Date	Total No of Properties	Total No of Tenants	Cut-Off Date LTV Ratio (securitised facility)	LTV Ratio at Loan Maturity Date (securitised facility)	Cut-Off Date ICR (securitised facility)	Cut-Off Date DSCR (securitised facility)	Property Type	Jurisdiction of Property
TGE Koln 100 GmbH and TGE Bochum EINS GmbH and Wurzen 203 GmbH	Tshuva Loan	19,939,838	4.1%	Fixed	18 December 2006	16 April 2012	9	NA*	85.4%	77.9%	1.71	1.43	Residential	Germany
Anja Erste Property Gmbh and Anja Zweite Property Gmbh	Epic Horse Loan	27,342,857**	5.6%	Fixed	6 February 2007	16 April 2014	20	24	79.6%	71.6%	1.57	1.44	Residential/ Office/ Retail	Germany
Opportunity Fund III Property IX Sarl	Henderson 5 (Bardowick) Loan	5,175,000	1.1%	Fixed	23 February 2007	16 April 2013	1	8	73.9%	73.9%	1.83	1.83	Retail/ Residential	Germany
Opportunity Fund III Property XIV Sarl	Henderson 6 (Luneburg) Loan	8,175,000	1.7%	Fixed	23 February 2007	16 April 2013	1	3	75.0%	75.0%	1.65	1.65	Retail	Germany
Opportunity Fund III Property X Sarl and Opportunity Fund III Property XV Sarl	Henderson 7 (Cluster 4 & 5) Loan	20,930,174	4.3%	Fixed	23 February 2007	16 April 2013	4	39	71.2%	71.2%	1.81	1.81	Retail/ Residential/ Office	Germany
Opportunity Fund III Property VII Sarl	Henderson 8 (Flensburg) Loan	7,922,305	1.6%	Fixed	8 March 07	16 April 2013	1	13	71.4%	71.4%	1.83	1.83	Retail/ Office	Germany
Opportunity Fund III Property XI Sarl	Henderson 9 (Cluster 1) Loan	11,090,764	2.3%	Fixed	23 February 2007	16 April 2013	5	24	73.9%	73.9%	1.86	1.86	Office/ Retail	Germany
Opportunity Fund III Property XIII Sarl	Henderson 10 (Cluster 2) Loan	14,620,022	3.0%	Fixed	15 February 2007	16 April 2013	7	21	75.0%	75.0%	2.02	2.02	Retail	Germany

* Not applicable as tenants are purely residential

** Includes additional amount of €527,859 in respect of the Epic Horse Loan drawn down on 18 June 2007

*** The term of the Loan may be extended to 16 July 2013, pursuant to the availability of two extension requests of one year each

Lending Criteria

Prior to the making of each advance comprised in a Loan, each Seller, as originator, evaluated the corresponding Property or Properties in a manner generally consistent with the standards described below.

Lending Philosophy

Lending guidelines in the commercial mortgage market can only be general principles which may be varied on a case by case basis in accordance with the Sellers' lending criteria. The lending criteria have continuously evolved over time to reflect both the Sellers' experience and changing market conditions. Notwithstanding this, each Seller believes that its standard lending criteria has been applied to the majority of its loans in the Loan Pool throughout the time during which the Loan Pool has been originated, subject to such waivers as may have been applied to individual transactions from time to time. Each Seller provides financing secured on commercial investment mortgage properties targeting established commercial property investors in the UK and in continental Europe.

Types of Borrowers

Generally the Borrowers will be recently established special purpose entities incorporated to purchase the relevant Property. If existing property owning companies are used as Borrowers, the Seller will have satisfied itself that any contingent or residual liabilities are either minimal or otherwise of the type that should be acceptable to an experienced commercial property lender.

Related Security

First ranking perfected mortgages are obtained in all cases, together with pledges over rent receivables and accounts in forms consistent with local market practice unless there are legal restrictions preventing such pledges.

Advance level

Each Seller will generally provide secured financing advances with a maximum LTV of up to 95 per cent. of the lesser of the appraised value or the cost. Each Seller also generally requires a minimum interest coverage ratio of up to 1.10.

Purpose of the Loan

The purpose of the Loan will be the acquisition or refinancing of commercial real estate and/or the acquisition of shares of property owning companies (together with associated fees and expenses) and/or general purposes.

Insurance

Each Seller will expect, to the extent it is possible, each Borrower to effect or procure, prior to a loan being drawn, that insurance of the relevant Property, on a full reinstatement basis including not less than three years' loss of rent, is in place.

Diligence in Connection with the Loans

In connection with the origination of each Loan, the Sellers evaluated the corresponding Property or Properties as described below.

Title and Other Investigation

Reports (the "**Reports**") in relation to all of the Properties were issued on/prior to the origination date of the relevant Loan by the lawyers or notaries of each Borrower to the relevant Lender or the relevant Security Agent (as the case may be), for the benefit of, *inter alia*, the relevant Seller.

The investigation required to provide the Reports included the usual review of title documentation and Land Registry entries (including any lease under which a Property was held) together with all usual Land Registry, Local Authority and other appropriate searches. In addition, all leases and tenancies affecting the Properties were reviewed and the basic terms (including, among other things, details of rent reviews and tenant's determination rights) were included in the Reports.

The Sellers' lawyers or notaries also reviewed the Reports issued by the lawyers or notaries of each Borrower, confirmed the adequacy of the form and content of the Reports and highlighted any matters that they considered should be drawn to the attention of the relevant Seller and the valuer.

Capacity of Borrowers

The Sellers' lawyers or notaries satisfied themselves that each Borrower was validly incorporated, had sufficient power and capacity to enter into the proposed transaction, whether it was subject to any existing mortgages or charges, whether it was the subject of any insolvency proceedings, and generally that the Borrowers had complied with any necessary formalities.

Registration of Related Security

Following drawdown of each Loan, the lawyers or notaries acting for the Sellers ensured that all necessary registrations in connection with taking security were attended to within all applicable time periods and appropriate notices served (where required by the terms of the relevant Credit Agreement). The title deeds in relation to each of the Properties are held by the relevant Seller or on its behalf or that of the relevant Security Agent (as the case may be) and it is expected that this will continue to be the case after the origination date of the relevant Loan.

Valuations

An independent valuer conducted a relevant valuation in order to establish the approximate value of the relevant Property or Properties. The recent valuations are the basis for the valuation figures contained within this Prospectus.

Occupancy statements, Operating Statements and Other Data

The Sellers took steps to review, to the extent available or applicable, rent rolls, Leases, and related information or statements of occupancy rates, market data, financial data, operating statements and receipts for insurance premiums. Borrowers were generally required to furnish available historical operating statements and operating budgets for the current year and provide Leases if and to the extent such information was available. This information was used in part as the basis of the information set out in this Prospectus.

The Credit Agreements

Loan drawdown

None of the Loans places an obligation on the Lender to make any further advance to the relevant Borrower. Following the sale of the Loans to the Issuer, neither the Master Servicer nor the Special Servicer may agree to any amendments of the terms of a Loan that would require the Issuer to make any further advances to the relevant Borrower.

Conditions precedent

Each Seller's obligation to make a Loan under the relevant Credit Agreement was subject to the relevant Lender or the relevant Security Agent (as the case may be) first having received, in the usual manner, certain documents as conditions precedent to funding in form and substance satisfactory to it. The documentation required varied depending upon the terms of each Credit Agreement, though certain documents (duly executed) were required in all cases. These documents included, among other things: constitutional documents and board minutes for the relevant Borrower, an Initial Valuation in respect of the relevant Borrower's interest in the Portfolio, evidence of appropriate insurance cover in respect of the relevant Property or Properties, all title documents relating to the relevant Borrower's interest in the Portfolio, copies of all title searches related to the relevant Borrower's interest in the Portfolio, execution of the Finance Documents (including the relevant Security Agreements) and information relating to the appointment of the managing agent documents.

Interest and amortisation payments/repayments

Interest under each Loan will be paid in quarterly instalments as specified in the relevant Credit Agreement.

The Credit Agreements provide for scheduled amortisation payments to be made by the relevant Borrower in respect of the Epic Rhino Loan, the Ash Loan, the Bonn Loan, the Tshuva Loan, the Sunrise II Loan, the Gutperle Loan and the Epic Horse Loan, see "**Description of the Loans and the related Properties**" below.

The Credit Agreements permit the relevant Borrowers to prepay the relevant Loans on any Loan Interest Payment Date in whole or in part. Voluntary prepayment of a Loan may be subject to payment of the following certain prepayment fees by the relevant Borrower, as described under "**Description of the Loans and the related Properties**" below.

Prepayment fees will not generally be payable in the following circumstances:

(i) where it becomes unlawful for a Lender to perform any of its obligations under a Finance Document or to fund or maintain its share in a Loan and the relevant Borrower prepays;

(ii) where the relevant Borrower prepays on account of an increase in a Lender's costs arising out of a change of law or regulation which have been passed onto it; or

(iii) where the relevant Borrower prepays on account of being required to make a Tax Payment to a Finance Party.

In addition to any prepayment fees to be paid by the relevant Borrower, the relevant Borrower may be required to pay to the Lender an amount (determined by the Lender) that would compensate the Lender against any loss or liability that it incurs or suffers as a consequence of any part of the Loan or overdue amount being prepaid or repaid other than in the amounts and on the dates set out in the relevant Credit Agreement, together with certain costs incurred as a result of the termination of all or any part of the Lender's related funding arrangements (including, but not limited to, any swap arrangements) (the "**Break Costs**"), in each case as more specifically set out in the relevant Credit Agreement.

"**Tax Payment**" means a payment made by a Borrower to a relevant Finance Party in any way relating to a Tax Deduction or under any indemnity given by that Borrower in respect of tax under any relevant Finance Document.

"**Tax Deduction**" means a deduction or withholding for or on account of tax from a payment under a Finance Document.

Sale of the Signac Loan and its Related Security

Consideration

The purchase price payable by the FCC to the First Seller in respect of the Signac Loan and its Related Security will be (i) a sum equal to the outstanding aggregate principal amount of the Signac Loan on the Cut-Off Date (such amount being funded by the proceeds of the issuance of the FCC Notes on the Issue Date) and (ii) an amount equal to interest due to be paid or accrued and unpaid as at the Issue Date under the Signac Loan, this amount being the "**Signac Loan Residual Consideration**". The Signac Loan Residual Consideration will, until paid in full, be payable on each FCC Note interest payment date out of funds that would, but for the requirement to pay the Signac Loan Residual Consideration, be available to pay the FCC Residual Notes.

Transfer and perfection

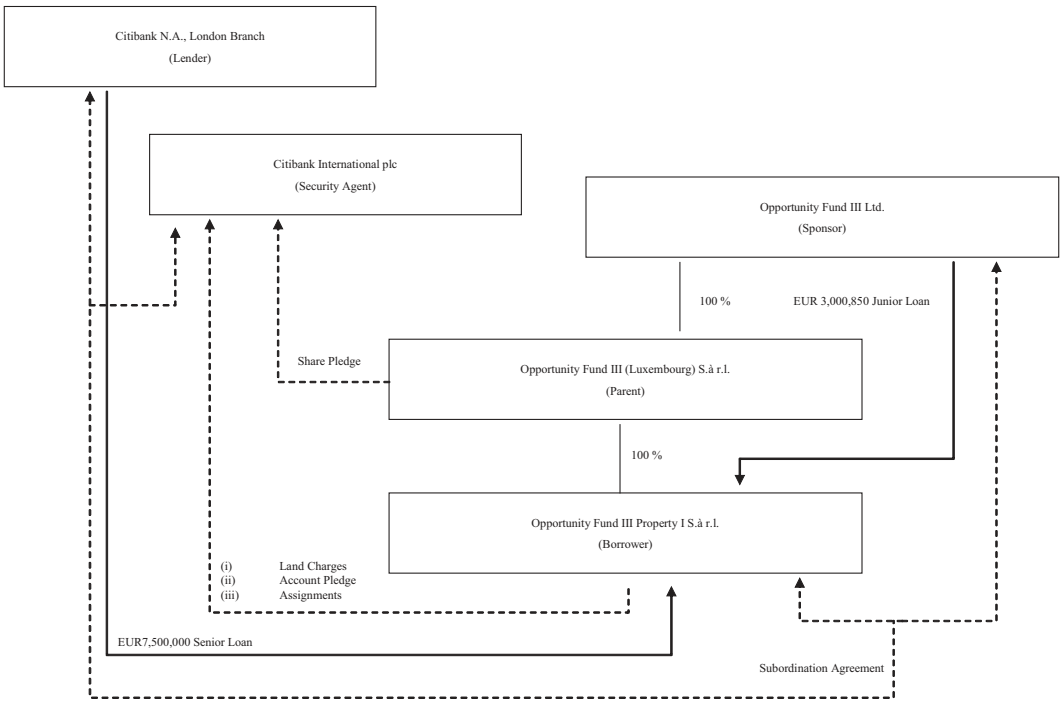
The transfer of title to the Signac Loan and its Related Security pursuant to the Signac Mortgage Sale Agreement will be completed by the First Seller delivering to the FCC Management Company, acting in the name and on behalf of the Signac Compartment to which will be allocated the Signac Loan, a transfer document entitled *actes de cession de créances* (the "**Signac Loan Transfer Deed**") in the form prescribed by Article L. 214-43 and Article R. 214-109 of the French Monetary and Financial Code which sets out various provisions of the French Monetary and Financial Code. The delivery of the Signac Loan Transfer Deed makes the transfer of the Signac Loan and its Related Security binding upon third parties as at the date of the Signac Loan Transfer Deed without the requirement of any further act. The Signac Loan Transfer Deed will be held in custody by the FCC Custodian.

Sale of the Direct Loans and their Related Security

The purchase price payable by the Issuer to the relevant Sellers in respect of the Direct Loans and their Related Security will be (i) a sum equal to the outstanding aggregate principal amount of the Direct Loans on the Cut-Off Date (such amount being funded by the proceeds of the issuance of the Rated Notes on the Issue Date and (ii) an amount equal to interest due to be paid or accrued and unpaid as at the Issue Date under the Direct Loans, this amount being the "**Direct Loan Residual Consideration**". The Direct Loan Residual Consideration will, until paid in full, be payable on each Interest Payment Date out of funds that would, but for the requirement to pay the Direct Loan Residual Consideration, be available to pay the Class R Notes.

DESCRIPTION OF THE LOANS AND THE RELATED PROPERTIES

Henderson 1 (Oberursel) Loan



Loan Information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank, N.A., London Branch
Original Loan Balance (whole facility)	€7,500,000
Cut-Off Date Balance (whole facility)	€7,500,000
B loan sold to third party lender?	None
Cut-Off Date Balance (securitised facility)	€7,500,000
Cut-Off Balance (junior syndicated facility)	None
Initial Drawdown Date	7 August 2006
First Payment Date	16 October 2006
Loan Purpose	Acquisition
Interest Rate Type	Fixed
Hedging Type	Swap at Lender level with Citibank, N.A., London Branch
Loan Maturity Date	7 August 2011
Borrower	Opportunity Fund III Property I Sarl
Amortisation Type	Interest Only
Cut-Off Date LTV (whole facility)	74.4%
Cut-Off Date LTV (securitised facility)	74.4%
Loan Maturity Date LTV (whole facility)	74.4%
Loan Maturity Date LTV (securitised facility)	74.4%

Loan Information	
Cut-Off Date ICR (whole facility)	2.12
Cut-Off Date ICR (securitised facility)	2.12
Cut-Off Date DSCR (whole facility)	2.12
Cut-Off Date DSCR (securitised facility)	2.12
Swap Rate	3.90%
Securitised Loan Margin	0.75%
ICR Covenant	1.25x triggers cash sweep; 1.00x triggers default
LTV Covenant	None
Prepayment Penalties	0-1st year 0.75%; 1-2nd year 0.50%; 2-3rd year 0.30%; 3-4th year 0.15%

Property Information	
Single Asset/Portfolio	Single Asset
Property Type	Office
Location	Germany
NR Sqm	5,181
Freehold or Leasehold	Freehold
Property Management	PropertyOne GmbH
Gross Income	€740,268
Expenses	—
Net Rental Income	€740,268
Property Value	€10,080,000
Vacant Possession Value	€8,100,000
Valuation Date	14 June 2006
Valuation Firm	Cushman & Wakefield
Senior Loan per Sqm	€1,448
Expected/Estimated Rental Value	€753,576
Cut-off Gross Yield on the Properties	7.3%
Cut-off Net Yield on the Properties	7.3%
Cut-off Gross Yield on Securitised Debt	9.9%
Cut-off Net Yield on Securitised Debt	9.9%

Tenant Information	
Occupancy	95.3%
WA Lease Term (Years)	2.7

The Loan

This loan (the "**Henderson 1 (Oberursel) Loan**") was originated by Citibank, N.A., London Branch (the "**Henderson 1 Lender**") pursuant to a loan agreement dated 17 July 2006 (the "**Henderson 1 Loan Agreement**"). The Henderson 1 Loan Agreement is governed by German law.

The Henderson 1 (Oberursel) Loan is secured by (1) an account pledge over the bank accounts of the Borrower under German law; (2) the assignment of rental and insurance claims under German law; (3) the assignment of any claims under the property purchase agreement relating to the Henderson 1 Property under German law and (4) any other claims under German law as well as a (5) security purpose agreement (*Sicherungszweckabrede*) regarding the land charge over the Henderson 1 Property under German law; (6) share pledge over all of the Henderson 1 Borrower's shares (governed by the law of the Grand Duchy of Luxembourg) and (7) a first-ranking land charge under German law encumbering the Henderson 1 Property.

The security conferred by each of the security agreements constitutes a first priority security interest and has been granted to Citibank International plc (the "**Henderson 1 Security Agent**").

For further information, refer to the section "**Enforcement Procedures**".

The interest rate of the Henderson 1 (Oberursel) Loan is the sum of (i) 0.75 per cent. per annum plus (ii) a rate (five year swap rate per annum), which has been determined to be 3.90 per cent..

The Henderson 1 Borrower has not entered into any swap agreements with the Swap Counterparty in relation to the Henderson 1 (Oberursel) Loan.

If, five business days prior to any interest payment date, the Henderson 1 Borrower does not comply with the interest cover ratio covenant that the projected net rents (*Geschätzte Nettomieten*) on each interest payment date are higher than or equal to 125 per cent. of the projected interest costs, the Henderson 1 Borrower must on the next interest payment date, pay any amount which is standing to the credit of the rent account to the debt service reserve account.

If, on any interest payment date, the projected net rents (*Geschätzte Nettomieten*) are equal to or less than 100 per cent. of the projected interest costs, this amounts to an event of default under the Henderson

1 Loan Agreement, pursuant to which the Henderson 1 Lender shall have the right to terminate the Henderson 1 Loan Agreement and accelerate any amounts outstanding under the Henderson 1 (Oberursel) Loan.

The Henderson 1 Borrower must prepay the Henderson 1 (Oberursel) Loan in an amount of 0.25 per cent. of the original outstanding principal amount on an interest payment date, if, on the day five business days prior to the relevant interest payment date, the gross cash flow was lower than 8.5 per cent. of the then outstanding debt. Repayment of the whole Henderson 1 (Oberursel) Loan is due on 7 August 2011.

The Henderson 1 (Oberursel) Loan shall be repaid in full on the Loan Maturity Date for the Henderson 1 (Oberursel) Loan.

Hedging

The interest rate on the Henderson 1 (Oberursel) Loan is payable at a fixed rate. The Issuer will enter into an interest rate swap agreement (the "**Henderson 1 Swap Agreement**") on off-market terms with the Swap Counterparty (a Fixed/Floating Swap Transaction) that requires (a) the Issuer to pay to the Swap Counterparty a fixed rate of 3.90 per cent. and (b) the Swap Counterparty will pay to the Issuer an amount calculated by reference to a 3-month EURIBOR rate on a notional amount equal to the scheduled amortisation of the principal amount of the Henderson 1 (Oberursel) Loan. In the event of any repayment of in excess of the amortisation schedule, this will effectively result in a partial termination of the relevant Fixed/Floating Swap Transaction and there may be a termination payment due from the Issuer to the Swap Counterparty. The mark to market value of the Henderson 1 Swap Agreement as at 19 June 2007 was approximately €202,906.77 in favour of the Issuer.

The Borrower

The borrower under the Henderson 1 (Oberursel) Loan (the "**Henderson 1 Borrower**") is Opportunity Fund III Property I S.à r.l., a *société à responsabilité limitée* organised and existing under the laws of the Grand Duchy of Luxembourg, with a share capital of EUR 12,500, having its registered office at 65, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg. All shares of the Henderson 1 Borrower are held by Opportunity Fund III (Luxembourg) S.à r.l., a private limited company incorporated under the laws of Luxembourg (the "**Henderson 1 Parent**"). All shares of the Henderson 1 Parent are held by Opportunity Fund III Ltd, a company incorporated under the laws of Guernsey (the "**Henderson Sponsor**").

The Property

The property comprises an office building located in Germany (the "**Henderson 1 Property**").

The Henderson 1 Property is encumbered *inter alia* with a restricted easement in favour of Süwag Energie AG Niederlassung-MKW/EWH (right of underground cables). The respective creation deed states that no buildings or facilities (*Anlagen*) may be established and no trees may be planted above the underground cables.

Property Management

The Henderson 1 Property is managed by PropertyOne GmbH, a company with limited liability incorporated under the laws of the Federal Republic of Germany, pursuant to a property management agreement between Henderson Global Investors Ltd. and PropertyOne GmbH for the Oberursel Property and one other property (Weiterstadt) effective as of 1 August 2006.

The services carried out by PropertyOne GmbH include, *inter alia*, rent management, marketing and leasing, lease renewals, management of charges, technical management, administrative management and cash management.

PropertyOne GmbH has signed a duty of care letter from the Henderson 1 Security Agent, also addressed to the Henderson 1 Lender, agreeing to comply with the terms of and to fulfil its obligations set out in the property management agreement, exercise all proper skill, care and diligence in performing its obligations, pay any rental income received by it as soon as practicable into the account of the company designated the rent account. Property One GmbH also undertakes to install professional indemnity insurance with a coverage of €1,000,000.

Subordinated Loan

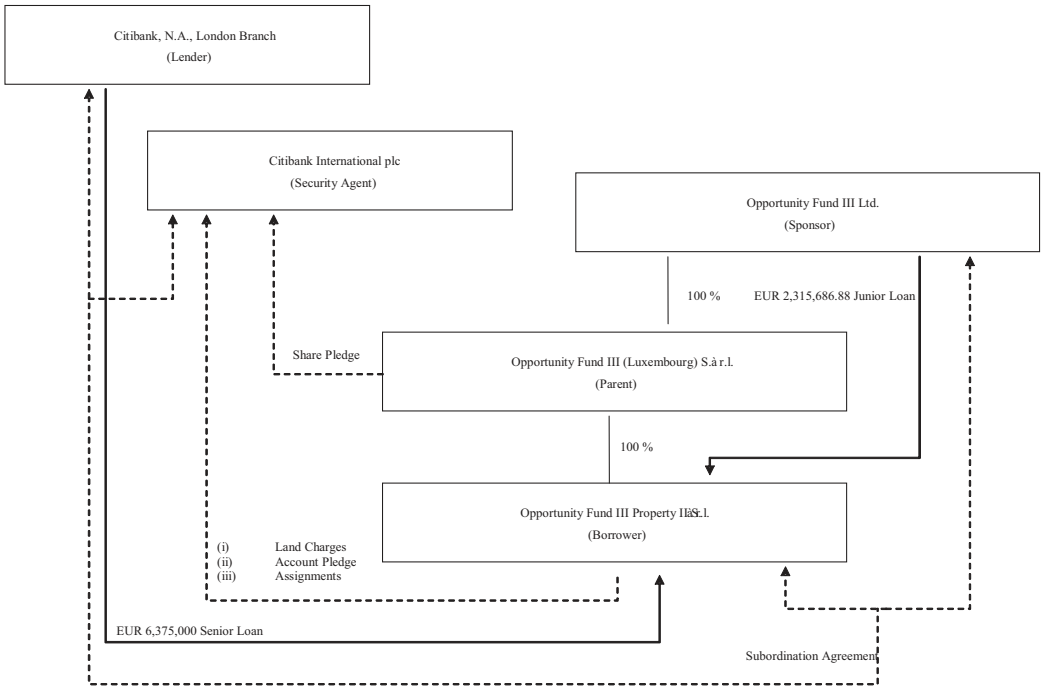
The Henderson Sponsor has granted a shareholders loan (the "**Henderson 1 Shareholders Loan**") to the Henderson 1 Borrower.

Pursuant to a subordination agreement between the Henderson 1 Lender, the Henderson 1 Security Agent, the Henderson 1 Borrower and the Henderson Sponsor as the subordinated creditor dated 4 August 2006, the payment of amounts owing under the Henderson 1 Shareholders Loan is subordinated to the payment of amounts owing under the Henderson 1 (Oberursel) Loan.

The table below set out some details in relation to the major tenants of the Henderson 1 Property:

Major Tenant	Rent (£)	% of total rent
Utimaco	421,272	57%
VTG	104,004	14%
Ruschke	79,512	11%
Health Builder	35,448	5%
Geodatenservice	29,184	4%

Henderson 2 (Weiterstadt) Loan



Loan Information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank, N.A., London Branch
Original Loan Balance (whole facility)	€6,375,000
Cut-Off Date Balance (whole facility)	€6,375,000
B loan sold to third party lender?	None
Cut-Off Date Balance (securitised facility)	€6,375,000
Cut-Off Date Balance (junior syndicated facility)	None
Initial Drawdown Date	1 September 2006
First Payment Date	16 October 2006
Loan Purpose	Acquisition
Interest Rate Type	Fixed
Hedging Type	Swap at Lender level with Citibank, N.A., London Branch
Loan Maturity Date	01-Sep-11
Borrower	Opportunity Fund III Property II Sarl
Amortisation Type	Interest Only
Cut-Off Date LTV (whole facility)	74.6%
Cut-Off Date LTV (securitised facility)	74.6%

Loan Information	
Loan Maturity Date LTV (whole facility)	74.6%
Loan Maturity Date LTV (securitised facility)	74.6%
Cut-Off Date ICR (whole facility)	2.03
Cut-Off Date ICR (securitised facility)	2.03
Cut-off DSCR (whole facility)	2.03
Cut-Off Date DSCR (securitised facility)	2.03
Swap Rate	3.79%
Securitised Loan Margin	0.75%
ICR Covenant	1.25x triggers cash sweep; 1.00x triggers default
LTV Covenant	None
Prepayment Penalties	0-1st year 0.75%; 1-2nd year 0.50%; 2-3rd year 0.30%; 3-4th year 0.15%

Property Information	
Single Asset/Portfolio	Single Asset
Property Type	Retail Warehouse
Location	Germany
NR Sqm	5,313
Freehold or Leasehold	Freehold
Property Management	PropertyOne GmbH
Gross Income	€622,764
Expenses	€34,817
Net Rental Income	€587,947
Property Value	€8,550,000
Vacant Possession Value	€7,650,000
Valuation Date	26 May 2006
Valuation Firm	Cushman & Wakefield
Senior Loan per Sqm	€1,200
Expected/Estimated Rental Value	€622,764
Cut-off Gross Yield on the Properties	7.3%
Cut-off Net Yield on the Properties	6.9%
Cut-off Gross Yield on Securitised Debt	9.8%
Cut-off Net Yield on Securitised Debt	9.2%

Tenant Information	
Occupancy	100.0%
WA Lease Term (Years)	8.8

The Loan

This loan (the "**Henderson 2 (Weiterstadt) Loan**") was originated by Citibank, N.A., London Branch (the "**Henderson 2 Lender**") pursuant to a loan agreement dated 12 July 2006 as amended and restated on 9 August 2006 (the "**Henderson 2 Loan Agreement**"). The Henderson 2 Loan Agreement is governed by German law.

The Henderson 2 (Weiterstadt) Loan is secured by (1) an account pledge over the bank accounts of the Henderson 2 Borrower under German law; (2) the assignment of rental and insurance claims under German law; (3) the assignment of any claims under the property purchase agreement relating to the Henderson 2 Property under German law and (4) the assignment of any other claims under German law as well as a (5) a security purpose agreement (*Sicherungszweckabrede*) regarding the land charge over the Henderson 2 Property under German law; (6) share pledge over all of the Borrower's shares (governed by the law of the Grand Duchy of Luxembourg) and (7) a joint first-ranking land charge under German law encumbering the Henderson 2 Property.

The security conferred by each of the security agreements constitutes a first priority security interest and has been granted to Citibank International plc (the "**Henderson 2 Security Agent**").

For further information, refer to the section "**Enforcement Procedures**".

The interest rate of the Henderson 2 (Weiterstadt) Loan is the sum of (i) 0.75 per cent. per annum, plus (ii) a rate (five year swap rate per annum), which has been determined to be 3.79 per cent.

The Henderson 2 Borrower has not entered into any swap agreements with the Swap Counterparty in relation to the Henderson 2 (Weiterstadt) Loan.

If, five business days prior to any interest payment date, the Henderson 2 Borrower does not comply with the interest cover ratio covenant that the projected net rents (*geschätzte Nettomieten*) on each interest payment date are higher than or equal to 125 per cent. of the projected interest costs, the Henderson 2 Borrower must on the next interest payment date, pay any amount which is standing to the credit of the rent account to the debt service reserve account.

If, on any interest payment date, the projected net rents (*geschätzte Nettomieten*) are equal to or lower than 100 per cent. of the projected interest costs, this amounts to an event of default, and the Henderson 2 Lender shall have the right to terminate the Henderson 2 (Weiterstadt) Loan agreement and accelerate any amounts outstanding under the Henderson 2 (Weiterstadt) Loan.

The Henderson 2 Borrower must prepay the Henderson 2 (Weiterstadt) Loan in an amount of 0.25 per cent. of the original outstanding principal amount on an interest payment date, if, on the day five business days prior to the relevant interest payment date, the gross cash flow was lower than 8.5 per cent. of the then outstanding debt.

The Henderson 2 (Weiterstadt) Loan shall be repaid in full on the Loan Maturity Date for the Henderson 2 (Weiterstadt) Loan.

Hedging

The interest rate on the Henderson 2 (Weiterstadt) Loan is payable at a fixed rate. The Issuer will enter into an interest rate swap agreement (the "**Henderson 2 Swap Agreement**") on off-market terms with the Swap Counterparty (a Fixed/Floating Swap Transaction) that requires (a) the Issuer to pay to the Swap Counterparty a fixed rate of 3.79 per cent. and (b) the Swap Counterparty will pay to the Issuer an amount calculated by reference to a 3-month EURIBOR rate on a notional amount equal to the scheduled amortisation of the principal amount of the Henderson 2 (Weiterstadt) Loan. In the event of any repayment of in excess of the amortisation schedule, this will effectively result in a partial termination of the relevant Fixed/Floating Swap Transaction and there may be a termination payment due from the Issuer to the Swap Counterparty. The mark to market value of the Henderson 2 Swap Agreement as at 19 June 2007 was approximately €203,589.31 in favour of the Issuer.

The Borrower

The borrower under the Henderson 2 (Weiterstadt) Loan (the "**Henderson 2 Borrower**") is Opportunity Fund III Property II S.à r.l., a *société à responsabilité limitée* organised and existing under the laws of the Grand Duchy of Luxembourg, with a share capital of EUR 12,500, having its registered office at 65, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg. All shares of the Henderson 2 Borrower are held by Opportunity Fund III (Luxembourg) S.à r.l., a private limited company incorporated under the laws of Luxembourg (the "**Henderson 2 Parent**"). All shares of the Henderson 2 Parent are held by the Henderson Sponsor.

The Property

The property (the "**Henderson 2 Property**") comprises a retail centre (*Fachmarktzentrum Weiterstadt Ost*) located in Weiterstadt, Germany.

According to the land register, the Henderson 2 Property is historically encumbered with an easement to operate a high-voltage line (*Hochspannungsfreileitung*). In the event that the holder of the easement exercises its right, it cannot be excluded that the easement holder may require that the Henderson 2 Property be demolished or structurally changed. However, the Henderson 2 Lender may call on the loan in the event the easement holder requires the Henderson 2 Property to be demolished or structurally changed as this constitutes an event of default under the Henderson 2 Loan Agreement.

Property Management

Pursuant to a property management agreement between Henderson Global Investors Ltd. and PropertyOne GmbH, PropertyOne GmbH manages the Henderson 2 Property.

The services carried out by PropertyOne GmbH include, *inter alia*, rent management, marketing and leasing, lease renewals, management of charges, technical management, administrative management and cash management.

PropertyOne GmbH has signed a duty of care letter from the Henderson 2 Security Agent, also addressed to the Henderson 2 Lender, wherein it agrees to comply with the terms of and to fulfil its obligations set out in the property management agreement, exercise all proper skill, care and diligence in performing its obligations, pay any rental income received by it as soon as practicable into the account of the company designated the rent account. Property One GmbH also undertakes to install professional indemnity insurance with a coverage of €1,000,000.

Subordinated Loan

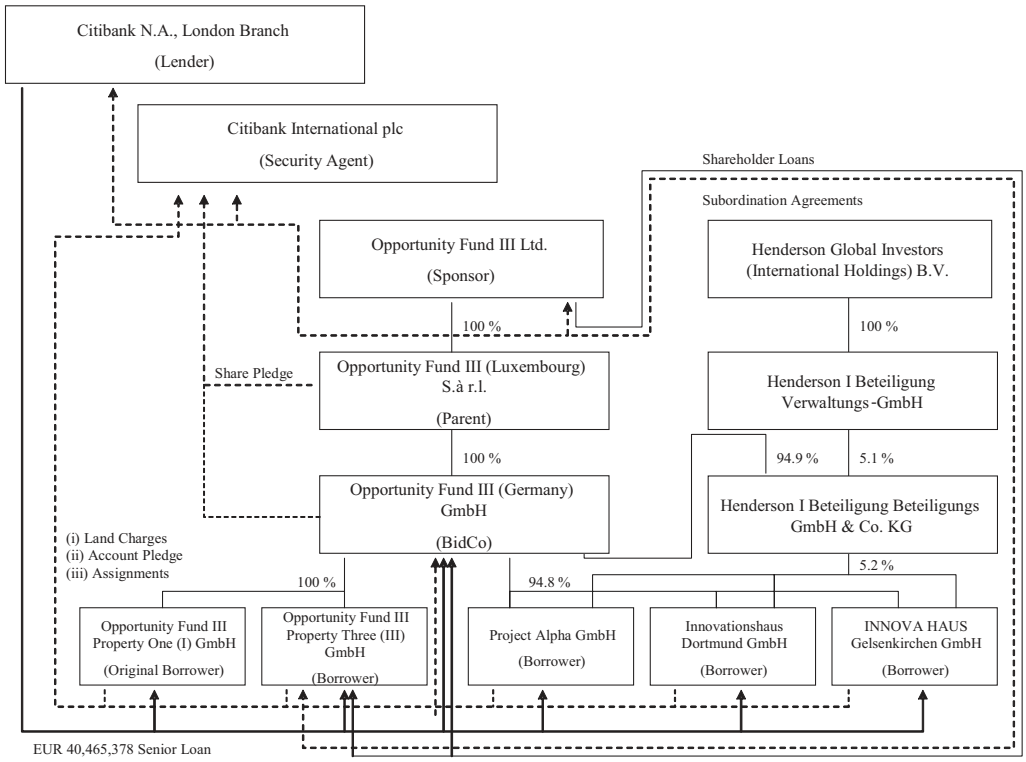
The Henderson Sponsor has granted a shareholders loan (the "**Henderson 2 Shareholders Loan**") to the Henderson 2 Borrower.

Pursuant to a subordination agreement between the Henderson 2 Lender, the Henderson 2 Security Agent, the Henderson 2 Borrower and the Henderson Sponsor as the subordinated creditor dated 29 August 2006, the payment of amounts owing under the Henderson 2 Shareholders Loan is subordinated to the payment of amounts owing under the Henderson 2 (Weiterstadt) Loan.

The table below set out some details in relation to the major tenants of the Henderson 2 Properties:

Major Tenants	Rent (€)	% of total rent
Toys R Us	412,236	66%
Götze Mode und Sport GmbH	149,448	24%
Gigatrade GmbH	61,080	10%

Henderson 3 (Staples) Loan



Loan Information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank, N.A., London Branch
Original Loan Balance (whole facility)	€40,465,378
Cut-Off Date Balance (whole facility)	€40,465,378
B loan sold to third party lender?	None
Cut-Off Date Balance (securitised facility)	€40,465,378
Cut-Off Date Balance (junior syndicated facility)	NA
Initial Drawdown Date	9 January 2007
First Payment Date	16 April 2007
Loan Purpose	Acquisition
Interest Rate Type	Fixed
Hedging Type	Swap at Lender level with Citibank, N.A., London Branch
Loan Maturity Date	16 January 2013
Borrower	Opportunity Fund III (Germany) GmbH and Opportunity Fund III Property One (I) GmbH
Amortisation Type	Interest Only
Cut-Off Date LTV (whole facility)	70.7%

Loan Information	
Cut-Off Date LTV (securitised facility)	70.7%
Loan Maturity Date LTV (whole facility)	70.7%
Loan Maturity Date LTV (securitised facility)	70.7%
Cut-Off Date ICR (whole facility)	1.96
Cut-Off Date ICR (securitised facility)	1.96
Cut-Off Date DSCR (whole facility)	1.96
Cut-Off Date DSCR (securitised facility)	1.96
Swap Rate	4.06%
Securitised Loan Margin	0.80%
ICR Covenant	1.25x triggers cash sweep and 1.00x at any time
LTV Covenant	None
Prepayment Penalties	0-1st year 0.75%; 1-2nd year 0.50%; 2-3rd year 0.30%; 3-4th year 0.15%

Property Information	
Single Asset/Portfolio	Portfolio
Property Type	Retail/ Logistics/ Office
Location	Germany
NR Sqm	50,055
Freehold or Leasehold	Freehold
Property Management	PropertyOne GmbH
Gross Income	€4,305,952
Expenses	€443,984
Net Rental Income	€3,861,968
Property Value	€57,230,000
Vacant Possession Value	€48,400,000
Valuation Date	Jul 2006 / Nov 2006 / Oct 2006 / Feb 2007 depending on properties
Valuation Firm	Cushman & Wakefield
Senior Loan per Sqm	€808
Expected/Estimated Rental Value	€4,422,591
Cut-off Gross Yield on the Properties	7.5%
Cut-off Net Yield on the Properties	6.7%
Cut-off Gross Yield on Securitised Debt	10.6%
Cut-off Net Yield on Securitised Debt	9.5%

Tenant Information	
Occupancy	100.0%
WA Lease Term (Years)	8.4

The Loan

This loan (the "**Henderson 3 (Staples) Loan**") was originated by Citibank, N.A., London Branch (the "**Henderson 3 Lender**") pursuant to a loan agreement dated 22 December 2006 as amended and restated on 3 January 2007 and 12 February 2007 (the "**Henderson 3 Loan Agreement**"). The Henderson 3 Loan Agreement is governed by German law.

The Henderson 3 Loan Agreement is divided in the following five tranches:

(i) one tranche in the amount of EUR 10,687,500 which has been disbursed on 9 January 2007 to PropCo 1 and BidCo (the "**PropCo 1 Term Loan**");

(ii) one tranche in the amount of EUR 12,015,000 which has been disbursed on 27 December 2006 to Henderson 3 Alpha Borrower and BidCo (the "**PropCo 2 Term Loan**");

(iii) one tranche in the amount of EUR 6,710,040.73 which has been disbursed on 5 January 2007 to Henderson 3 Dortmund Borrower and BidCo (the "**PropCo 3 Term Loan**");

(iv) one tranche in the amount of EUR 5,421,978.21 which has been disbursed on 5 January 2007 to Henderson 3 Gelsenkirchen Borrower and BidCo (the "**PropCo 4 Term Loan**"); and

(v) one tranche in the amount of EUR 5,421,978.21 which has been disbursed on 16 February 2007 to Henderson 3 Property Three Borrower (the "**PropCo 5 Term Loan**").

The Henderson 3 (Staples) Loan is secured by (1) an account pledge over bank accounts of the Henderson 3 Borrowers under German law; (2) the assignment of rental and insurance claims, any other claims under the property purchase agreements relating to the Henderson 3 Property and the share purchase agreements and any other claims under German law; (3) a security purpose agreement (*Sicherungszweckabrede*) regarding the land charges over the Henderson 3 Properties under German law; (4) the share pledge of all of the BidCo's shares between Opportunity Fund III (Luxembourg) S.à r.l. as pledgor and the Security Agent as pledgee dated on or about the date hereof under German law; (5) share pledges of all of the Henderson 3 Borrowers' shares (other than the shares of the BidCo) between the

BidCo and KG as pledgors and the Security Agent as pledgee dated on or about the date hereof 2006 under German law; (6) the interest pledge of the KG's partnership interest between the BidCo as pledgor and the Security Agent as pledgee dated on or about the date hereof under German law; (7) each Borrower's guarantee under German law to pay any sums unpaid under the secured claims and; (8) the land charge deeds granted by each German PropCo to the Henderson 3 Security Agent under German law relating to a certificated first-ranking land charge encumbering the Henderson 3 Properties with certificate (*erstrangige Briefgrundschuld*) plus 15 per cent. p.a. interest *in rem* plus 10 per cent. ancillary costs, subject to immediate foreclosure as follows: (i) nominal amount of land charge: 110 per cent. of the respective property or share purchase price; (ii) 100 per cent. of the nominal amount to be subject to immediate foreclosure; (iii) ranking of prior ranking encumbrances (if any) in division II of the land register as agreed with the Henderson 3 Security Agent; and (iv) first ranking in division III of the land register.

The security conferred by each of the security agreements constitutes a first priority security interest and has been granted to Citibank International plc (the "**Henderson 3 Security Agent**").

For further information, refer to the section "**Enforcement Procedures**".

The interest rate of the Henderson 3 (Staples) Loan is the sum of (i) 0.90 per cent. per annum (in respect of PropCo 1 Term Loan), 0.75 per cent. per annum (in respect of PropCo 2 Term Loan), 0.75 per cent. per annum (in respect of PropCo 3 Term Loan), 0.75 per cent. per annum (in respect of PropCo 4 Term Loan) or 0.75 per cent. per annum (in respect of PropCo 5 Term Loan) plus (ii) a rate (six year swap rate per annum) calculated on each rate fixing date, which has been determined to be 4.06 per cent.

The Henderson 3 Borrowers have not entered into any swap agreements with the Swap Counterparty in relation to the Henderson 3 (Staples) Loan.

If, five business days prior to any interest payment date, any Borrower does not comply with the interest cover ratio covenant that the projected net rents (*geschätzte Nettomieten*) on each interest payment date are higher than or equal to 125 per cent. of the projected interest costs, the respective Borrower must on the next interest payment date, pay any amount which is standing to the credit of the rent account to the debt service reserve account.

If, on any interest payment date, the projected net rents (*geschätzte Nettomieten*) are equal to or lower than 100 per cent. of the projected interest costs, this amounts to an event of default, and the Henderson 3 Lender shall have the right to terminate the Henderson 3 Loan Agreement and accelerate any amounts outstanding under the Henderson 3 (Staples) Loan.

Any Borrower must prepay the Henderson 3 (Staples) Loan in an amount of 0.25 per cent. of the original outstanding principal amount on an interest payment date, if, on the day five business days prior to the relevant interest payment date, the gross cash flow was lower than 8.5 per cent. of the then outstanding debt.

The Henderson 3 (Staples) Loan shall be repaid in full on the Loan Maturity Date for the Henderson 3 (Staples) Loan.

Hedging

The interest rate on the Henderson 3 (Staples) Loan is payable at a fixed rate. The Issuer will enter into an interest rate swap agreement (the "**Henderson 3 Swap Agreement**") on off-market terms with the Swap Counterparty (a Fixed/Floating Swap Transaction) that requires (a) the Issuer to pay to the Swap Counterparty a fixed rate of 4.06 per cent. and (b) the Swap Counterparty will pay to the Issuer an amount calculated by reference to a 3-month EURIBOR rate on a notional amount equal to the scheduled amortisation of the principal amount of the Henderson 3 (Staples) Loan. In the event of any repayment of in excess of the amortisation schedule, this will effectively result in a partial termination of the relevant Fixed/Floating Swap Transaction and there may be a termination payment due from the Issuer to the Swap Counterparty. The mark to market value of the Henderson 3 Swap Agreement as at 19 June 2007 was approximately €1,163,994.02 in favour of the Issuer.

The Borrowers

The borrowers under the Henderson 3 (Staples) Loan are as follows:

(i) Opportunity Fund III (Germany) GmbH a limited liability company incorporated under the laws of Germany with a share capital of EUR 25,000, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Frankfurt am Main under HR B 77595, having its registered office at An der Welle 3, 60322 Frankfurt am Main, Germany, (the "**BidCo**");

(ii) Opportunity Fund III Property One (I) GmbH, organised and existing under the laws of Germany, with a share capital of EUR 25,000, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Frankfurt am Main under HR B 77531, having its registered office at An der Welle 3, 60322 Frankfurt am Main, Germany; (the "**PropCo 1**", and together with the BidCo the "**Henderson 3 Original Borrowers**");

(iii) Projekt Alpha GmbH, a limited liability company under the laws of Germany with a share capital of EUR 25,000, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Düsseldorf under HR B 53669, having its registered office at Düsseldorf, Germany, (the "**Henderson 3 Alpha Borrower**");

(iv) Innovationshaus Dortmund GmbH, a limited liability company under the laws of Germany with a share capital of EUR 25,000, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Königsstein under HR B 6641, having its registered office at Kelkheim (Taunus), Germany, (the "**Henderson 3 Dortmund Borrower**");

(v) INNOVA HAUS Gelsenkirchen GmbH, a limited liability company under the laws of Germany with a share capital of EUR 25,000, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Königstein under HR B 6631, having its registered office at Kelkheim (Taunus), Germany, (the "**Henderson 3 Gelsenkirchen Borrower**"); and

(vi) Opportunity Fund III Property Three (III) GmbH, a limited liability company under the laws of Germany with a share capital of EUR 25,000, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Düsseldorf under HR B 55201, having its registered office at Düsseldorf, Germany (the "**Henderson 3 Property Three Borrower**",

the Henderson 3 Original Borrowers together with the Henderson 3 Alpha Borrower, the Henderson 3 Dortmund Borrower, the Henderson 3 Gelsenkirchen Borrower and the Henderson 3 Property Three Borrower the "**Henderson 3 Borrowers**").

Opportunity Fund III (Luxembourg) S.à.r.l. (the "**Henderson 3 Parent**") holds all shares of the BidCo. BidCo holds all shares of PropCo 1 and of the Henderson 3 Property Three Borrower. Furthermore, BidCo holds 94.8 per cent of the sum of shares of the Henderson 3 Alpha Borrower, the Henderson 3 Dortmund Borrower and the Henderson 3 Gelsenkirchen Borrower. The remaining shares of each of these companies (5.2 per cent of the shares of each company) are held by Henderson I Beteiligung GmbH & Co. KG, organised and existing under the laws of Germany, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Frankfurt am Main under HR A 43273, having its registered office at An der Welle 3, 60322 Frankfurt am Main, Germany. Henderson Beteiligung GmbH & Co. KG is hold by the BidCo at 94.9 per cent. The remaining sum of 5.1 per cent of shares is owned by Henderson I Beteiligung Verwaltungs GmbH, organised and existing under the laws of Germany, registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Frankfurt am Main under HR B 77810, having its registered office at An der Welle 3, 60322 Frankfurt am Main, Germany. This is a wholly owned company of Henderson Global Investors (International Holding) B.V. All the shares of the Henderson 3 Parent are held by the Henderson Sponsor.

The Property

The property comprises retail buildings, office buildings and a centre for logistics located in Germany (the "**Henderson 3 Property**"). The portfolio is divided as follows:

(i) The property located at Erlenbruch 136, 60386 Frankfurt am Main (the "**Henderson 3 Frankfurt Property**");

(ii) the property located at Lanzstrasse 1, 21244 Buchholz in der Nordheide (the "**Henderson 3 Buchholz Property**");

(iii) the property located at Bennaborstrasse 48, 44149 Dortmund (the "**Henderson 3 Dortmund Property**");

(iv) the property located at Leithestrasse 45 45886 Gelsenkirchen (the "**Henderson 3 Gelsenkirchen Property**"); and

(v) the property located at Braunschweiger Strasse 38, 38723 Seesen (the "**Henderson 3 Seesen Property**").

Environmental investigations revealed that there is some level of groundwater contamination. The Henderson 3 Borrower believes that these contaminations are not caused by activities on the Henderson 3

Frankfurt Property. Thus, it is likely that the responsibility of the owner of the Henderson 3 Frankfurt Property is limited to ground water monitoring survey. However it cannot be excluded that remediation measures could be imposed on the owner.

Property Management

Pursuant to a property management agreement between Henderson Global Investors Ltd. and PropertyOne GmbH, PropertyOne GmbH manages the Henderson 3 Property.

The services carried out by PropertyOne GmbH include, *inter alia*, rent management, marketing and leasing, lease renewals, management of charges, technical management, administrative management and cash management.

PropertyOne GmbH has signed a duty of care letter from the Henderson 3 Security Agent, also addressed to the Henderson 3 Lender, wherein it agrees to comply with the terms of and to fulfil its obligations set out in the property management agreement, exercise all proper skill, care and diligence in performing its obligations, pay any rental income received by it as soon as practicable into the account of the company designated the rent account. Property One GmbH also undertakes to install professional indemnity insurance with a coverage of €1,000,000.

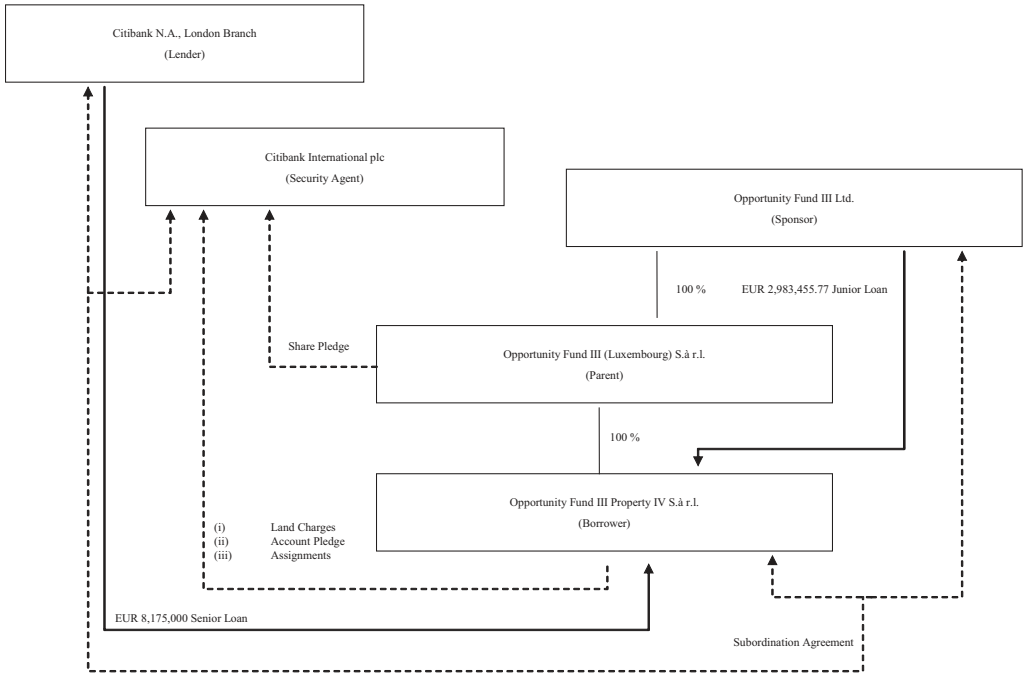
Subordinated Loan

The Henderson Sponsor has granted shareholders loans (the "**Henderson 3 Shareholders Loans**") to the Henderson 3 Property Three Borrower and BidCo. The Henderson 3 Shareholders Loans are subordinated to all claims against BidCo or the Henderson 3 Property Three Borrower by the First Seller by a subordination agreement between the First Seller, BidCo and the Henderson Sponsor as the subordinated creditor dated 28 December 2006 and governed by German law and a by a subordination agreement between the First Seller, Henderson 3 Property Three Borrower and the Henderson Sponsor as the subordinated creditor dated 14 February 2007 and governed by German law.

The table below set out some details in relation to the major tenants of the Henderson 3 Properties:

Major Tenants	Rent (€)	% of total rent
KROKOFANT Möbel GmbH & Co. Vertriebs KG	1,302,804	30%
Arrivo Marketing GmbH & Co. KG	1,171,404	27%
CTD Innovations-Technologie imDialog	695,868	16%
Delfton Kommunikationstechnologie G	446,772	10%
Toom-Baumarkt	398,808	9%

Henderson 4 (Bergen) Loan



Loan Information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank, N.A., London Branch
Original Loan Balance (whole facility)	€8,175,000
Cut-Off Date Balance (whole facility)	€8,175,000
B loan sold to third party lender?	None
Cut-Off Date Balance (securitised facility)	€8,175,000
Cut-Off Date Balance (junior syndicated facility)	NA
Initial Drawdown Date	10 January 2007
First Payment Date	16 April 2007
Loan Purpose	Acquisition
Interest Rate Type	Fixed
Hedging Type	Swap at Lender level with Citibank, N.A., London Branch
Loan Maturity Date	16 January 2013
Borrower	Opportunity Fund III Property IV Sarl
Amortisation Type	Interest Only
Cut-Off Date LTV (whole facility)	75.0%
Cut-Off Date LTV (securitised facility)	75.0%
Loan Maturity Date LTV (whole facility)	75.0%
Loan Maturity Date LTV (securitised facility)	75.0%
Cut-Off Date ICR (whole facility)	1.85

Loan Information	
Cut-Off Date ICR (securitised facility)	1.85
Cut-Off Date DSCR (whole facility)	1.85
Cut-Off Date DSCR (securitised facility)	1.85
Swap Rate	4.08%
Securitised Loan Margin	0.75%
ICR Covenant	1.25x triggers cash sweep and 1.00x triggers default
LTV Covenant	None
Prepayment Penalties	0-1st year 0.75%; 1-2nd year 0.50%; 2-3rd year 0.30%; 3-4th year 0.15%

Property Information	
Single Asset/Portfolio	Single Asset
Property Type	Retail/Residential/Office
Location	Germany
NR Sqm	9,620
Freehold or Leasehold	Freehold
Property Management	PropertyOne GmbH
Gross Income	€830,376
Expenses	€100,378
Net Rental Income	€729,998
Property Value	€10,900,000
Vacant Possession Value	€9,500,000
Valuation Date	10 July 2006
Valuation Firm	Cushman & Wakefield
Senior Loan per Sqm	€850
Expected/Estimated Rental Value	€817,831
Cut-off Gross Yield on the Properties	7.6%
Cut-off Net Yield on the Properties	6.7%
Cut-off Gross Yield on Securitised Debt	10.2%
Cut-off Net Yield on Securitised Debt	8.9%

Tenant Information	
Occupancy	100.0%
WA Lease Term (Years)	7.9

The Loan

This loan (the "**Henderson 4 (Bergen) Loan**") was originated by Citibank, N.A., London Branch (the "**Henderson 4 Lender**") pursuant to a loan agreement dated 5 January 2007 and as amended on 19 January 2007 (the "**Henderson 4 Loan Agreement**"). The Henderson 4 Loan Agreement is governed by German law.

The Henderson 4 (Bergen) Loan is secured by (1) an account pledge over the bank accounts of the Henderson 4 Borrower under German law; (2) the assignment of rental and insurance claims under German law; (3) the assignment of any claims under the property purchase agreement relating to the Henderson 4 Property under German law and (4) the assignment of any other claims under German law; (5) a security purpose agreement (*Sicherungszweckabrede*) regarding the land charge over the Henderson 4 Property under German law; (6) share pledge over all of the Borrower's shares (governed by the law of the Grand Duchy of Luxembourg) and (7) a first-ranking land charge under German law encumbering the Henderson 4 Property.

The security conferred by each of the security agreements constitutes a first priority security interest and has been granted to Citibank International plc (the "**Henderson 4 Security Agent**").

For further information, refer to the section "**Enforcement Procedures**".

The interest rate of the Henderson 4 (Bergen) Loan is the sum of (i) 0.75 per cent. per annum, plus (ii) a rate (six year swap rate per annum) which has been determined to be 4.08 per cent.

The Henderson 4 Borrower has not entered into any swap agreements with the Swap Counterparty in relation to the Henderson 4 (Bergen) Loan.

If, five business days prior to any interest payment date, the Henderson 4 Borrower does not comply with the interest cover ratio covenant that the projected net rents (*geschätzte Nettomieten*) on each interest payment date are higher than or equal to 125 per cent. of the projected interest costs, the Henderson 4 Borrower must on the next interest payment date, pay any amount which is standing to the credit of the rent account to the debt service reserve account.

If, on any interest payment date, the projected net rents (*geschätzte Nettomieten*) are equal to or lower than 100 per cent. of the projected interest costs, this amounts to an event of default, and the Henderson 4 Lender shall have the right to terminate the Henderson 4 Loan Agreement and accelerate any amounts outstanding under the Henderson 4 (Bergen) Loan.

The Henderson 4 Borrower must prepay the Henderson 4 (Bergen) Loan in an amount of 0.25 per cent. of the original outstanding principal amount on an interest payment date, if, on the day five business days prior to the relevant interest payment date, the gross cash flow was lower than 8.5 per cent. of the then outstanding debt.

The Henderson 4 (Bergen) Loan shall be repaid in full on the Loan Maturity Date for the Henderson 4 (Bergen) Loan.

Hedging

The interest rate on the Henderson 4 (Bergen) Loan is payable at a fixed rate. The Issuer will enter into an interest rate swap agreement (the "**Henderson 4 Swap Agreement**") on off-market terms with the Swap Counterparty (a Fixed/Floating Swap Transaction) that requires (a) the Issuer to pay to the Swap Counterparty a fixed rate of 4.08 per cent. and (b) the Swap Counterparty will pay to the Issuer an amount calculated by reference to a 3-month EURIBOR rate on a notional amount equal to the scheduled amortisation of the principal amount of the Henderson 4 (Bergen) Loan. In the event of any repayment of in excess of the amortisation schedule, this will effectively result in a partial termination of the relevant Fixed/Floating Swap Transaction and there may be a termination payment due from the Issuer to the Swap Counterparty. The mark to market value of the Henderson 4 Swap Agreement as at 19 June 2007 was approximately €225,873.30 in favour of the Issuer.

The Borrower

The borrower under the Henderson 4 (Bergen) Loan (the "**Henderson 4 Borrower**") is Opportunity Fund III Property IV S.à r.l., a *société à responsabilité limitée* organised and existing under the laws of the Grand Duchy of Luxembourg, with a share capital of EUR 12,500, having its registered office at 65, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg. All shares of the Henderson 4 Borrower are held by Opportunity Fund III (Luxembourg) S.à r.l., a private limited company incorporated under the laws of Luxembourg (the "**Henderson 4 Parent**"). All shares of the Henderson 4 Parent are held by the Henderson Sponsor.

The Property

The property (the "**Henderson 4 Property**") is a mixed retail, office and residential property located in Victor-Slotosch-Str. 18, 60388 Frankfurt (Bergen-Enkheim), Germany.

Property Management

Pursuant to a property management agreement between Henderson Global Investors Ltd. and PropertyOne GmbH, PropertyOne GmbH manages the Henderson 4 Property.

The services carried out by PropertyOne GmbH include, *inter alia*, rent management, marketing and leasing, lease renewals, management of charges, technical management, administrative management and cash management.

PropertyOne GmbH has signed a duty of care letter from the Henderson 4 Security Agent, also addressed to the Henderson 4 Lender, wherein it agrees to comply with the terms of and to fulfil its obligations set out in the property management agreement, exercise all proper skill, care and diligence in performing its obligations, pay any rental income received by it as soon as practicable into the account of the company designated the rent account. Property One GmbH also undertakes to install professional indemnity insurance with a coverage of €1,000,000.

Subordinated Loan

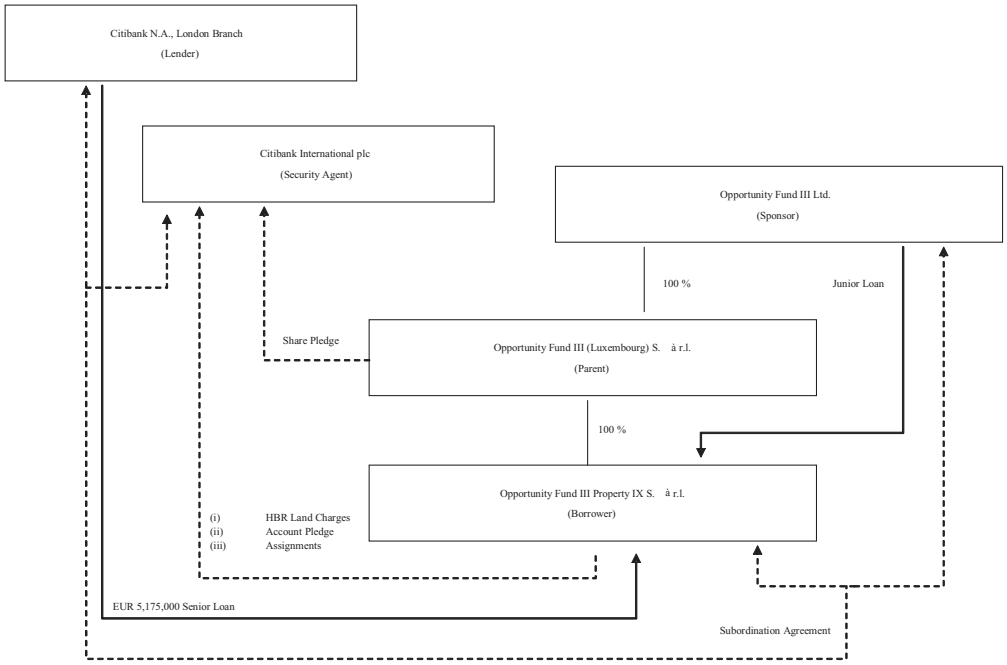
The Henderson Sponsor has granted a shareholders loan (the "**Henderson 4 Shareholders Loan**") to the Henderson 4 Borrower.

Pursuant to a subordination agreement between the Henderson 4 Lender, the Henderson 4 Security Agent, the Henderson 4 Borrower and the Henderson Sponsor as the subordinated creditor dated 29 August 2006, the payment of amounts owing under the Henderson 4 Shareholders Loan is subordinated to the payment of amounts owing under the Henderson 4 (Bergen) Loan.

The table below set out some details in relation to the major tenants of the Henderson 4 Properties:

Major Tenant	Rent (£)	% of total rent
Penny	187,920	23%
Day & Night Sport	165,000	20%
Tolliwood Spieleland GmbH	120,000	14%
Nordmicro	98,904	12%
DM	90,864	11%

Henderson 5 (Bardowick) Loan



Loan Information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank, N.A., London Branch
Original Loan Balance (whole facility)	€5,175,000
Cut-Off Date Balance (whole facility)	€5,175,000
B loan sold to third party lender?	None
Cut-Off Date Balance (securitised facility)	€5,175,000
Cut-Off Date Balance (junior syndicated facility)	NA
Initial Drawdown Date	23 February 2007
First Payment Date	16 April 2007
Loan Purpose	Acquisition
Interest Rate Type	Fixed
Hedging Type	Swap at Lender level with Citibank, N.A., London Branch
Loan Maturity Date	16 April 2013
Borrower	Opportunity Fund III Property IX Sarl
Amortisation Type	Interest Only
Cut-Off Date LTV (whole facility)	73.9%

Loan Information	
Cut-Off Date LTV (securitised facility)	73.9%
Loan Maturity Date LTV (whole facility)	73.9%
Loan Maturity Date LTV (securitised facility)	73.9%
Cut-Off Date ICR (whole facility)	1.83
Cut-Off Date ICR (securitised facility)	1.83
Cut-Off Date DSCR (whole facility)	1.83
Cut-Off Date DSCR (securitised facility)	1.83
Swap Rate	4.17%
Securitised Loan Margin	0.80%
ICR Covenant	1.25x triggers cash sweep; 1.00x triggers default
LTV Covenant	None
Prepayment Penalties	0-1st year 0.75%; 1-2nd year 0.50%; 2-3rd year 0.30%; 3-4th year 0.15%

Property Information	
Single Asset/Portfolio	Single Asset
Property Type	Retail/residential
Location	Germany
NR Sqm	8,260
Freehold or Leasehold	Leasehold
Property Management	PropertyOne GmbH
Gross Income	€553,532
Expenses	€83,906
Net Rental Income	€469,626
Property Value	€7,000,000
Vacant Possession Value	€5,500,000
Valuation Date	1 February 2007
Valuation Firm	AtisReal
Senior Loan per Sqm	€626
Expected/Estimated Rental Value	€542,233
Cut-off Gross Yield on the Properties	7.9%
Cut-off Net Yield on the Properties	6.7%
Cut-off Gross Yield on Securitised Debt	10.7%
Cut-off Net Yield on Securitised Debt	9.1%

Tenant Information	
Occupancy	96.3%
WA Lease Term (Years)	6.2

The Loan

This loan (the "**Henderson 5 (Bardowick) Loan**") was originated by Citibank, N.A., London Branch (the "**Henderson 5 Lender**") pursuant to a loan agreement dated 19 February 2007 (the "**Henderson 5 Loan Agreement**"). The Henderson 5 Loan Agreement is governed by German law.

The Henderson 5 (Bardowick) Loan is secured by (1) an account pledge over the bank accounts of the Henderson 5 Borrower under German law; (2) the assignment of rental and insurance claims under German law; (3) the assignment of any claims under the property purchase agreement relating to the Henderson 5 Property under German law and (4) the assignment of any other claims under German law as well as a (5) a security purpose agreement (*Sicherungszweckabrede*) regarding the land charge over the Henderson 5 Property under German law; (6) share pledge over all of the Borrower's shares (governed by the law of the Grand Duchy of Luxembourg) and (7) a certificated first-ranking land charge under German law encumbering the Henderson 5 Property.

The security conferred by each of the security agreements constitutes a first priority security interest and has been granted to Citibank International plc (the "**Henderson 5 Security Agent**").

For further information, refer to the section "**Enforcement Procedures**".

The interest rate of the Henderson 5 (Bardowick) Loan is the sum of (i) 0.80 per cent. per annum, plus (ii) a rate (six year swap rate per annum) which has been determined to be 4.17 per cent..

The Henderson 5 Borrower has not entered into any swap agreements with the Swap Counterparty in relation to the Henderson 5 (Bardowick) Loan.

If, five business days prior to any interest payment date, the Henderson 5 Borrower does not comply with the interest cover ratio covenant that the projected net rents (*geschätzte Nettomieten*) on each interest

payment date are higher than or equal to 125 per cent. of the projected interest costs, the Henderson 5 Borrower must on the next interest payment date, prepay the Term Loan in the amount which is standing to the credit of the Rent Account (after the payments as set out in Clauses (i) to and including (x) of Schedule 14 of the Henderson 5 Loan Agreement (Rent Account Distribution Scheme) have been made).

If, on any interest payment date, the projected net rents (*geschätzte Nettomieten*) are equal to or lower than 100 per cent. of the projected interest costs, this amounts to an event of default, and the Henderson 5 Lender shall have the right to terminate the Henderson 5 Loan Agreement and accelerate any amounts outstanding under the Henderson 5 (Bardowick) Loan.

The Henderson 5 Borrower must prepay the Henderson 5 (Bardowick) Loan in an amount of 0.25 per cent. of the original outstanding principal amount on an interest payment date, if, on the day five business days prior to the relevant interest payment date, the gross cash flow was lower than 8.5 per cent. of the then outstanding debt.

The Henderson 5 (Bardowick) Loan shall be repaid in full on the Loan Maturity Date for the Henderson 5 (Bardowick) Loan.

Hedging

The interest rate on the Henderson 5 (Bardowick) Loan is payable at a fixed rate. The Issuer will enter into an interest rate swap agreement (the "**Henderson 5 Swap Agreement**") on off-market terms with the Swap Counterparty (a Fixed/Floating Swap Transaction) that requires (a) the Issuer to pay to the Swap Counterparty a fixed rate of 4.17 per cent. and (b) the Swap Counterparty will pay to the Issuer an amount calculated by reference to a 3-month EURIBOR rate on a notional amount equal to the scheduled amortisation of the principal amount of the Henderson 5 (Bardowick) Loan. In the event of any repayment of in excess of the amortisation schedule, this will effectively result in a partial termination of the relevant Fixed/Floating Swap Transaction and there may be a termination payment due from the Issuer to the Swap Counterparty. The mark to market value of the Henderson 5 Swap Agreement as at 19 June 2007 was approximately €124,364.15 in favour of the Issuer.

The Borrower

The borrower under the Henderson 5 (Bardowick) Loan (the "**Henderson 5 Borrower**") is Opportunity Fund III Property IX S.à r.l., a *société à responsabilité limitée* organised and existing under the laws of the Grand Duchy of Luxembourg, with a share capital of EUR 12,500, having its registered office at 65, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg. All shares of the Henderson 5 Borrower are held by Opportunity Fund III (Luxembourg) S.à r.l., a private limited company incorporated under the laws of Luxembourg (the "**Henderson 5 Parent**"). All shares of the Henderson 5 Parent are held by the Henderson Sponsor.

The Property

The property (the "**Henderson 5 Property**") comprises the hereditary building right in the property (which contains a retail warehouse) located in Hamburger Landstraße 25, 21357 Bardowick. The owner of the land is Allgemeine Hannoversche Klosterfonds.

Property Management

Pursuant to a property management agreement between Henderson Global Investors Ltd. and PropertyOne GmbH, PropertyOne GmbH manages the Henderson 5 Property.

The services carried out by PropertyOne GmbH include, *inter alia*, rent management, marketing and leasing, lease renewals, management of charges, technical management, administrative management and cash management.

PropertyOne GmbH has signed a duty of care letter from the Henderson 5 Security Agent, also addressed to the Henderson 5 Lender, wherein it agrees to comply with the terms of and to fulfil its obligations set out in the property management agreement, exercise all proper skill, care and diligence in performing its obligations, pay any rental income received by it as soon as practicable into the account of the company designated the rent account. Property One GmbH also undertakes to install professional indemnity insurance with a coverage of €1,000,000.

Subordinated Loan

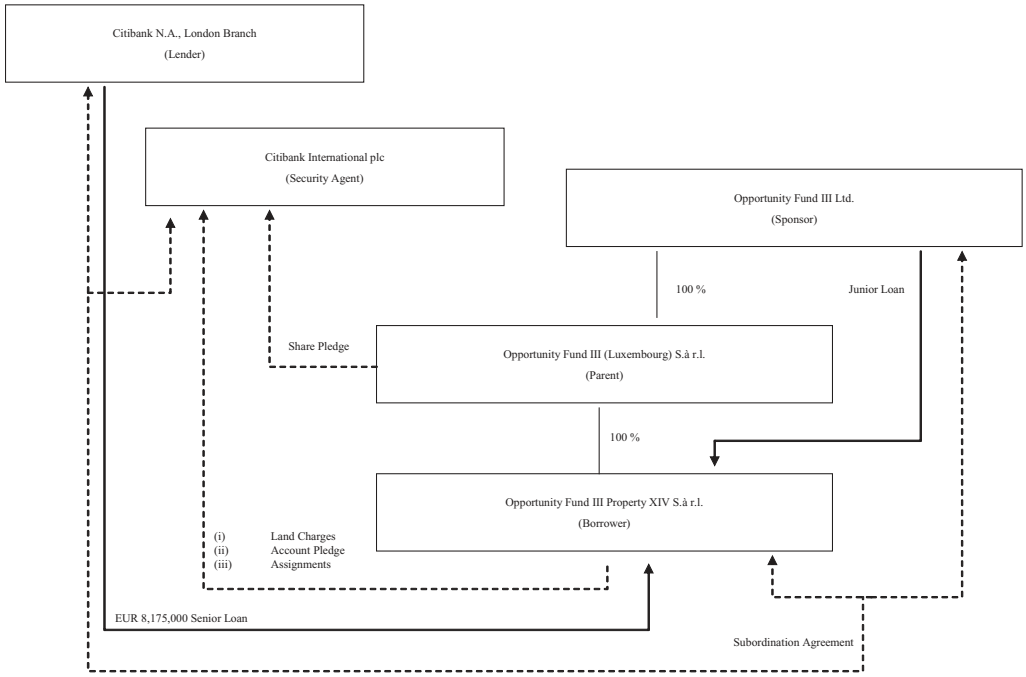
The Henderson Sponsor has granted a shareholders loan (the "**Henderson 5 Shareholders Loan**") to the Henderson 5 Borrower.

Pursuant to a subordination agreement between the Henderson 5 Lender, the Henderson 5 Security Agent, the Henderson 5 Borrower and the Henderson Sponsor as the subordinated creditor dated 19 February 2007, the payment of amounts owing under the Henderson 5 Shareholders Loan is subordinated to the payment of amounts owing under the Henderson 5 (Bardowick) Loan.

The table below set out some details in relation to the major tenants of the Henderson 5 Properties:

Major Tenants	Rent (€)	% of total rent
Jawoll Stern Handel	184,200	33%
Hammer GmbH	176,145	32%
Getränke-Profi GmbH	49,152	9%
CM Möbel & Co.	45,600	8%

Henderson 6 (Lüneburg) Loan



Loan Information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank, N.A., London Branch
Original Loan Balance (whole facility)	€8,175,000
Cut-Off Date Balance (whole facility)	€8,175,000
B loan sold to third party lender?	None
Cut-Off Date Balance (securitised facility)	€8,175,000
Cut-Off Balance (junior syndicated facility)	NA
Initial Drawdown Date	23 February 2007
First Payment Date	16 April 2007
Loan Purpose	Acquisition
Interest Rate Type	Fixed
Hedging Type	Swap at Lender level with Citibank, N.A., London Branch
Loan Maturity Date	16 April 2013
Borrower	Opportunity Fund III Property XIV Sarl
Amortisation Type	Interest Only
Cut-Off Date LTV (whole facility)	75.0%
Cut-Off Date LTV (securitised facility)	75.0%
Loan Maturity Date LTV (whole facility)	75.0%
Loan Maturity Date LTV (securitised facility)	75.0%

Loan Information	
Cut-Off Date ICR (whole facility)	1.65
Cut-Off ICR (securitised facility)	1.65
Cut-Off Date DSCR (whole facility)	1.65
Cut-Off Date DSCR (securitised facility)	1.65
Swap Rate	4.17%
Securitised Loan Margin	0.75%
ICR Covenant	1.25x triggers cash sweep and 1.00x triggers default
LTV Covenant	None
Prepayment Penalties	0-1st year 0.75%; 1-2nd year 0.50%; 2-3rd year 0.30%; 3-4th year 0.15%

Property Information	
Single Asset/Portfolio	Single Asset
Property Type	Retail
Location	Germany
NR Sqm	6,363
Freehold or Leasehold	Freehold
Property Management	PropertyOne GmbH
Gross Income	€725,188
Expenses	€62,217
Net Rental Income	€662,971
Property Value	€10,900,000
Vacant Possession Value	€9,200,000
Valuation Date	1 February 2007
Valuation Firm	AtisReal
Senior Loan per Sqm	€1,285
Expected/Estimated Rental Value	€725,382
Cut-off Gross Yield on the Properties	6.7%
Cut-off Net Yield on the Properties	6.1%
Cut-off Gross Yield on Securitised Debt	8.9%
Cut-off Net Yield on Securitised Debt	8.1%

Tenant Information	
Occupancy	100.0%
WA Lease Term (Years)	7.7

The Loan

This loan (the "**Henderson 6 (Lüneburg) Loan**") was originated by Citibank, N.A., London Branch (the "**Henderson 6 Lender**") pursuant to a loan agreement dated 19 February 2007 (the "**Henderson 6 Loan Agreement**"). The Henderson 6 Loan Agreement is governed by German law.

The Henderson 6 (Lüneburg) Loan is secured by (1) an account pledge over the bank accounts of the Henderson 6 Borrower under German law; (2) the assignment of rental and insurance claims under German law; (3) the assignment of any claims under the property purchase agreement relating to the Henderson 6 Property under German law and (4) the assignment of any other claims under German law as well as a (5) a security purpose agreement (*Sicherungszweckabrede*) regarding the land charge over the Henderson 6 Property under German law; (6) share pledge over all of the Borrower's shares (governed by the law of the Grand Duchy of Luxembourg) and (7) a certificated first-ranking land charge under German law encumbering the Henderson 6 Property.

The security conferred by each of the security agreements constitutes a first priority security interest and has been granted to Citibank International plc (the "**Henderson 6 Security Agent**").

For further information, refer to the section "**Enforcement Procedures**".

The interest rate of the Henderson 6 (Lüneburg) Loan is the sum of (i) 0.75 per cent. per annum, plus (ii) a rate (six year swap rate per annum) which has been determined to be 4.17 per cent.

The Henderson 6 Borrower has not entered into any swap agreements with the Swap Counterparty in relation to the Henderson 6 (Lüneburg) Loan.

If, five business days prior to any interest payment date, the Henderson 6 Borrower does not comply with the interest cover ratio covenant that the projected net rents (*geschätzte Nettomieten*) on each interest payment date are higher than or equal to 125 per cent. of the projected interest costs, the Henderson 6

Borrower must on the next interest payment date, prepay the Term Loan in the amount which is standing to the credit of the Rent Account (after the payments as set out in Clauses (i) to and including (x) of Schedule 14 of the Henderson Loan Agreement (Rent Account Distribution Scheme) have been made).

If, on any interest payment date, the projected net rents (*geschätzte Nettomieten*) are equal to or lower than 100 per cent. of the projected interest costs, this amounts to an event of default, and the Henderson 6 Lender shall have the right to terminate the Henderson 6 Loan Agreement and accelerate any amounts outstanding under the Henderson 6 (Lüneburg) Loan.

The Henderson 6 Borrower must prepay the Henderson 6 (Lüneburg) Loan in an amount of 0.25 per cent. of the original outstanding principal amount on an interest payment date, if, on the day five business days prior to the relevant interest payment date, the gross cash flow was lower than 8.5 per cent. of the then outstanding debt.

The Henderson 6 (Lüneburg) Loan shall be repaid in full on the Loan Maturity Date for the Henderson 6 (Lüneburg) Loan.

Hedging

The interest rate on the Henderson 6 (Luneburg) Loan is payable at a fixed rate. The Issuer will enter into an interest rate swap agreement (the "**Henderson 6 Swap Agreement**") on off-market terms with the Swap Counterparty (a Fixed/Floating Swap Transaction) that requires (a) the Issuer to pay to the Swap Counterparty a fixed rate of 4.17 per cent. and (b) the Swap Counterparty will pay to the Issuer an amount calculated by reference to a 3-month EURIBOR rate on a notional amount equal to the scheduled amortisation of the principal amount of the Henderson 6 (Luneburg) Loan. In the event of any repayment of in excess of the amortisation schedule, this will effectively result in a partial termination of the relevant Fixed/Floating Swap Transaction and there may be a termination payment due from the Issuer to the Swap Counterparty. The mark to market value of the Henderson 6 Swap Agreement as at 19 June 2007 was approximately €196,459.32 in favour of the Issuer.

The Borrower

The borrower under the Henderson 6 (Lüneburg) Loan (the "**Henderson 6 Borrower**") is Opportunity Fund III Property XIV S.à r.l., a *société à responsabilité limitée* organised and existing under the laws of the Grand Duchy of Luxembourg, with a share capital of EUR 12,500, having its registered office at 65, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg. All shares of the Henderson 6 Borrower are held by Opportunity Fund III (Luxembourg) S.à r.l., a private limited company incorporated under the laws of Luxembourg (the "**Henderson 6 Parent**"). All shares of the Henderson 6 Parent are held by the Henderson Sponsor.

The Property

The property (the "**Henderson 6 Property**") comprises the property (which contains a retail warehouse) located in Auf den Blöcken, 21337 Lüneburg.

Property Management

Pursuant to a property management agreement between Henderson Global Investors Ltd. and PropertyOne GmbH, PropertyOne GmbH manages the Henderson 6 Property.

The services carried out by PropertyOne GmbH include, *inter alia*, rent management, marketing and leasing, lease renewals, management of charges, technical management, administrative management and cash management.

PropertyOne GmbH has signed a duty of care letter from the Henderson 6 Security Agent, also addressed to the Henderson 6 Lender, wherein it agrees to comply with the terms of and to fulfil its obligations set out in the property management agreement, exercise all proper skill, care and diligence in performing its obligations, pay any rental income received by it as soon as practicable into the account of the company designated the rent account. Property One GmbH also undertakes to install professional indemnity insurance with a coverage of €1,000,000.

Subordinated Loan

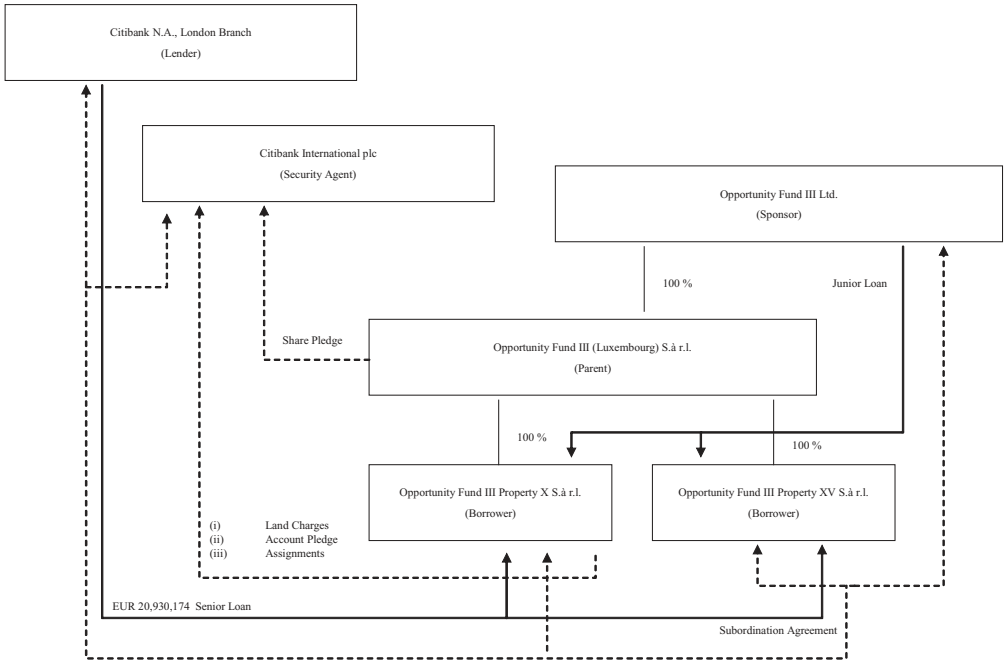
The Henderson Sponsor has granted a shareholders loan (the "**Henderson 6 Shareholders Loan**") to the Henderson 6 Borrower.

Pursuant to a subordination agreement between the Henderson 6 Lender, the Henderson 6 Security Agent, the Henderson 6 Borrower and the Henderson Sponsor as the subordinated creditor dated 19 February 2007, the payment of amounts owing under the Henderson 6 Shareholders Loan is subordinated to the payment of amounts owing under the Henderson 6 (Lüneburg) Loan.

The table below set out some details in relation to the major tenants of the Henderson 6 Property:

Major Tenants	Rent (€)	% of total rent
Familia	608,899	84%
Discothek	108,000	15%
Sparkasse	8,289	1%

Henderson 7 (Cluster 4 & 5) Loan



Loan Information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank, N.A., London Branch
Original Loan Balance (whole facility)	€20,930,174
Cut-Off Date Balance (whole facility)	€20,930,174
B loan sold to third party lender?	None
Cut-Off Date Balance (securitised facility)	€20,930,174
Cut-Off Date Balance (junior syndicated facility)	NA
Initial Drawdown Date	23 February 2007
First Payment Date	16 April 2007
Loan Purpose	Acquisition
Interest Rate Type	Fixed
Hedging Type	Swap at Lender level with Citibank, N.A., London Branch
Loan Maturity Date	16 April 2013
Borrower	Opportunity Fund III Property X Sarl and Opportunity Fund III Property XV Sarl
Amortisation Type	Interest Only
Cut-Off Date LTV (whole facility)	71.2%
Cut-Off Date LTV (securitised facility)	71.2%

Loan Information	
Loan Maturity Date LTV (whole facility)	71.2%
Loan Maturity Date LTV (securitised facility)	71.2%
Cut-Off Date ICR (whole facility)	1.81
Cut-Off ICR (securitised facility)	1.81
Cut-Off Date DSCR (whole facility)	1.81
Cut-Off Date DSCR (securitised facility)	1.81
Swap Rate	4.17%
Securitised Loan Margin	0.75%
ICR Covenant	Less than 1.25x at triggers cash sweep; 1.00x triggers event of default
LTV Covenant	None
Prepayment Penalties	0-1st year 0.75%; 1-2nd year 0.50%; 2-3rd year 0.30%; 3-4th year 0.15%

Property Information	
Single Asset/Portfolio	Portfolio
Property Type	Retail / office / residential
Location	Germany
NR Sqm	16,369
Freehold or Leasehold	Freehold
Property Management	PropertyOne GmbH
Gross Income	€2,086,358
Expenses	€220,766
Net Rental Income	€1,865,592
Property Value	€29,400,000
Vacant Possession Value	€24,600,000
Valuation Date	1 February 2007
Valuation Firm	AtisReal
Senior Loan per Sqm	€1,279
Expected/Estimated Rental Value	€2,115,756
Cut-off Gross Yield on the Properties	7.1%
Cut-off Net Yield on the Properties	6.3%
Cut-off Gross Yield on Securitised Debt	10.0%
Cut-off Net Yield on Securitised Debt	8.9%

Tenant Information	
Occupancy	94.8%
WA Lease Term (Years)	5.5

The Loan

This loan (the "**Henderson 7 (Cluster 4 & 5) Loan**") was originated by Citibank, N.A., London Branch (the "**Henderson 7 Lender**") pursuant to a loan agreement dated 21 February 2007 (the "**Henderson 7 Loan Agreement**"). The Henderson 7 Loan Agreement is governed by German law.

The Henderson 7 (Cluster 4 & 5) Loan is secured by (1) account pledges over the bank accounts of the Henderson 7 Borrowers under German law; (2) the assignments of rental and insurance claims under German law; (3) the assignments of any claims under the property purchase agreement relating to the Henderson 7 Property under German law and (4) the assignments of any other claims under German law as well as a (5) a security purpose agreement (*Sicherungszweckabrede*) regarding the land charge over the Henderson 7 Property under German law; (6) share pledge of all of the Borrowers' shares between all of the Borrowers' shareholders as pledgors and the Citibank International plc (the "**Henderson 7 Security Agent**") as pledgee (governed by the law of the Grand Duchy of Luxembourg) and (7) the land charge deeds under German law granted by the Henderson 7 Borrowers to the Henderson 7 Security Agent relating to a first-ranking land charge encumbering the Henderson 7 Properties with certificate (*erstrangige Briefgrundschuld*) plus 15 per cent. p.a. interest *in rem* plus 10 per cent. ancillary costs, subject to immediate foreclosure as follows: (i) nominal amount of the land charge: 200 per cent. of the relevant property purchase price; (ii) 100 per cent. of the nominal amount to be subject to immediate foreclosure; (iii) ranking of prior ranking encumbrances (if any) in division II of the land register as agreed with the Henderson 7 Security Agent; and (iv) first ranking in division III of the land register.

The security conferred by each of the security agreements constitutes a first priority security interest and has been granted to Citibank International plc (the "**Henderson 7 Security Agent**").

For further information, refer to the section "**Enforcement Procedures**".

The interest rate of the Henderson 7 (Cluster 4 & 5) Loan is the aggregate of (i) the relevant margin and (ii) a rate (six year swap rate per annum) calculated on each rate fixing date, which has been determined to be 4.17 per cent..

The relevant margin is (i) in respect of Henderson 7 Property 1 term loan as long as (x) Henderson 7 Property 3 and Henderson 7 Property 4 or (y) any shares in PropCo XV have not been sold, 0.75 per

cent. per annum; and upon the sale of (x) Henderson 7 Property 3 or Henderson 7 Property 4 or (y) any shares in PropCo XV have been sold, 0.90 per cent. per annum; (ii) in respect of Henderson 7 Property 2 term loan and as long as (x) Henderson 7 Property 3 and Henderson 7 Property 4 or (y) any shares in PropCo XV have not been sold, 0.75 per cent. per annum; and upon the sale of (x) Henderson 7 Property 3 or Henderson 7 Property 4 or (y) any shares in PropCo XV have been sold, 0.90 per cent. per annum; and (iii) in respect of Henderson 7 Property 3 term loan and Henderson 7 Property 4 term loan 0.75 per cent. per annum.

The Henderson 7 Borrowers have not entered into any swap agreements with the Swap Counterparty in relation to the Henderson 7 (Cluster 4 & 5) Loan.

If, five business days prior to any interest payment date, any Henderson 7 Borrowers do not comply with the interest cover ratio covenant that the projected net rents (*geschätzte Nettomieten*) on each interest payment date are higher than or equal to 125 per cent. of the projected interest costs, the respective Henderson 7 Borrowers must on the next interest payment date, prepay the Term Loan in the amount which is standing to the credit of the Rent Account (after the payments as set out in Clauses (i) to and including (x) of Schedule 14 of the Loan Agreement (Rent Account Distribution Scheme) have been made).

If, on any interest payment date, the projected net rents (*geschätzte Nettomieten*) are equal to or lower than 100 per cent. of the projected interest costs, this amounts to an event of default, and the Henderson 7 Lender shall have the right to terminate the Henderson 7 Loan Agreement and accelerate any amounts outstanding under the Henderson 7 (Cluster 4 & 5) Loan.

Any Henderson 7 Borrowers must prepay the its term loan of the Henderson 7 (Cluster 4 & 5) Loan in an amount of 0.25 per cent. of the relevant term loan amount on an interest payment date, if, on the day five business days prior to the relevant interest payment date, the gross cash flow was lower than 8.5 per cent. of the then outstanding debt.

The Henderson 7 (Cluster 4 & 5) Loan shall be repaid in full on the Loan Maturity Date for the Henderson 7 (Cluster 4 & 5) Loan.

Hedging

The interest rate on the Henderson 7 (Cluster 4 & 5) Loan is payable at a fixed rate. The Issuer will enter into an interest rate swap agreement (the "**Henderson 7 Swap Agreement**") on off-market terms with the Swap Counterparty (a Fixed/Floating Swap Transaction) that requires (a) the Issuer to pay to the Swap Counterparty a fixed rate of 4.17 per cent. and (b) the Swap Counterparty will pay to the Issuer an amount calculated by reference to a 3-month EURIBOR rate on a notional amount equal to the scheduled amortisation of the principal amount of the Henderson 7 (Cluster 4 & 5) Loan. In the event of any repayment of in excess of the amortisation schedule, this will effectively result in a partial termination of the relevant Fixed/Floating Swap Transaction and there may be a termination payment due from the Issuer to the Swap Counterparty. The mark to market value of the Henderson 7 Swap Agreement as at 19 June 2007 was approximately €468,310.74 in favour of the Issuer.

The Borrowers

The borrowers under the Henderson 7 (Cluster 4 & 5) Loan are Opportunity Fund III Property X S.à r.l., a *société à responsabilité limitée* organised and existing under the laws of the Grand Duchy of Luxembourg, with a share capital of EUR 12,500, having its registered office at 65, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg (the "**Henderson 7 PropCo X Borrowers**") and Opportunity Fund III Property XV S.à r.l., a *société à responsabilité limitée* organized and existing under the laws of the Grand Duchy of Luxembourg, with a share capital of EUR 12,500, having its registered office at 65, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg (the "**Henderson 7 PropCo XV Borrower**" and together with the Henderson 7 PropCo X Borrower hereinafter referred to as the "**Henderson 7 Borrowers**" and each of them a "**Henderson 7 Borrower**"). All shares of the Henderson 7 Borrowers are held by Opportunity Fund III (Luxembourg) S.à r.l., a private limited company incorporated under the laws of Luxembourg (the "**Henderson 7 Parent**"). All shares of the Henderson 7 Parent are held by the Henderson Sponsor.

The Property

The property (the "**Henderson 7 Property**") comprises the properties located in (i) Ratzeburger Allee 111-125, Lübeck ("**Henderson 7 Property 1**"); (ii) Ratzeburger Allee 127, Lübeck ("**Henderson**

7 Property 2"); (iii) Rodigallee 217, 219, 221, Hamburg Wandsbeck, ("**Henderson 7 Property 3**") and (iv) Buttermarkt 5, 6, 7 and Holzmarkt 15, Köthen ("**Henderson 7 Property 4**").

The Henderson 7 Property 1 and the Henderson 7 Property 2 contain retail/office space only, whereas the Henderson 7 Property 3 and the Henderson 7 Property 4 contain predominantly retail or office space and a minority of residential space. The Henderson 7 Property 3 is registered in a register of contaminated sites due to its former use as a waste disposal site. Whilst the vendor of the Henderson 7 Property confirmed that it was not aware of any such contamination and granted the Henderson 7 Borrowers an indemnity in respect of clean up costs, it cannot be excluded that possible costs for decontamination of the Henderson 7 Property 3 will have to be borne by the Henderson 7 Borrowers.

Property Management

Pursuant to a property management agreement between Henderson Global Investors Ltd. and PropertyOne GmbH, PropertyOne GmbH manages the Henderson 7 Property.

The services carried out by PropertyOne GmbH include, *inter alia*, rent management, marketing and leasing, lease renewals, management of charges, technical management, administrative management and cash management.

PropertyOne GmbH has signed a duty of care letter from the Henderson 7 Security Agent, also addressed to the Henderson 7 Lender, wherein it agrees to comply with the terms of and to fulfil its obligations set out in the property management agreement, exercise all proper skill, care and diligence in performing its obligations, pay any rental income received by it as soon as practicable into the account of the company designated the rent account. Property One GmbH also undertakes to install professional indemnity insurance with a coverage of €1,000,000.

Subordinated Loan

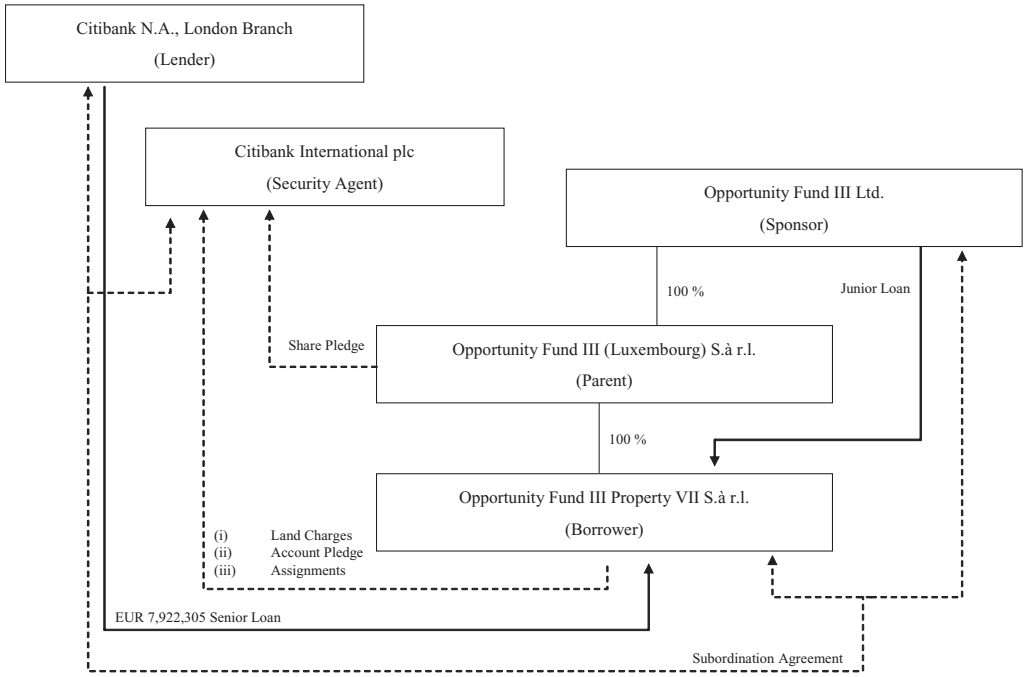
The Henderson Sponsor has granted a shareholders loan to each Henderson 7 Borrower (the "**Henderson 7 Shareholders Loans**").

Pursuant to a subordination agreement between the Henderson 7 Lender, the Henderson 7 Security Agent, the Henderson 7 Borrowers and the Henderson Sponsor as the subordinated creditor dated 21 February 2007, the payment of amounts owing under the Henderson 7 Shareholders Loans are subordinated to the payment of amounts owing under the Henderson 7 (Cluster 4 & 5) Loan.

The table below set out some details in relation to the major tenants of the Henderson 7 Properties:

Major Tenants	Rent (€)	% of total rent
Muller Drogerie	291,230	14%
Staples	261,127	13%
Edeka	240,057	12%
Plus	189,000	9%
Weiland Books	99,756	5%

Henderson 8 (Flensburg) Loan



Loan Information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank, N.A., London Branch
Original Loan Balance (whole facility)	€7,922,305
Cut-Off Date Balance (whole facility)	€7,922,305
B loan sold to third party lender?	None
Cut-Off Date Balance (securitised facility)	€7,922,305
Cut-Off Date Balance (junior syndicated facility)	NA
Initial Drawdown Date	08 March 2007
First Payment Date	16 April 2007
Loan Purpose	Acquisition
Interest Rate Type	Fixed
Hedging Type	Swap at Lender level with Citibank, N.A., London Branch
Loan Maturity Date	16 April 2013
Borrower	Opportunity Fund III Property VII Sarl
Amortisation Type	Interest Only
Cut-Off Date LTV (whole facility)	71.4%
Cut-Off Date LTV (securitised facility)	71.4%
Loan Maturity Date LTV (whole facility)	71.4%

Loan Information	
Loan Maturity Date LTV (securitised facility)	71.4%
Cut-Off Date ICR (whole facility)	1.83
Cut-Off Date ICR (securitised facility)	1.83
Cut-Off Date DSCR (whole facility)	1.83
Cut-Off Date DSCR (securitised facility)	1.83
Swap Rate	4.08%
Securitised Loan Margin	0.80%
ICR Covenant	1.25x triggers cash sweep; 1.00x triggers default
LTV Covenant	None
Prepayment Penalties	0-1st year 0.75%; 1-2nd year 0.50%; 2-3rd year 0.30%; 3-4th year 0.15%

Property Information	
Single Asset/Portfolio	Single Asset
Property Type	Retail/Office
Location	Germany
NR Sqm	6,013
Freehold or Leasehold	Freehold
Property Management	PropertyOne GmbH
Gross Income	€787,632
Expenses	€79,633
Net Rental Income	€707,999
Property Value	€11,100,000
Vacant Possession Value	€9,300,000
Valuation Date	1 February 2007
Valuation Firm	AtisReal
Senior Loan per Sqm	€1,318
Expected/Estimated Rental Value	€800,172
Cut-off Gross Yield on the Properties	7.1%
Cut-off Net Yield on the Properties	6.4%
Cut-off Gross Yield on Securitised Debt	9.9%
Cut-off Net Yield on Securitised Debt	8.9%

Tenant Information	
Occupancy	91.3%
WA Lease Term (Years)	12.2

The Loan

This loan (the "**Henderson 8 (Flensburg) Loan**") was originated by Citibank, N.A., London Branch (the "**Henderson 8 Lender**") pursuant to a loan agreement dated 26 February 2007 (the "**Henderson 8 Loan Agreement**"). The Henderson 8 Loan Agreement is governed by German law.

The Henderson 8 (Flensburg) Loan is secured by (1) an account pledge over the bank accounts of the Henderson 8 Borrower under German law; (2) the assignment of rental and insurance claims under German law; (3) the assignment of any claims under the property purchase agreement relating to the Henderson 8 Property under German law and (4) the assignment of any other claims under German law as well as a (5) a security purpose agreement (*Sicherungszweckabrede*) regarding the land charge over the Henderson 8 Property under German law; (6) share pledge over all of the Borrower's shares (governed by the law of the Grand Duchy of Luxembourg) and (7) a certificated first-ranking land charge under German law encumbering the Henderson 8 Property.

The security conferred by each of the security agreements constitutes a first priority security interest and has been granted to Citibank International plc (the "**Henderson 8 Security Agent**").

For further information, refer to the section "**Enforcement Procedures**".

The interest rate of the Henderson 8 (Flensburg) Loan is the sum of (i) 0.80 per cent. per annum, plus (ii) a rate (six year swap rate per annum) which has been determined to be 4.08 per cent..

The Henderson 8 Borrower has not entered into any swap agreements with the Swap Counterparty in relation to the Henderson 8 (Flensburg) Loan.

If, five business days prior to any interest payment date, the Henderson 8 Borrower does not comply with the interest cover ratio covenant that the projected net rents (*geschätzte Nettomieten*) on each interest payment date are higher than or equal to 125 per cent. of the projected interest costs, the Henderson 8 Borrower must on the next interest payment date, prepay the Term Loan in the amount which is standing to the credit of the Rent Account (after the payments as set out in Clauses (i) to and including (x) of Schedule 14 of the Henderson 8 Loan Agreement (Rent Account Distribution Scheme) have been made).

If, on any interest payment date, the projected net rents (*geschätzte Nettomieten*) are equal to or lower than 100 per cent. of the projected interest costs, this amounts to an event of default, and the Henderson 8 Lender shall have the right to terminate the Henderson 8 Loan Agreement and accelerate any amounts outstanding under the Henderson 8 (Flensburg) Loan.

The Henderson 8 Borrower must prepay the Henderson 8 (Flensburg) Loan in an amount of 0.25 per cent. of the original outstanding principal amount on an interest payment date, if, on the day five business days prior to the relevant interest payment date, the gross cash flow was lower than 8.5 per cent. of the then outstanding debt.

The Henderson 8 (Flensburg) Loan shall be repaid in full on the Loan Maturity Date for the Henderson 8 (Flensburg) Loan.

Hedging

The interest rate on the Henderson 8 (Flensburg) Loan is payable at a fixed rate. The Issuer will enter into an interest rate swap agreement (the "**Henderson 8 Swap Agreement**") on off-market terms with the Swap Counterparty (a Fixed/Floating Swap Transaction) that requires (a) the Issuer to pay to the Swap Counterparty a fixed rate of 4.08 per cent. and (b) the Swap Counterparty will pay to the Issuer an amount calculated by reference to a 3-month EURIBOR rate on a notional amount equal to the scheduled amortisation of the principal amount of the Henderson 8 (Flensburg) Loan. In the event of any repayment of in excess of the amortisation schedule, this will effectively result in a partial termination of the relevant Fixed/Floating Swap Transaction and there may be a termination payment due from the Issuer to the Swap Counterparty. The mark to market value of the Henderson 8 Swap Agreement as at 19 June 2007 was approximately €230,178.38 in favour of the Issuer.

The Borrower

The borrower under the Henderson 8 (Flensburg) Loan (the "**Henderson 8 Borrower**") is Opportunity Fund III Property VII S.à r.l., a *société à responsabilité limitée* organised and existing under the laws of the Grand Duchy of Luxembourg, with a share capital of EUR 12,500, having its registered office at 65, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg. All shares of the Henderson 8 Borrower are held by Opportunity Fund III (Luxembourg) S.à r.l., a private limited company incorporated under the laws of Luxembourg (the "**Henderson 8 Parent**"). All shares of the Henderson 8 Parent are held by the Henderson Sponsor.

The Property

The property (the "**Henderson 8 Property**") comprises the retail and office property located in Mürwiker Str. 81-99, Flensburg.

Property Management

Pursuant to a property management agreement between Henderson Global Investors Ltd. and PropertyOne GmbH, PropertyOne GmbH manages the Henderson 8 Property.

The services carried out by PropertyOne GmbH include, *inter alia*, rent management, marketing and leasing, lease renewals, management of charges, technical management, administrative management and cash management.

PropertyOne GmbH has signed a duty of care letter from the Henderson 8 Security Agent, also addressed to the Henderson 8 Lender, wherein it agrees to comply with the terms of and to fulfil its obligations set out in the property management agreement, exercise all proper skill, care and diligence in performing its obligations, pay any rental income received by it as soon as practicable into the account of the company designated the rent account. Property One GmbH also undertakes to install professional indemnity insurance with a coverage of €1,000,000.

Subordinated Loan

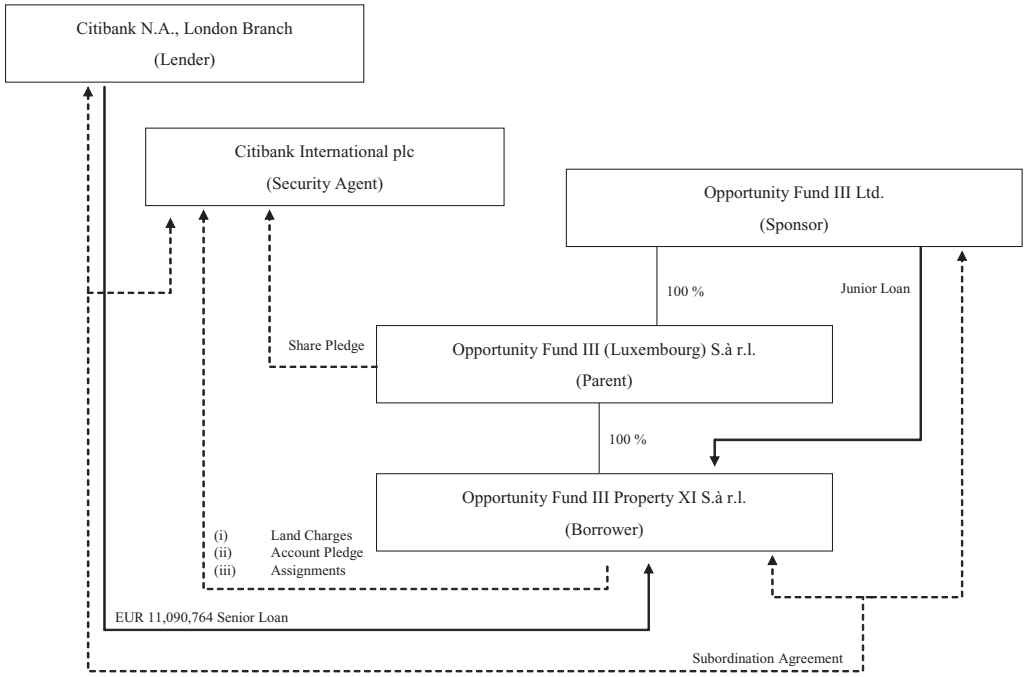
The Henderson Sponsor has granted a shareholders loan (the "**Henderson 8 Shareholders Loan**") to the Henderson 8 Borrower.

Pursuant to a subordination agreement between the Henderson 8 Lender, the Henderson 8 Security Agent, the Henderson 8 Borrower and the Henderson Sponsor as the subordinated creditor dated 26 February 2007, the payment of amounts owing under the Henderson 8 Shareholders Loan is subordinated to the payment of amounts owing under the Henderson 8 (Flensburg) Loan.

The table below set out some details in relation to the major tenants of the Henderson 8 Property:

Major Tenants	Rent (€)	% of total rent
Coop	333,990	42%
Kloppenburg	90,000	11%
Rasmussen, Casper	68,796	9%
Grundmann	43,642	6%

Henderson 9 (Cluster 1) Loan



Loan information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank, N.A., London Branch
Original Loan Balance (whole facility)	€11,090,764
Cut-Off Date Balance (whole facility)	€11,090,764
B loan sold to third party lender?	None
Cut-Off Date Balance (securitised facility)	€11,090,764
Cut-Off Date Balance (junior syndicated facility)	NA
Initial Drawdown Date	23 February 2007
First Payment Date	16 April 2007
Loan Purpose	Acquisition
Interest Rate Type	Fixed
Hedging Type	Swap at Lender level with Citibank, N.A., London Branch
Loan Maturity Date	16 April 2013
Borrower	Opportunity Fund III Property XI Sarl
Amortisation Type	Interest Only
Cut-Off Date LTV (whole facility)	73.9%
Cut-Off Date LTV (securitised facility)	73.9%
Loan Maturity Date LTV (whole facility)	73.9%

Loan information	
Loan Maturity Date LTV (securitised facility)	73.9%
Cut-Off Date ICR (whole facility)	1.86
Cut-Off ICR (securitised facility)	1.86
Cut-Off Date DSCR (whole facility)	1.86
Cut-Off Date DSCR (securitised facility)	1.86
Swap Rate	4.15%
Securitised Loan Margin	0.75%
ICR Covenant	1.25x triggers cash sweep and 1.00x triggers default
LTV Covenant	None
Prepayment Penalties	0-1st year 0.75%; 1-2nd year 0.50%; 2-3rd year 0.30%; 3-4th year 0.15%

Property Information	
Single Asset/Portfolio	Portfolio
Property Type	Retail/Office
Location	Germany
NR Sqm	19,767
Freehold or Leasehold	Freehold
Property Management	PropertyOne GmbH
Gross Income	€1,160,165
Expenses	€152,103
Net Rental Income	€1,008,062
Property Value	€15,000,000
Vacant Possession Value	€12,000,000
Valuation Date	1 February 2007
Valuation Firm	AtisReal
Senior Loan per Sqm	€561
Expected/Estimated Rental Value	1,198,853
Cut-off Gross Yield on the Properties	7.7%
Cut-off Net Yield on the Properties	6.7%
Cut-off Gross Yield on Securitised Debt	10.5%
Cut-off Net Yield on Securitised Debt	9.1%

Tenant Information	
Occupancy	93.9%
WA Lease Term (Years)	7.0

The Loan

This loan (the "**Henderson 9 (Cluster 1) Loan**") was originated by Citibank, N.A., London Branch (the "**Henderson 9 Lender**") pursuant to a loan agreement dated 14 February 2007 (the "**Henderson 9 Loan Agreement**"). The Henderson 9 Loan Agreement is governed by German law.

The Henderson 9 (Cluster 1) Loan is secured by (1) an account pledge over the bank accounts of the Henderson 9 Borrower under German law; (2) the assignment of rental and insurance claims under German law; (3) the assignment of any claims under the property purchase agreement relating to the Henderson 9 Property under German law and (4) the assignment of any other claims under German law as well as a (5) a security purpose agreement (*Sicherungszweckabrede*) regarding the land charge over the Henderson 9 Property under German law; (6) share pledge over all of the Borrower's shares (governed by the law of the Grand Duchy of Luxembourg) and (7) a certificated first-ranking land charge under German law encumbering the Henderson 9 Property.

The security conferred by each of the security agreements constitutes a first priority security interest and has been granted to Citibank International plc (the "**Henderson 9 Security Agent**").

For further information, refer to the section "**Enforcement Procedures**".

The interest rate of the Henderson 9 (Cluster 1) Loan is the sum of (i) 0.75 per cent. per annum, plus (ii) a rate (six year swap rate per annum) which has been determined to be 4.15 per cent.

The Henderson 9 Borrower has not entered into any swap agreements with the Swap Counterparty in relation to the Henderson 9 (Cluster 1) Loan.

If, five business days prior to any interest payment date, the Henderson 9 Borrower does not comply with the interest cover ratio covenant that the projected net rents (*geschätzte Nettomieten*) on each interest payment date are higher than or equal to 125 per cent. of the projected interest costs, the Henderson 9 Borrower must on the next interest payment date, prepay the Term Loan in the amount which is standing to the credit of the Rent Account (after the payments as set out in Clauses (i) to and including (x) of Schedule 14 of the Henderson 9 Loan Agreement (Rent Account Distribution Scheme) have been made).

If, on any interest payment date, the projected net rents (*geschätzte Nettomieten*) are equal to or lower than 100 per cent. of the projected interest costs, this amounts to an event of default, and the Henderson 9 Lender shall have the right to terminate the Henderson 9 Loan Agreement and accelerate any amounts outstanding under the Henderson 9 (Cluster 1) Loan.

The Henderson 9 Borrower must prepay the Henderson 9 (Cluster 1) Loan in an amount of 0.25 per cent. of the original outstanding principal amount on an interest payment date, if, on the day five business days prior to the relevant interest payment date, the gross cash flow was lower than 8.5 per cent. of the then outstanding debt.

The Henderson 9 (Cluster 1) Loan shall be repaid in full on the Loan Maturity Date for the Henderson 9 (Cluster 1) Loan.

Hedging

The interest rate on the Henderson 9 (Cluster 1) Loan is payable at a fixed rate. The Issuer will enter into an interest rate swap agreement (the "**Henderson 9 Swap Agreement**") on off-market terms with the Swap Counterparty (a Fixed/Floating Swap Transaction) that requires (a) the Issuer to pay to the Swap Counterparty a fixed rate of 4.15 per cent. and (b) the Swap Counterparty will pay to the Issuer an amount calculated by reference to a 3-month EURIBOR rate on a notional amount equal to the scheduled amortisation of the principal amount of the Henderson 9 (Cluster 1) Loan. In the event of any repayment of in excess of the amortisation schedule, this will effectively result in a partial termination of the relevant Fixed/Floating Swap Transaction and there may be a termination payment due from the Issuer to the Swap Counterparty. The mark to market value of the Henderson 9 Swap Agreement as at 19 June 2007 was approximately €281,354.21 in favour of the Issuer.

The Borrower

The borrower under the Henderson 9 (Cluster 1) Loan (the "**Henderson 9 Borrower**") is Opportunity Fund III Property XI S.à r.l., a *société à responsabilité limitée* organised and existing under the laws of the Grand Duchy of Luxembourg, with a share capital of EUR 12,500, having its registered office at 65, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg. All shares of the Henderson 9 Borrower are held by Opportunity Fund III (Luxembourg) S.à r.l., a private limited company incorporated under the laws of Luxembourg (the "**Henderson 9 Parent**"). All shares of the Henderson 9 Parent are held by the Henderson Sponsor.

The Property

The property (the "**Henderson 9 Property**") comprises the retail and office properties located at Haddorfer Grenzweg 4, 21682 Stade; Straße der Einheit 127a, 14612 Falkensee; Bornhardstrasse 3-5, 38644 Goslar; Harburger Strasse 25, 21435 Stelle and Schwartauer Strasse 47, 17268 Boitzenburg.

Property Management

Pursuant to a property management agreement between Henderson Global Investors Ltd. and PropertyOne GmbH, PropertyOne GmbH manages the Henderson 9 Property.

The services carried out by PropertyOne GmbH include, *inter alia*, rent management, marketing and leasing, lease renewals, management of charges, technical management, administrative management and cash management.

PropertyOne GmbH has signed a duty of care letter from the Henderson 9 Security Agent, also addressed to the Henderson 9 Lender, wherein it agrees to comply with the terms of and to fulfil its obligations set out in the property management agreement, exercise all proper skill, care and diligence in performing its obligations, pay any rental income received by it as soon as practicable into the account of the company designated the rent account. Property One GmbH also undertakes to install professional indemnity insurance with a coverage of €1,000,000.

Subordinated Loan

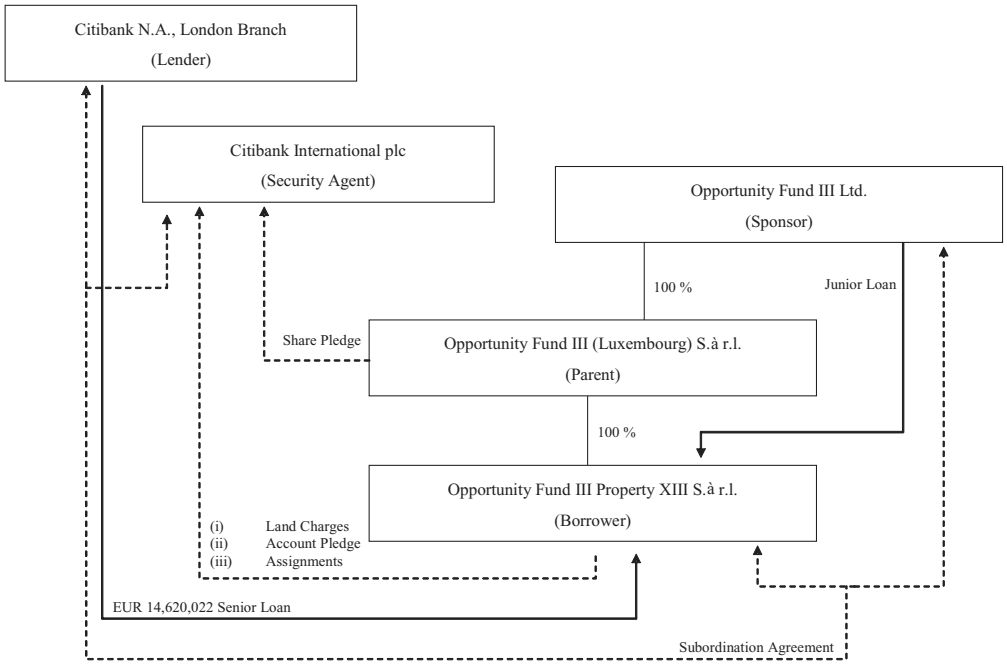
The Henderson Sponsor has granted a shareholders loan (the "**Henderson 9 Shareholders Loan**") to the Henderson 9 Borrower.

Pursuant to a subordination agreement between the Henderson 9 Lender, the Henderson 9 Security Agent, the Henderson 9 Borrower and the Henderson Sponsor as the subordinated creditor dated 14 February 2007, the payment of amounts owing under the Henderson 9 Shareholders Loan is subordinated to the payment of amounts owing under the Henderson 9 (Cluster 1) Loan.

The table below set out some details in relation to the major tenants of the Henderson 9 Property:

Major Tenants	Rent (€)	% of total rent
Teppich Domaine	235,315	20%
PLUS	110,400	10%
Tejo-Möbelwelt	109,242	9%
Dänisches Bettenlager	75,835	7%

Henderson 10 (Cluster 2) Loan



Loan information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank, N.A., London Branch
Original Loan Balance (whole facility)	€14,620,022
Cut-Off Date Balance (whole facility)	€14,620,022
B loan sold to third party lender?	None
Cut-Off Date Balance (securitised facility)	€14,620,022
Cut-Off Date Balance (junior syndicated facility)	NA
Initial Drawdown Date	15 February 2007
First Payment Date	16 April 2007
Loan Purpose	Acquisition
Interest Rate Type	Fixed
Hedging Type	Swap at Lender level with Citibank, N.A., London Branch
Maturity Date	16 April 2013
Borrower	Opportunity Fund III Property XIII Sarl
Amortisation Type	Interest Only
Cut-Off Date LTV (whole facility)	75.0%
Cut-Off Date LTV (securitised facility)	75.0%
Loan Maturity Date LTV (whole facility)	75.0%
Loan Maturity Date LTV (securitised facility)	75.0%
Cut-Off Date ICR (whole facility)	2.02

Loan information	
Cut-Off Date ICR (securitised facility)	2.02
Cut-Off Date DSCR (whole facility)	2.02
Cut-Off Date DSCR (securitised facility)	2.02
Swap Rate	4.14%
Securitised Loan Margin	0.75%
ICR Covenant	1.35x at any time triggers cash sweep and 1.10x triggers default
LTV Covenant	None
Prepayment Penalties	0-1st year 0.75%; 1-2nd year 0.50%; 2-3rd year 0.30%; 3-4th year 0.15%

Property Information	
Single Asset/Portfolio	Portfolio
Property Type	Retail / Residential
Location	Germany
NR Sqm	14,677
Freehold or Leasehold	Freehold
Property Management	PropertyOne GmbH
Gross Income	€1,578,423
Expenses	€135,394
Net Rental Income	€1,443,029
Property Value	€19,500,000
Vacant Possession Value	€15,700,000
Valuation Date	1 February 2007
Valuation Firm	AtisReal
Senior Loan per Sqm	€996
Expected/Estimated Rental Value	€1,435,070
Cut-off Gross Yield on the Properties	8.1%
Cut-off Net Yield on the Properties	7.4%
Cut-off Gross Yield on Securitised Debt	10.8%
Cut-off Net Yield on Securitised Debt	9.9%

Tenant Information	
Occupancy	93.4%
WA Lease Term (Years)	6.2

The Loan

This loan (the "**Henderson 10 (Cluster 2) Loan**") was originated by Citibank, N.A., London Branch (the "**Henderson 10 Lender**") pursuant to a loan agreement dated 14 February 2007 (the "**Henderson 10 Loan Agreement**"). The Henderson 10 Loan Agreement is governed by German law.

The Henderson 10 (Cluster 1) Loan is secured by (1) an account pledge over the bank accounts of the Henderson 10 Borrower under German law; (2) the assignment of rental and insurance claims under German law; (3) the assignment of any claims under the property purchase agreement relating to the Henderson 10 Property under German law and (4) the assignment of any other claims under German law as well as a (5) a security purpose agreement (*Sicherungszweckabrede*) regarding the land charge over the Henderson 10 Property under German law; (6) share pledge over all of the Borrower's shares (governed by the law of the Grand Duchy of Luxembourg) and (7) a certificated first-ranking land charge under German law encumbering the Henderson 10 Property.

The security conferred by each of the security agreements constitutes a first priority security interest and was granted to Citibank International plc (the "**Henderson 10 Security Agent**").

For further information, refer to the section "**Enforcement Procedures**".

The interest rate of the Henderson 10 (Cluster 2) Loan is the sum of (i) 0.75 per cent. per annum, plus (ii) a rate (six year swap rate per annum) which has been determined to be 4.14 per cent.

The Henderson 10 Borrower has not entered into any swap agreements with the Swap Counterparty in relation to the Henderson 10 (Cluster 2) Loan.

If, five business days prior to any interest payment date, the Henderson 10 Borrower does not comply with the interest cover ratio covenant that the projected net rents (*geschätzte Nettomieten*) on each interest payment date are higher than or equal to 135 per cent. of the projected interest costs, the Henderson 10 Borrower must on the next interest payment date, prepay the Term Loan in the amount which is standing to the credit of the Rent Account (after the payments as set out in Clauses (i) to and including (x) of Schedule 14 of the Henderson 10 Loan Agreement (Rent Account Distribution Scheme) have been made).

If, on any interest payment date, the projected net rents (*geschätzte Nettomieten*) are equal to or lower than 110 per cent. of the projected interest costs, this amounts to an event of default, and the Henderson

10 Lender shall have the right to terminate the Henderson 10 Loan Agreement and accelerate any amounts outstanding under the Henderson 10 (Cluster 2) Loan.

The Henderson 10 Borrower must prepay the Henderson 10 (Cluster 2) Loan in an amount of 0.25 per cent. of the original outstanding principal amount on an interest payment date, if, on the day five business days prior to the relevant interest payment date, the gross cash flow was lower than 8.5 per cent. of the then outstanding debt.

The Henderson 10 (Cluster 2) Loan shall be repaid in full on the Loan Maturity Date for the Henderson 10 (Cluster 2) Loan.

Hedging

The interest rate on the Henderson 10 (Cluster 2) Loan is payable at a fixed rate. The Issuer will enter into an interest rate swap agreement (the "**Henderson 10 Swap Agreement**") on off-market terms with the Swap Counterparty (a Fixed/Floating Swap Transaction) that requires (a) the Issuer to pay to the Swap Counterparty a fixed rate of 4.14 per cent. and (b) the Swap Counterparty will pay to the Issuer an amount calculated by reference to a 3-month EURIBOR rate on a notional amount equal to the scheduled amortisation of the principal amount of the Henderson 10 (Cluster 2) Loan. In the event of any repayment of in excess of the amortisation schedule, this will effectively result in a partial termination of the relevant Fixed/Floating Swap Transaction and there may be a termination payment due from the Issuer to the Swap Counterparty. The mark to market value of the Henderson 10 Swap Agreement as at 19 June 2007 was approximately €378,586.13 in favour of the Issuer.

The Borrower

The borrower under the Henderson 10 (Cluster 2) Loan (the "**Henderson 10 Borrower**") is Opportunity Fund III Property XIII S.à r.l., a *société à responsabilité limitée* organised and existing under the laws of the Grand Duchy of Luxembourg, with a share capital of EUR 12,500, having its registered office at 65, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Grand Duchy of Luxembourg. All shares of the Henderson 10 Borrower are held by Opportunity Fund III (Luxembourg) S.à r.l., a private limited company incorporated under the laws of Luxembourg (the "**Henderson 10 Parent**"). All shares of the Henderson 10 Parent are held by the Henderson Sponsor.

The Property

The property (the "**Henderson 10 Property**") comprises the properties located at Ehm-Welk-Strasse 33a, 18209 Bad Doberan; Schuhagen 30, 17489 Greifswald; Gutenbergstrasse 4, 24558 Henstedt-Ulzburg; Raiffeisenstrasse 12-16, 24983 Handewitt; Grabenstrasse 10, 19061 Schwerin; Dietrich-Bonhoeffer-Strasse 18, 17192 Waren and August-Bebel-Strasse 2, 18195 Tessin. All properties are retail properties only, except the Greifswald property which contains a minor part of residential space.

Property Management

Pursuant to a property management agreement between Henderson Global Investors Ltd. and PropertyOne GmbH, PropertyOne GmbH manages the Henderson 10 Property.

The services carried out by PropertyOne GmbH include, *inter alia*, rent management, marketing and leasing, lease renewals, management of charges, technical management, administrative management and cash management.

PropertyOne GmbH signed a duty of care letter from the Henderson 10 Security Agent, also addressed to the Henderson 10 Lender, wherein it agrees to comply with the terms of and to fulfil its obligations set out in the property management agreement, exercise all proper skill, care and diligence in performing its obligations, pay any rental income received by it as soon as practicable into the account of the company designated the rent account. Property One GmbH also undertakes to install professional indemnity insurance with a coverage of €1,000,000.

Subordinated Loan

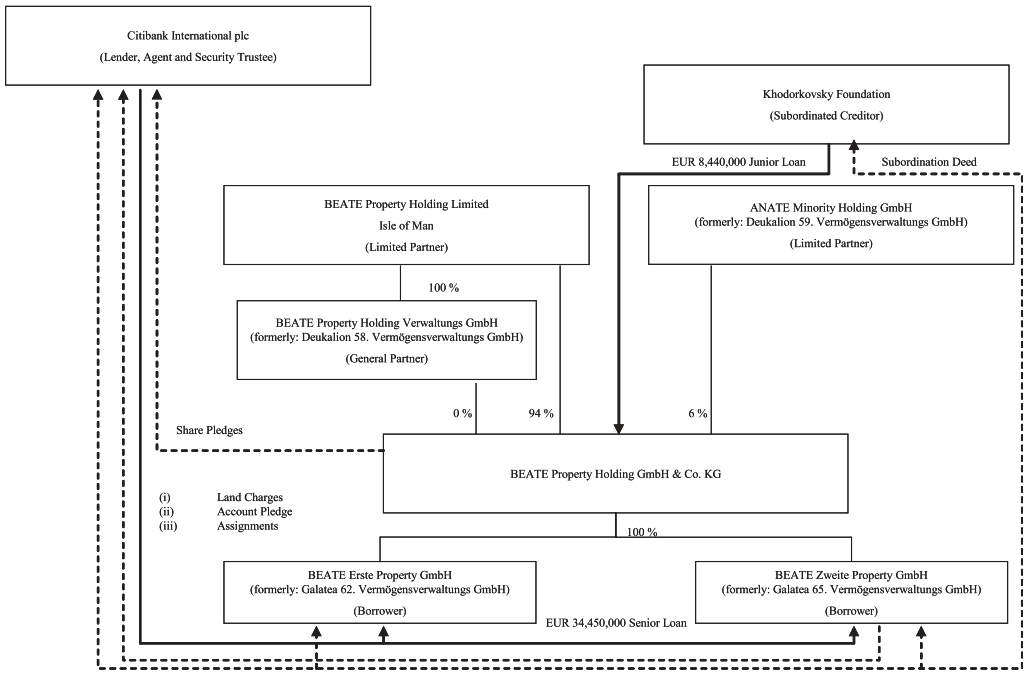
The Henderson Sponsor has granted a shareholders loan (the "**Henderson 10 Shareholders Loan**") to the Henderson 10 Borrower.

Pursuant to a subordination agreement between the Henderson 10 Lender, the Henderson 10 Security Agent, the Henderson 10 Borrower and the Henderson Sponsor as the subordinated creditor dated 14 February 2007, the payment of amounts owing under the Henderson 10 Shareholders Loan is subordinated to the payment of amounts owing under the Henderson 10 (Cluster 2) Loan.

The table below set out some details in relation to the major tenants of the Henderson 10 Property:

Major Tenants	Rent (€)	% of total rent
Toom-Baumarkt	330,944	21%
Rewe	164,618	10%
Dänisches Bettenlager	143,148	9%
Plus	129,000	8%
T-Punkt	116,574	7%

Epic Rhino Loan



Loan information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank International Plc
Original Loan Balance (whole facility)	€34,450,000
Cut-Off Date Balance (whole facility)	€34,277,748
B loan sold to third party lender?	None
Cut-Off Date Balance (securitised facility)	€34,277,748
Cut-Off Date Balance (junior syndicated facility)	None
Initial Drawdown Date	5 May 2006
First Payment Date	17 July 2006
Loan Purpose	Acquisition
Interest Rate Type	Fixed
Hedging Type	Swap at Lender level with Citibank, N.A., London Branch
Loan Maturity Date	5 May 2013
Borrower	Beate Erste Property Gmbh and Beate Zweite Property Gmbh
Amortisation Type	Scheduled Amortisation
Cut-Off Date LTV (whole facility)	72.6%
Cut-Off Date LTV (securitised facility)	72.6%
Loan Maturity Date LTV (whole facility)	65.5%

Loan information	
Loan Maturity Date LTV (securitised facility)	65.5%
Cut-Off Date ICR (whole facility)	1.59
Cut-Off Date ICR (securitised facility)	1.59
Cut-Off Date DSCR (whole facility)	1.39
Cut-Off Date DSCR (securitised facility)	1.39
Swap Rate	4.05%
Securitised Loan Margin	1.25%
ICR Covenant	1.15x 0-1 years; 1.20x afterwards
LTV Covenant	73% year 1 and 2; 75% afterwards
Prepayment Penalties	0-1 year: 1%; 1-2 years 0.75%; 2-3 years 0.50%; 3-4 years 0.25%

Property Information	
Single Asset/Portfolio	Portfolio
Property Type	Residential
Location	Germany
NR Sqm	74,013
Freehold or Leasehold	Freehold
Property Management	Catella Eureal Property Management Gmbh
Gross Income	€3,646,421
Expenses	€762,196
Net Rental Income	€2,884,225
Property Value	€47,220,000
Vacant Possession Value	€39,128,000
Valuation Date	27 March 2006
Valuation Firm	CBRE
Senior Loan per Sqm	€463
Expected/Estimated Rental Value	€4,325,560
Cut-off Gross Yield on the Properties	7.7%
Cut-off Net Yield on the Properties	6.1%
Cut-off Gross Yield on Securitised Debt	10.6%
Cut-off Net Yield on Securitised Debt	8.4%

Tenant Information	
Occupancy	89.9%
WA Lease Term (Years)	N/A

The Loan

The loan (the "**Epic Rhino Loan**") was originated by Citibank International plc (the "**Epic Rhino Lender**") pursuant to a facility agreement dated 3 May 2006, as amended and restated on 4 May 2006 (the "**Epic Rhino Loan Agreement**"). The Epic Rhino Loan Agreement is governed by English law.

The Epic Rhino Loan is secured by, amongst others, (1) land charges over the Epic Rhino Properties and security purpose agreements in connection with the land charges under German law; (2) share pledges over the issued share capital of the Epic Rhino Borrowers under German law; (3) pledges over certain bank accounts of the Epic Rhino Borrowers under German law; (4) assignments of certain claims including claims under the sale and purchase agreements, insurance claims and other claims in connection with the Epic Rhino Properties under German law; and (5) assignments of the claims under the lease agreements in connection with the Epic Rhino Properties under German law.

The securities conferred by each of the security agreements constitute a first priority security interest and have been guaranteed by Citibank International plc (the "**Epic Rhino Security Trustee**").

For further information, refer to "**Enforcement Procedures**".

The interest rate of the Epic Rhino Loan is on each interest payment date prior to the first anniversary of the first utilisation date, the sum of (i) 1.25 per cent. per annum of the aggregate loan amount plus (ii) a rate calculated on each rate fixing date, which has been determined to be 4.05 per cent. plus (iii) a mandatory cost (if any) for the compliance with the requirements of the relevant regulatory authorities to be calculated on the first day of each interest period.

The Epic Rhino Borrower has not entered into any swap agreements with the Swap Counterparty in relation to the Epic Rhino Loan.

The Epic Rhino Borrowers undertake to ensure that the aggregate sum of the Epic Rhino Loan to value at any time does not exceed 75 per cent.

The Epic Rhino Borrowers are also obliged to maintain an interest cover ratio (to be calculated in accordance with the Epic Rhino Loan) from the first drawdown date until the first anniversary date of the drawdown date of 175 per cent.; and thereafter of 185 per cent.

Repayment of the Epic Rhino Loan is by quarterly instalments. Repayments are scheduled to be made on each interest payment date (excluding the Loan Maturity Date). The indicative amounts scheduled to be made on each interest payment date are shown as follows:

Payment Date	Amortisation (€)	Loan Balance (securitised facility) (€)
05-May-06	0	34,450,000
17-Jul-06	43,063	34,406,937
16-Oct-06	43,063	34,363,874
16-Jan-07	43,063	34,320,811
16-Apr-07	43,063	34,277,748
16-Jul-07	64,594	34,213,154
16-Oct-07	64,594	34,148,560
16-Jan-08	64,594	34,083,966
16-Apr-08	64,594	34,019,372
16-Jul-08	86,125	33,933,247
16-Oct-08	86,125	33,847,122
16-Jan-09	86,125	33,760,997
16-Apr-09	86,125	33,674,872
16-Jul-09	172,250	33,502,622
16-Oct-09	172,250	33,330,372
18-Jan-10	172,250	33,158,122
16-Apr-10	172,250	32,985,872
16-Jul-10	172,250	32,813,622
18-Oct-10	172,250	32,641,372
17-Jan-11	172,250	32,469,122
18-Apr-11	172,250	32,296,872
18-Jul-11	172,250	32,124,622
17-Oct-11	172,250	31,952,372
16-Jan-12	172,250	31,780,122
16-Apr-12	172,250	31,607,872
16-Jul-12	172,250	31,435,622
16-Oct-12	172,250	31,263,372
16-Jan-13	172,250	31,091,122
16-Apr-13	172,250	30,918,872
05-May-13	30,918,872	0

Hedging

The interest rate on the Epic Rhino Loan is payable at a fixed rate. Citibank International plc has entered into an interest rate swap agreement (the "**Epic Rhino Swap Agreement**") with Citibank, N.A., London Branch (a Fixed/Floating Swap Transaction) that requires (a) Citibank International plc to pay Citibank, N.A., London Branch a fixed rate of 4.05 per cent. and (b) Citibank, N.A., London Branch will pay to Citibank International plc an amount calculated by reference to a 3-month EURIBOR rate on a notional amount equal to the scheduled amortisation of the principal amount of the Epic Rhino Loan. The Epic Rhino Swap Agreement will be transferred by novation to the Issuer to form a Fixed/Floating Swap Transaction between the Issuer and the Swap Counterparty. In the event of any repayment of in excess of the amortisation schedule, this will effectively result in a partial termination of the relevant Fixed/Floating Swap Transaction and there may be a termination payment due from the Issuer to the Swap Counterparty. The mark to market value of the Epic Rhino Swap Agreement as at 19 June 2007 was approximately €1,011,700.24 in favour of Citibank International plc.

The Borrowers

The borrowers under the Epic Rhino Loan (each a "**Epic Rhino Borrower**" and together the "**Epic Rhino Borrowers**") are BEATE Zweite Property GmbH, a company registered in the commercial register of the local court of Frankfurt am Main under HRB 76166, and BEATE Erste Property GmbH, a company registered in the commercial register of the local court of Frankfurt am Main under HRB 76163. The principal activities of the Epic Rhino Borrowers are to acquire and hold properties.

The Epic Rhino Borrowers are owned by BEATE Property Holding GmbH & Co. KG (the "**Epic Rhino Parent**").

The Epic Rhino Parent

The Epic Rhino Parent is a limited partnership registered in the commercial register of the local court of Frankfurt am Main under HRA 42994, with BEATE Property Holdings Verwaltungs GmbH, a company registered in the commercial register of the local court of Frankfurt am Main under HRB 75813, as general partner, and BEATE Property Holdings Limited, a company registered in the Isle of Man under number 115012C and ANATE Minority Holdings GmbH, a company registered in the commercial register of the local court of Frankfurt am Main under HRB 75815 as limited partners.

The Property

The properties comprise the "**Celle Portfolio**", the "**Kaiserslautern Portfolio**", the "**Wuppertal Portfolio**" and the "**Neu-Isenburg Portfolio**" (the "**Epic Rhino Properties**").

The Celle Portfolio consists of 74 residential homes with 287 apartments and five garages located in the city of Celle. The Kaiserslautern Portfolio consists of three residential homes with 342 apartments, 165 garages, 119 outside parking lots and one supermarket located in the southern part of Kaiserslautern. The Wuppertal Portfolio consists of a residential home with 336 apartments (89 double-room apartments, 173 3-room apartments and 74 4-room apartments), 39 garages, 108 outside parking lots and 35 underground car spaces. The property is located within the district of Wuppertal Vohwinkel. The Neu-Isenburg Portfolio consists of eight residential homes with 444 apartments located in the western part of Neu Isenburg and the southern part of Frankfurt am Main.

Property Management

The Epic Rhino Properties are managed by Catella Eureal Property Management GmbH (the "**Epic Rhino Property Manager**") pursuant to a property management agreement (the "**Epic Rhino Property Management Agreement**") dated 4 May 2006 between the Epic Rhino Parent and the Epic Rhino Property Manager, wherein the Epic Rhino Parent, as property manager for the Epic Rhino Borrowers, subcontracted its duties to the Epic Rhino Property Manager for an indefinite term, subject to three months' written notice of termination by either party. Under the terms of the Epic Rhino Loan Agreement, the Epic Rhino Lender may require the Epic Rhino Borrowers to appoint a new managing agent on terms approved by the Epic Rhino Lender acting in a reasonably manner.

Subordinated Loan

The Epic Rhino Borrowers and the Epic Rhino Parent entered into an €8,500,000 mezzanine credit agreement on 5 April 2006 (the "**Epic Rhino Subordinated Loan**") with the Khodorkovsky Foundation (a registered charity (Charities Commission registration number 1106885) incorporated as a private company limited by guarantee and registered in England under company number 04988238 (the "**Epic Rhino Subordinated Creditor**"), pursuant to which payments of amounts owing under the Epic Rhino Mezzanine Loan were contractually subordinated to payments of amounts owing under the Epic Rhino Loan.

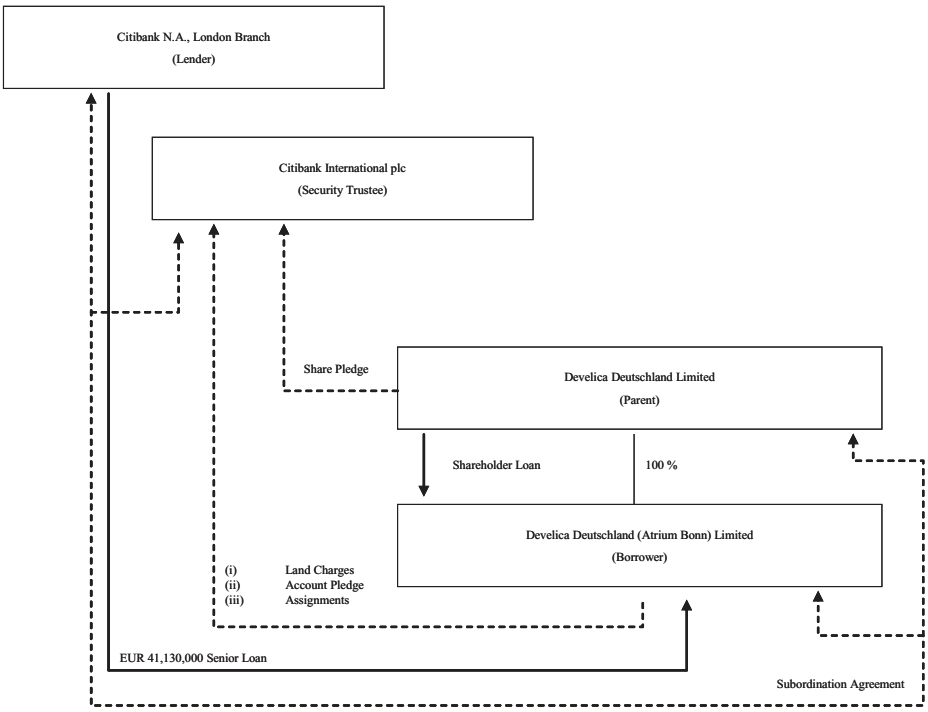
The Epic Rhino Subordinated Loan is secured by a share pledge agreement between the Epic Rhino Subordinated Creditor and BEATE Property Holdings Verwaltungs GmbH and ANATE Minority Holdings GmbH over their shares in the Epic Rhino Parent.

Pursuant to the Epic Rhino Subordination Deed dated 5 May 2006, the rights of the Epic Rhino Subordinated Creditor in respect of the liabilities payable or owing by the Epic Rhino Borrowers to the Epic Rhino Subordinated Creditor are subordinated to the liabilities owing or incurred by the Epic Rhino Borrower to the Epic Rhino Lender.

The table below sets out some details in relation to the major tenants of the Epic Rhino Properties:

Major Tenants	Rent (€)	% of total rent
N.A.	N.A.	N.A.

Bonn Loan



Loan information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank, N.A., London Branch
Original Loan Balance (whole facility)	€41,130,000
Cut-Off Date Balance (whole facility)	€40,821,525
B loan sold to third party lender?	Yes
Cut-Off Date Balance (securitised facility)	€34,130,234
Cut-Off Date Balance (junior syndicated facility)	€6,691,291
Initial Drawdown Date	2 October 2006
First Payment Date	16 October 2006
Loan Purpose	Acquisition
Interest Rate Type	Floating
Hedging Type	Swap at Borrower Level with Citibank, N.A., London Branch
Loan Maturity Date	17 October 2011
Borrower	Develica Deutschland (Atrium Bonn) Limited
Amortisation Type	Scheduled Amortisation
Cut-Off Date LTV (whole facility)	83.1%
Cut-Off Date LTV (securitised facility)	69.4%

Loan information	
Loan Maturity Date LTV (whole facility)	79.5%
Loan Maturity Date LTV (securitised facility)	66.5%
Cut-Off Date ICR (whole facility)	1.50
Cut-Off Date ICR (securitised facility)	1.92
Cut-Off Date DSCR (whole facility)	1.23
Cut-Off Date DSCR (securitised facility)	1.55
Swap Rate	3.82%
Securitised Loan Margin	0.49%
ICR Covenant	1.05x at any time for default, below 1.25x triggers cash sweep
LTV Covenant	85% at any time
Prepayment Penalties	0-1st year: 1.00%; 1-2nd year 0.75%; 2-3rd year 0.50%; 3-4th year 0.25%

Property Information	
Single Asset/Portfolio	Single Asset
Property Type	Office
Location	Germany
NR Sqm	16,656
Freehold or Leasehold	Freehold
Property Management	ABG Immobilien-Management Gesellschaft mbH & Co. Kg
Gross Income	€2,903,483
Expenses	€83,651
Net Rental Income	€2,819,832
Property Value	€49,150,000
Vacant Possession Value	€41,040,000
Valuation Date	12 September 2006
Valuation Firm	DTZ
Senior Loan per Sqm	€2,049
Expected/Estimated Rental Value	€2,903,483
Cut-off Gross Yield on the Properties	5.9%
Cut-off Net Yield on the Properties	5.7%
Cut-off Gross Yield on Securitised Debt	8.5%
Cut-off Net Yield on Securitised Debt	8.3%

Tenant Information	
Occupancy	100.0%
WA Lease Term (Years)	9.0

The Loan

This loan (the "**Bonn Loan**") was originated by Citibank, N.A., London Branch (the "**Bonn Lender**") pursuant to a facility agreement dated 5 September 2006 (the "**Bonn Loan Agreement**"). The Bonn Loan Agreement is governed by English law.

The Bonn Loan represents a portion of the full amount of the loan (the "**Bonn Whole Loan**"). The Bonn Lender has sold part of its interest (the whole of such interest being as of the Cut-Off Date €40,821,525) in the Bonn Whole Loan to the Bonn Investor. Such interest will not be acquired by the Issuer on the Issue Date and will instead be retained by the Bonn Investor who is not a party to this securitisation. The Bonn Lender will sell the remainder of its interest in the Bonn Whole Loan to the Issuer on the Issue Date. Please refer to the section entitled "Servicing (other than in relation to the Sunrise II Loan) – Intercreditor and Servicing in respect of the Whole Loans" for details on intercreditor arrangements.

The Bonn Loan is secured by, amongst others, (1) a first ranking German law certificated registered land charge (*Briefgrundschuld*) (including a submission to immediate enforcement in the land charge amount) on the Bonn Property under the Bonn Loan; (2) first ranking pledges under German law over the Bonn Borrower's rights and claims under lease agreements relating to the Bonn Property (each a "**Lease**" and jointly the "**Leases**"); (3) first ranking pledges over the Control Accounts (as defined below) under German law; (4) a security assignment governed by German law of the Bonn Borrower's rights and claims under certain insurance policies; (5) a security assignment governed by German law of the Bonn Borrower's rights and claims under the property purchase agreement relating to the Bonn Property entered into by the Bonn Borrower to purchase the Bonn Property; (6) a security assignment governed by English law of the Bonn Borrower's rights and claims under the Bonn hedge documents; and (7) first ranking share pledges over the shares held by the Bonn Parent in the Bonn Borrower under the laws of Guernsey (the "**Bonn Security Documents**"). The Bonn Security Documents are either governed by German law or Guernsey law.

The security conferred by each of the security agreements constitutes a first priority security interest and has been granted to Citibank International plc (the "**Bonn Security Agent**").

For further information, refer to the section "**Enforcement Procedures**".

The interest on the Bonn Loan is payable in arrears on a quarterly basis. The interest rate applying to the Bonn Loan is the aggregate of (i) a margin of 0.49 per cent. per annum, (ii) the 3-month EURIBOR and (iii) mandatory cost (if any) for the compliance with the requirements of the relevant regulatory authorities to be calculated on the first day of each interest period.

If for any Interest Payment Date the interest cover ratio being the projected net rental income divided by the projected finance costs (the "**ICR**") is below 1.25, the Bonn Security Agent may, after notifying the Bonn Borrower in writing, transfer all amounts standing to the credit of the rental income account to the shortfall deposit account after application of all amounts in the manner and order referred to in the Bonn Loan Agreement.

If the ICR remains above 1.25 for two consecutive Interest Periods, the Bonn Security Agent shall, at any time after the expiry of such Interest Periods, at the request of the Atrium Borrower on the next Interest Payment Date following such request during which the ICR remains above 1.25 pay the funds standing to the credit of the shortfall deposit account into the general account in accordance with Clause 29.5 (a)(ix) (Partial payments) of the Bonn Loan Agreement.

Repayment of the Bonn Loan is by quarterly instalments. Repayments are scheduled to be made on each interest payment date (excluding the Loan Maturity Date). The amounts scheduled to be made on each interest payment date are 0.25 per cent. of the original principal amount utilised under the Bonn Loan Agreement. The indicative amounts scheduled to be made on each interest payment date are shown as follows:

Date	Amortisation (€)	Loan Balance (securitised facility) (€)
Bonn Whole Loan*		
16-Jan-07	85,970	34,216,205
16-Apr-07	85,970	34,130,234
16-Jul-07	85,970	34,044,264
16-Oct-07	85,970	33,958,294
16-Jan-08	85,970	33,872,323
16-Apr-08	85,970	33,786,353
16-Jul-08	85,970	33,700,382
16-Oct-08	85,970	33,614,412
16-Jan-09	85,970	33,528,442
16-Apr-09	85,970	33,442,471
16-Jul-09	85,970	33,356,501
16-Oct-09	85,970	33,270,531
18-Jan-10	85,970	33,184,560
16-Apr-10	85,970	33,098,590
16-Jul-10	85,970	33,012,620
18-Oct-10	85,970	32,926,649
17-Jan-11	85,970	32,840,679
18-Apr-11	85,970	32,754,708
18-Jul-11	85,970	32,668,738
17-Oct-11	32,668,738	0

* Prior to the Loan being split into A/B tranches

Except where a prepayment is made in cases of (i) the usual illegality mandatory prepayment event, (ii) any right of repayment and cancellation in relation to a single lender or (iii) where it is made to remedy a Default (as defined in the Bonn Loan Agreement) a prepayment fee must be paid by the Bonn Borrower to the Bonn Lender on the date of any prepayment (for any reason, including upon enforcement) of all or any part of the Bonn Loan in the following amounts:

(i) if the prepayment is made on or before the first anniversary of the utilisation date, 1.00 per cent. of the amount prepaid;

(ii) if the prepayment is made after the first anniversary of the utilisation date, but on or before the second anniversary of the utilisation date, 0.75 per cent. of the amount prepaid;

(iii) if the prepayment is made after the second anniversary of the utilisation date, but on or before the third anniversary of the utilisation date, 0.50 per cent. of the amount prepaid; and

(iv) if the prepayment is made after the third anniversary of the utilisation date, but on or before the forth anniversary of the utilisation date, 0.25 per cent. of the amount prepaid.

Hedging

The Bonn Borrower has entered into an interest swap agreement governed by the ISDA Master Agreement with Citibank, N.A., London Branch dated 2 October 2006 pursuant to which the Bonn Borrower undertakes to pay an amount calculated on a fixed interest rate of 3.82 per cent. and Citibank, N.A., London Branch undertakes to pay an amount calculated on a floating rate (3-month EURIBOR). The mark to market value of such swap agreement as at 19 June 2007 was approximately €1,263,355.12 in favour of the Bonn Borrower.

The Borrower

Develica Deutschland (Atrium Bonn) Limited, a company incorporated under the laws of Guernsey, having its registered business address at Dorey Court, Admiral Park, St. Peter Port, Guernsey GY1 3BG (the "**Bonn Borrower**"), a 100% owned subsidiary of Develica Deutschland Limited, a company incorporated under the laws of Guernsey, having its registered business address at Dorey Court, Admiral Park, St. Peter Port, Guernsey GY1 3BG (the "**Bonn Parent**"), has given representations (see also below) on the date of the Bonn Loan Agreement that its business has been restricted to acquiring, managing, letting and owning the Bonn Property and to related activities consistent with the Bonn finance documents and that its entire issued share capital is legally and beneficially owned and controlled by the Bonn Parent.

The Property

The property is an office building located in the city of Bonn, the former capital of West Germany (the "**Bonn Property**").

Property Management

Pursuant to property management agreements dated 11 October 2005 and 18 October 2005 with the Bonn Borrower, the ABG Immobilien-Management Gesellschaft mbH & Co. KG and Deutsche Telekom Immobilien und Servece GmbH manage the Bonn Property (the "**Bonn Property Managers**").

The services carried out by Bonn Property Managers include, *inter alia*, rent management, lease renewals, management of charges, technical management, administrative management and cash management. The Bonn Property Managers also undertake to install professional indemnity insurance. The coverage for ABG Immobilien – Management Gesellschaft mbH & Co. KG amounts to €10,000,000.00 for personal injuries or property damages and for each case €2,500,000.00 for pecuniary detriments in respect of each case. The indemnity insurance of Deutsche Telekom Immobilien und Service GmbH covers €2.500.000,00 for each case of personal injuries and property damages, €2,500,000.00 for pecuniary detriments caused by personal injuries or property damages and €30,000.00 for damages regarding keys.

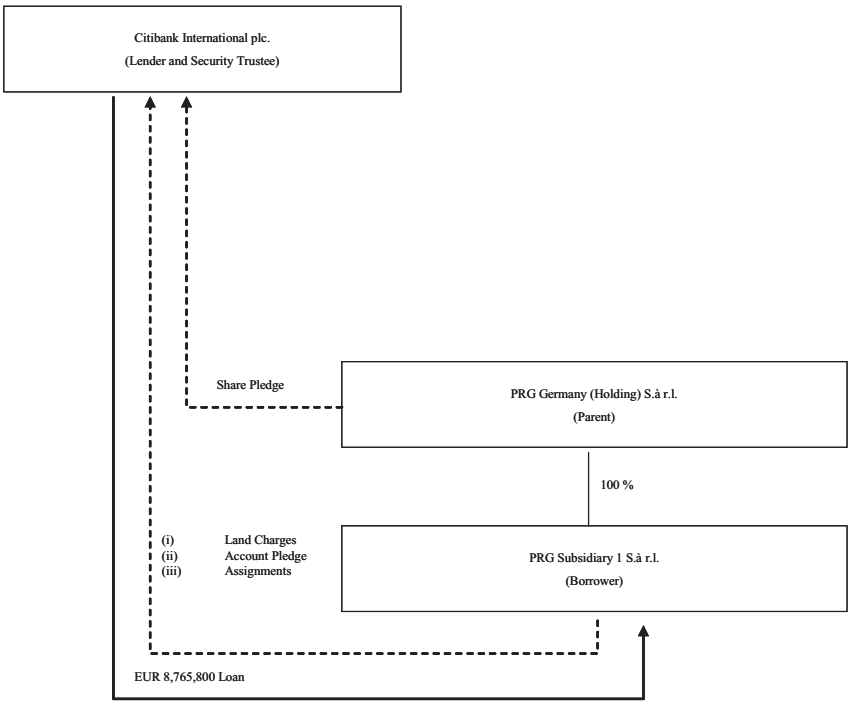
Subordinated Loans

The Bonn Borrower, the Bonn Parent and the Bonn Agent entered into a subordination agreement relating to the Bonn Loan dated 5 September 2006 pursuant to which the relationship and priority between the obligations and liabilities to the Bonn Parent (the "**Junior Liabilities**") and the liabilities under the Bonn Loan are regulated. The Junior Liabilities are subordinated to the liabilities under the Bonn Loan and payment and receipt of any amount of the Junior Liabilities is not permitted until all the liabilities under the Bonn Loan have been paid or discharged in full.

The table below sets out some details in relation to the major tenants of the Bonn Property:

Major Tenants	Rent (€)	% of total rent
GMC Generalmietgesellschaft mbH Deutsche Telekom AC	2,903,483	100%

Ash Loan



Loan Information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank International Plc
Original Loan Balance (whole facility)	€8,765,800
Cut-Off Date Balance (whole facility)	€8,719,600
B loan sold to third party lender?	None
Cut-Off Date Balance (securitised facility)	€8,719,600
Cut-Off Date Balance (junior syndicated facility)	NA
Initial Drawdown Date	12 October 2006
First Payment Date	16 January 2007
Loan Purpose	Acquisition
Interest Rate Type	Floating
Hedging Type	Interest rate cap at Borrower Level with Citibank, N.A., London Branch
Loan Maturity Date	17 October 2011
Borrower	PRG Subsidiary 1 Sarl
Amortisation Type	Scheduled Amortisation
Cut-Off Date LTV (whole facility)	90.5%
Cut-Off Date LTV (securitised facility)	90.5%

Loan Information	
Loan Maturity Date LTV (whole facility)	86.5%
Loan Maturity Date LTV (securitised facility)	86.5%
Cut-Off Date ICR (whole facility)	1.50
Cut-Off Date ICR (securitised facility)	1.50
Cut-Off Date DSCR (whole facility)	1.27
Cut-Off Date DSCR (securitised facility)	1.27
Swap Rate	4.50%
Securitised Loan Margin	1.20%
ICR Covenant	1.20x year 1; 1.25x year 2; 1.30x thereafter
LTV Covenant	None
Prepayment Penalties	0-1st Year: 0.75%; 1-2nd Year: 0.50%; 2-3rd Year: 0.25%

Property Information	
Single Asset/Portfolio	Portfolio
Property Type	Residential
Location	Germany
NR Sqm	20,561
Freehold or Leasehold	Freehold
Property Management	Ravensberger Heimstattengesellschaft mbH (regarding the properties in Ostwestfalen) and Willmann Immobilien (regarding the properties in Dortmund)
Gross Income	€961,097
Expenses	€215,147
Net Rental Income	€745,950
Property Value	€9,630,000
Vacant Possession Value	€7,630,000
Valuation Date	3 July 2006
Valuation Firm	CBRE
Senior Loan per Sqm	€424
Expected/Estimated Rental Value	€1,117,095
Cut-off Gross Yield on the Properties	10.0%
Cut-off Net Yield on the Properties	7.7%
Cut-off Gross Yield on Securitised Debt	11.0%
Cut-off Net Yield on Securitised Debt	8.6%

Tenant Information	
Occupancy	91.2%
WA Lease Term (Years)	N/A

The Loan

This loan (the "**Ash Loan**") is made pursuant to a facility agreement dated 5 October 2006 (the "**Ash Loan Agreement**") entered into between PRG SUBSIDIARY 1 S.A.R.L. (the "**Ash Borrower**"), Citibank International plc as lender (the "**Ash Lender**") and as security agent (the "**Ash Security Agent**"). The Ash Loan Agreement is governed by German law.

The Ash Loan is secured by, amongst others, (1) a share pledge of all of the Ash Borrower's shares under the laws of Luxembourg; (2) a first-ranking joint land charge granted by the Ash Borrower to the Ash Security Agent relating to a land charge which encumbers the Ash Properties under German law; (3) a security purpose agreement under German law; (4) two account pledges over bank accounts of the Ash Borrower in favour of the Ash Security Agent, of which one under Luxembourg Law and one under German law; (5) an assignment of the rental income under German law; (6) a hedging assignment deed entered into by the Ash Borrower and the Ash Lender under English law; and (7) a global assignment agreement under German law.

The security conferred by each of the security agreements constitutes a first priority security interest and has been granted to the "**Ash Security Agent**".

For further information, refer to "**Enforcement Procedures**".

The interest rate of the Ash Loan is for each Interest Period the percentage rate per annum which is the aggregate of 1.20 per cent. per annum and three-month EURIBOR and mandatory costs (if any).

If, on any interest payment date, the projected net rents are equal or lower than 120 per cent. of the projected interest costs in year one, 125 per cent. of the projected interest costs in year two and 130 per cent. of the projected interest costs from the beginning of year three until the Loan Maturity Date, the Borrower must on the next interest payment date, pay any amount which is standing to the credit of the rent account to the debt service reserve account.

The repayments of the Ash Loan have to be effected by the way of fully redeeming capital and interest payments over a five-year term, expiring on 17 October 2011. Repayment of the Ash Loan is by quarterly instalments. Repayments are scheduled to be made on each interest payment date other than the Loan Maturity Date. The amounts scheduled to be made on each interest payment date are EUR 23,100 and EUR 8,326,900 on the last payment date.

Date	Amortisation (€)	Loan Balance (securitised facility) (€)
12-Oct-06		8,765,800
16-Jan-07	23,100	8,742,700
16-Apr-07	23,100	8,719,600
16-Jul-07	23,100	8,696,500
16-Oct-07	23,100	8,673,400
16-Jan-08	23,100	8,650,300
16-Apr-08	23,100	8,627,200
16-Jul-08	23,100	8,604,100
16-Oct-08	23,100	8,581,000
16-Jan-09	23,100	8,557,900
16-Apr-09	23,100	8,534,800
16-Jul-09	23,100	8,511,700
16-Oct-09	23,100	8,488,600
18-Jan-10	23,100	8,465,500
16-Apr-10	23,100	8,442,400
16-Jul-10	23,100	8,419,300
18-Oct-10	23,100	8,396,200
17-Jan-11	23,100	8,373,100
18-Apr-11	23,100	8,350,000
18-Jul-11	23,100	8,326,900
17-Oct-11	8,326,900	0

There are the following prepayment fees expressed to be payable: (i) 0.75 per cent. flat of any amount repaid in year 1; (ii) 0.50 per cent. flat of any amount repaid in year 2; and (iii) 0.25 per cent. flat of any amount repaid in year 3. However, there is no legally binding obligation to pay the prepayment fee as the undertaking to pay prepayment fees for floating interest rate loans is void under German law (Sect. 489 Subsect. 4 Sent. 1 German Civil Code).

Hedging

The Ash Borrower has entered into an interest rate cap governed by the ISDA Master Agreement with Citibank, N.A., London Branch dated 1 December 2006 pursuant to which the Ash Borrower undertakes to pay an amount calculated on the basis of a strike rate of 4.50 per cent. and Citibank, N.A., London Branch undertakes to pay an amount calculated on a floating rate (3-month EURIBOR). The mark to market value of such swap agreement as at 19 June 2007 was approximately €119,765.88 in favour of the Ash Borrower.

The Borrower

The Borrower under the Ash Loan (the "**Ash Borrower**") is PRG SUBSIDIARY 1 S.A.R.L., a company (*société à responsabilité limitée*) organised and existing under the laws of Luxembourg, with a share capital of Euros 12,500.00, having its registered office at 69A, Boulevard de la Pétrusse, L-2320 Luxembourg, registered with the Luxembourg Trade and Companies Register under number 117.086. The shares of the Borrower are all held by PRG Germany (Holding) S.A.R.L. a company (*société à responsabilité limitée*) organised and existing under the laws of Luxembourg, having its registered office at 69A, Boulevard de la Pétrusse, L-2320 Luxembourg, Grand Duchy of Luxembourg registered with the Luxembourg Trade and Companies Register under number B 117.092.

The Property

The Ash Properties comprise the "**Ostwestfalen Portfolio**" and one multiple-unit residential property located in Dortmund, Germany (the "**Ash Properties**"). The Ostwestfalen Portfolio consists of residential

properties and condominiums located in Germany which are in part subject to restrictions on social housing. For further information, refer to the section "**Risk Factors**".

Property Management

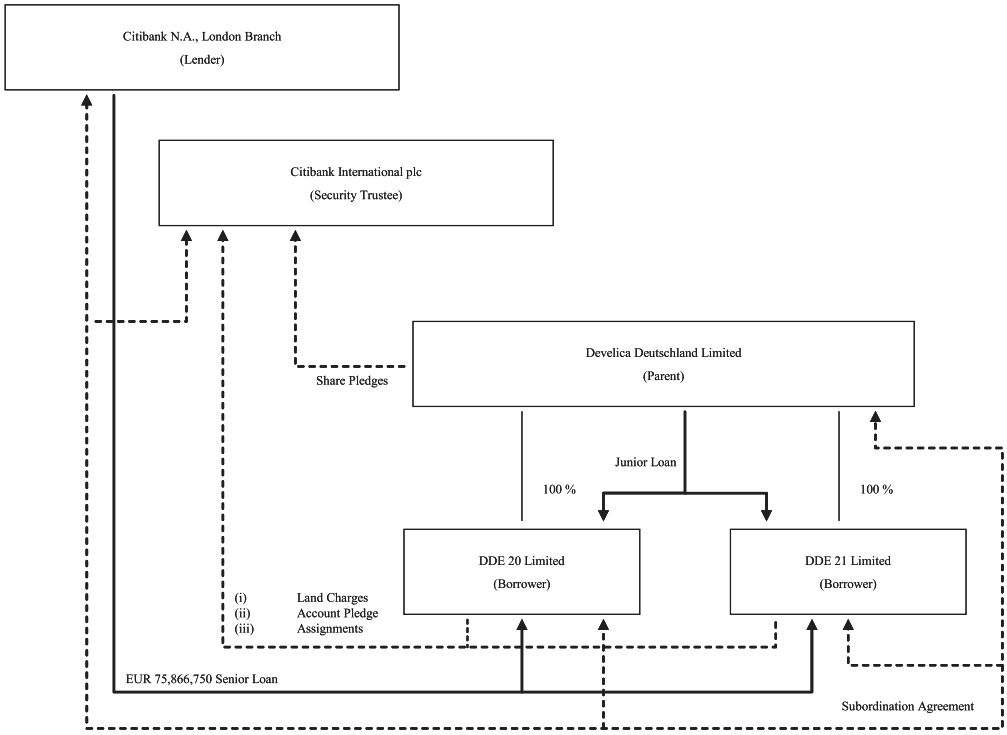
Pursuant to property management agreements with the Ash Borrower, the Ravensberger Heimstätten GmbH and Willmann Immobilien manage the Ash Property (the "**Ash Property Managers**").

The services carried out by Ash Property Managers include, *inter alia*, rent management, marketing and leasing, lease renewals, management of charges, technical management, administrative management and cash management. The Ash Property Managers have signed a duty of care letter from the Ash Security Agent, also addressed to the Ash Lender, wherein it agrees to comply with the terms of and to fulfil its obligations set out in the property management agreement, exercise all proper skill, care and diligence in performing its obligations, pay any rental income received by it as soon as practicable into the account of the company designated the rent account. The Ash Property Managers also undertake to install professional indemnity insurance with a coverage of €100,000 for each claim.

The table below set out some details in relation to the major tenants of the Ash Properties:

Major Tenants	Rent (£)	% of total rent
N.A.	N.A.	N.A.

Gutperle Loan



Loan information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank, N.A., London Branch
Original Loan Balance (whole facility)	€75,866,750
Cut-Off Date Balance (whole facility)	€75,108,082
B loan sold to third party lender?	Yes
Cut-Off Date Balance (senior securitised facility)	€67,297,529
Cut-Off Date Balance (junior syndicated facility)	€7,810,553
Initial Drawdown Date	1 December 2006
First Payment Date	16 January 2007
Loan Purpose	Acquisition
Interest Rate Type	Floating
Hedging Type	Swap at Borrower Level with Citibank, N.A., London Branch
Loan Maturity Date	16 January 2012
Borrower	DDE 20 Limited/DDE 21 Limited
Amortisation Type	Scheduled Amortisation
Cut-Off Date LTV (whole facility)	83.9%
Cut-Off Date LTV (senior securitised facility)	75.2%

Loan information	
Loan Maturity Date LTV (whole facility)	76.3%
Loan Maturity Date LTV (senior securitised facility)	68.4%
Cut-Off Date ICR (whole facility)	1.83
Cut-Off Date ICR (senior securitised facility)	2.14
Cut-Off Date DSCR (whole facility)	1.28
Cut-Off Date DSCR (senior securitised facility)	1.47
Swap Rate	3.81%
Securitised Loan Margin	0.64%
ICR Covenant	1.05x at any time for default, below 1.40x triggers cash sweep
LTV Covenant	85%
Prepayment Penalties	0-1st year: 1.00%; 1-2nd year 0.75%; 2-3rd year 0.50%; 3-4th year 0.25%

Property Information	
Single Asset/Portfolio	Portfolio
Property Type	Logistics
Location	Germany
NR Sqm	123,065
Freehold or Leasehold	Freehold
Property Management	Finanzberatung Investfinanz GmbH & Co, Immobilien KG
Gross Income	€6,714,985
Expenses	€306,517
Net Rental Income	€6,408,468
Property Value	€89,500,000
Vacant Possession Value	€64,500,000
Valuation Date	23 August 2006
Valuation Firm	CBRE
Senior Loan per Sqm	€547
Expected/Estimated Rental Value	€6,042,177
Cut-off Gross Yield on the Properties	7.5%
Cut-off Net Yield on the Properties	7.2%
Cut-off Gross Yield on Securitised Debt	10.0%
Cut-off Net Yield on Securitised Debt	9.5%

Tenant Information	
Occupancy	100.0%
WA Lease Term (Years)	8.7

The Loan

This loan (the "**Gutperle Loan**") was originated by Citibank, N.A., London branch (the "**Gutperle Lender**") pursuant to a facility agreement dated 29 November 2006. The Gutperle Loan is governed by English law.

The Gutperle Loan represents a portion of the full amount of the loan (the "**Gutperle Whole Loan**"). The Gutperle Lender has sold part of its interest (the whole of such interest being as of the Cut-Off Date €75,108,082) in the Gutperle Whole Loan to the Gutperle Investor. Such interest will not be acquired by the Issuer on the Issue Date and will instead be retained by the Gutperle Investor who is not a party to this securitisation. The Gutperle Lender will sell the remainder of its interest in the Gutperle Whole Loan to the Issuer on the Issue Date. Please refer to the section "Servicing (other than in relation to the Sunrise II Loan) – Intercreditor and Servicing in respect of the Whole Loans" for details on intercreditor arrangements.

The Gutperle Loan is secured by, amongst others, (1) land charges over the Gutperle Properties and security purpose agreements in connection with the land charges under German law; (2) pledges over certain bank accounts of the Gutperle Borrowers under German law; (3) assignments of insurance policies in connection with the Gutperle Properties under German law; (4) assignments of the claims under the sale and purchase agreements in connection with the Gutperle Properties under German law; (5) first ranking pledges over the net rental income of the Gutperle Properties under German law; (6) the assignment of the Gutperle Borrowers' rights and claims under the hedge agreements under English Law; and (7) the security interest agreement in relation to the shares in the Gutperle Borrowers under Guernsey Law.

The security conferred by each of the security agreements constitutes a first priority security interest and has been granted to Citibank International plc (the "**Gutperle Security Agent**").

For further information, refer to "**Enforcement Procedures**".

The interest rate of the Gutperle Loan for each interest payment period is the percentage rate per annum which is the aggregate of (i) 0.64 per cent. per annum plus (ii) 3-month EURIBOR plus (iii) mandatory

cost (if any) for the compliance with the requirements of the relevant regulatory authorities to be calculated on the first day of each interest period.

The Gutperle Borrowers undertake to ensure that the aggregate sum of the Gutperle Loan to value at any time does not exceed 85 per cent. of the total value of the Gutperle Borrowers' interests in the Gutperle Properties as recorded in the then most recent valuation or the additional valuation prepared in relation to such valuation, as the case may be.

Repayment of the Gutperle Loan is by quarterly instalments. Repayments are to be made on each interest payment date. The interest payment dates are 16 January, 16 April, 16 July and 16 October in each year. The Gurperle Borrowers shall repay an amount of 0.50 per cent. of the original principal amount drawn under the Gutperle Loan. The indicative amounts scheduled to be made on each interest payment date are shown as follows:

Date	Amortisation (€)	Loan Balance (securitised facility) (€)
Gutperle Whole Loan*		
16-Jan-07	379,334	67,637,416
16-Apr-07	339,887	67,297,529
16-Jul-07	339,887	66,957,643
16-Oct-07	339,887	66,617,756
16-Jan-08	339,887	66,277,869
16-Apr-08	339,887	65,937,982
16-Jul-08	339,887	65,598,096
16-Oct-08	339,887	65,258,209
16-Jan-09	339,887	64,918,322
16-Apr-09	339,887	64,578,435
16-Jul-09	339,887	64,238,549
16-Oct-09	339,887	63,898,662
18-Jan-10	339,887	63,558,775
16-Apr-10	339,887	63,218,888
16-Jul-10	339,887	62,879,002
18-Oct-10	339,887	62,539,115
17-Jan-11	339,887	62,199,228
18-Apr-11	339,887	61,859,341
18-Jul-11	339,887	61,519,455
17-Oct-11	339,887	61,179,568
16-Jan-12	61,179,568	0

* Prior to the Loan being split into A/B tranches

Hedging

The Gutperle Borrowers have entered into interest swap agreements governed by the ISDA Master Agreement with Citibank, N.A., London Branch dated 6 December 2006 pursuant to which the Gutperle Borrower undertakes to pay an amount calculated on a fixed interest rate of 3.81 per cent. in relation to each swap agreement in respect of an aggregate notional amount of €75,118,082 and Citibank, N.A., London Branch undertakes to pay an amount calculated on a floating rate (3-month EURIBOR). The mark to market value of such swap agreements as at 19 June 2007 was approximately €2,417,963.16 in favour of the Gutperle Borrowers.

The Borrowers

The borrowers under the Gutperle Loan (the "**Gutperle Borrowers**") are DDE 20 Limited, a company incorporated under the laws of Guernsey having its registered business address at Dorey Court, Admiral Park, St. Peter Port, Guernsey GY1 3BG and DDE 21 Limited, a company incorporated under the laws of Guernsey having its registered business address at Dorey Court, Admiral Park, St. Peter Port, Guernsey GY1 3BG. The principal activities of the Gutperle Borrowers are to acquire and hold properties. The Gutperle Borrowers are direct subsidiaries of Develica Deutschland Limited, a company incorporated under the laws of Guernsey having its registered business address at Dorey Court, Admiral Park, St. Peter Port, Guernsey GY1 3BG (the "**Gutperle Parent**").

The Property

The properties comprise logistics buildings located in Minden (the "**Minden Property**") and Offenbach, Germany (together, the "**Gutperle Properties**").

There has been historic contamination on Minden Property though the vendor confirmed in the sale agreement to the Gutperle Borrower that such contamination no longer existed and gave an indemnity in respect of such liabilities. It appears that environmental/water tests carried out in 2002/2004 did not reveal material contamination, however the Gutperle Borrowers expect the local authority will request further ground water sampling to be conducted. The presence of contamination on site and the monitoring of this area by the authority may lead to further clean-up measures to be executed by the respective owner of the site.

Property Management

The Gutperle Properties are managed by Finanzberatung Investfinanz GmbH & Co KG, Viernheim (the "**Gutperle Property Manager**") pursuant to two property management agreements (the "**Gutperle Management Agreements**"). The Gutperle Management Agreements entered into effect on 2 December 2006 and expire on 31 December 2007. The Gutperle Property Manager is entitled to terminate the contract with effect to 31 December 2008 at the earliest. Unless terminated by either party to the Gutperle Management Agreements at a notice period of three months to the expiry of the minimum term, it shall be automatically renewed by one year. The same applies to the expiry of the annual terms after the end of the minimum term.

Under the terms of the Gutperle Loan, the Gutperle Lender may require the Gutperle Borrowers to appoint new managing agents on terms approved by the Gutperle Lender acting in a reasonably manner. The Gutperle Borrower may terminate each of the Gutperle Management Agreements if the managing agents are in default with written consent of the Gutperle Security Agent.

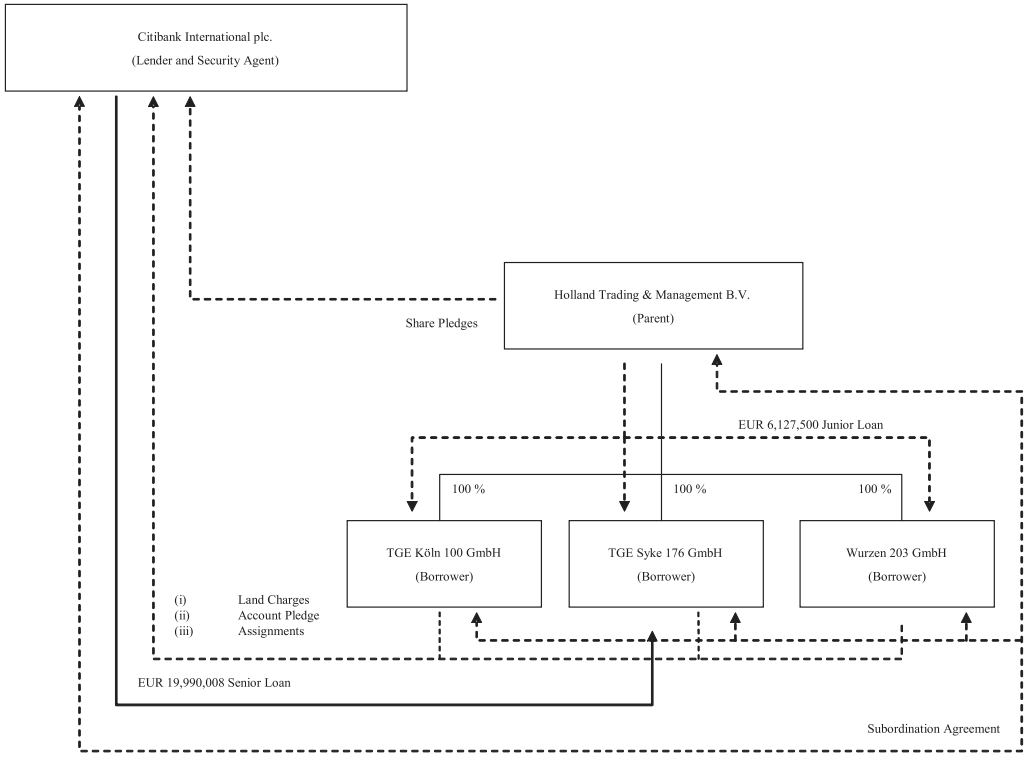
Subordinated Loan

The Gutperle Borrowers, the Gutperle Parent and the Gutperle Security Agent entered into a subordination agreement relating to the Gutperle Loan dated 29 November 2006 pursuant to which the relationship and priority between the obligations and liabilities to the Gutperle Parent (the "**Junior Liabilities**") and the liabilities under the Gutperle Loan are regulated. The Junior Liabilities are subordinated to the liabilities under the Gutperle Loan and payment and receipt of any amount of the Junior Liabilities is not permitted until all the liabilities under the Gutperle Loan have been paid or discharged in full.

The table below sets out some details in relation to the major tenants of the Gutperle Properties:

Major Tenants	Rent (€)	% of total rent
Daimler Chrysler KG	4,269,732	64%
ESM Erti Systemlogistik GmbH & Co.	2,445,253	36%

Tshuva Loan



Loan information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank International Plc
Original Loan Balance (whole facility)	€19,990,008
Cut-Off Date Balance (whole facility)	€19,939,838
B loan sold to third party lender?	None
Cut-Off Date Balance (securitised facility)	€19,939,838
Cut-Off Date Balance (junior syndicated facility)	NA
Initial Drawdown Date	18 December 2006
First Payment Date	16 April 2007
Loan Purpose	Acquisition
Interest Rate Type	Fixed
Hedging Type	Swap at Lender level with Citibank, N.A., London Branch
Loan Maturity Date	16 April 2012
Borrower	TGE Koln 100 GmbH and TGE Bochum EINS GmbH and Wurzen 203 GmbH
Amortisation Type	Scheduled Amortisation
Cut-Off Date LTV (whole facility)	85.4%
Cut-Off Date LTV (securitised facility)	85.4%

Loan information	
Loan Maturity Date LTV (whole facility)	77.9%
Loan Maturity Date LTV (securitised facility)	77.9%
Cut-Off Date ICR (whole facility)	1.71
Cut-Off Date ICR (securitised facility)	1.71
Cut-Off Date DSCR (whole facility)	1.43
Cut-Off Date DSCR (securitised facility)	1.43
Swap Rate	4.05%
Securitised Loan Margin	0.95%
ICR Covenant	1.25x triggers cash sweep, 1.00x triggers default
LTV Covenant	None
Prepayment penalties:	0-1st year:1.00%; 1-2nd year: 0.75%; 2-3rd year: 0.50%; 3-4th year: 0.25%

Property Information	
Single Asset/Portfolio	Portfolio
Property Type	Residential
Location	Germany
NR Sqm	52,580
Freehold or Leasehold	1 Leasehold, 8 Freehold
Property Management	SHV Immobilien-Verwaltung GmbH (Koln Nippes and Kolnberg / WBT Hausverwaltung GmbH (Syke and Wurzen)
Gross Income	€2,551,769
Expenses	€845,372
Net Rental Income	€1,706,397
Property Value	€23,345,000
Vacant Possession Value	€15,130,000
Valuation Date	November 2006
Valuation Firm	AAA
Senior Loan per Sqm	€379
Expected/Estimated Rental Value	€2,633,985
Cut-off Gross Yield on the Properties	10.9%
Cut-off Net Yield on the Properties	7.3%
Cut-off Gross Yield on Securitised Debt	12.8%
Cut-off Net Yield on Securitised Debt	8.6%

Tenant Information	
Occupancy	94.0%
WA Lease Term (Years)	N/A

The Loan

This loan (the "**Tshuva Loan**") was originated by Citibank International plc (the "**Tshuva Lender**") pursuant to a loan agreement dated 8 December 2006 (the "**Tshuva Loan Agreement**"). The Tshuva Loan Agreement is governed by German law.

The Tshuva Loan is secured by (1) an account pledge over the bank accounts of the Tshuva Borrowers under German law; (2) the assignment of rental and insurance claims under German law; (3) the assignment of any claims under the property purchase agreement relating to the Tshuva Properties under German law and (4) the assignment of any other claims under German law as well as a (5) a security purpose agreement (*Sicherungszweckabrede*) regarding the land charge over the Tshuva Properties under German law; (6) share pledges over all of the Tshuva Borrower's shares under German law and (7) certificated first-ranking land charges under German law encumbering the Tshuva Properties.

The security conferred by each of the security agreements constitutes a first priority security interest and has been granted to Citibank International plc (the "**Tshuva Security Agent**").

For further information, refer to the section "**Enforcement Procedures**".

The interest rate of the Tshuva Loan is the sum of (i) 0.95 per cent. per annum, plus (ii) a rate (five year swap rate per annum) which has been determined to be 4.05 per cent.

The Tshuva Borrowers have not entered into any swap agreements with the Swap Counterparty in relation to the Tshuva Loan.

If, on any five business days prior to any interest payment date, the Tshuva Borrowers do not comply with the interest cover ratio covenant that the projected net rents (*geschätzte Nettomieten*) on each interest payment date are higher than or equal to 125 per cent. of the projected interest costs, the Tshuva Borrowers must on the next interest payment date, prepay the Term Loan in the amount which is standing to the credit of the Rent Account (after the payments as set out in Clauses (i) to and including (x) of Schedule 14 of the Tshuva Loan Agreement (Rent Account Distribution Scheme) have been made).

If, on any interest payment date, the projected net rents (*geschätzte Nettomieten*) are equal to or lower than 100 per cent. of the projected interest costs, this amounts to an event of default, and the Tshuva Lender shall have the right to terminate the Tshuva Loan agreement and accelerate any amounts outstanding under the Tshuva Loan.

The ratio between the outstanding total term loan amount and the actual market value of the Tshuva Property (the "**LTV Ratio**") must not be at any time more than 87.1 per cent. In case of a breach of the LTV Ratio, the Tshuva Borrower shall be entitled, within 5 (five) days from the breach of the LTV Ratio, (but only up to two times per annum and up to four times over the duration of this Agreement) to discharge the Tshuva Loan from equity funds in order to comply with the LTV Ratio.

The Tshuva Borrowers shall repay the loan as follows:

Payment Date	Amortisation (€)	Loan Balance (securitised facility) (€)
18-Dec-06	0	19,990,008
16-Apr-07	50,170	19,939,838
16-Jul-07	50,170	19,889,669
16-Oct-07	50,170	19,839,499
16-Jan-08	50,170	19,789,330
16-Apr-08	100,339	19,688,990
16-Jul-08	100,339	19,588,651
16-Oct-08	100,339	19,488,312
16-Jan-09	100,339	19,387,973
16-Apr-09	100,339	19,287,634
16-Jul-09	100,339	19,187,295
16-Oct-09	100,339	19,086,956
18-Jan-10	100,339	18,986,617
16-Apr-10	100,339	18,886,278
16-Jul-10	100,339	18,785,939
18-Oct-10	100,339	18,685,600
17-Jan-11	100,339	18,585,260
18-Apr-11	100,339	18,484,921
18-Jul-11	100,339	18,384,582
17-Oct-11	100,339	18,284,243
16-Jan-12	100,339	18,183,904
16-Apr-12	18,183,904	

The Tshuva Lender shall be entitled to update the repayment schedule from time to time in order to reflect the drawn and then outstanding nominal term loan amounts and to provide for a amortisation of each term loan of 1 per cent. per annum in the year from 16 April 2007 to 16 April 2008 and of 2 per cent. per annum in the years thereafter.

Hedging

The interest rate on the Tshuva Loan is payable at a fixed rate. Citibank International plc has entered into an interest rate swap agreement (the "**Tshuva Swap Agreement**") with Citibank, N.A., London Branch (a Fixed/Floating Swap Transaction) that requires (a) Citibank International plc to pay Citibank, N.A., London Branch a fixed rate of 4.05 per cent. and (b) Citibank, N.A., London Branch will pay to Citibank International plc an amount calculated by reference to a 3-month EURIBOR rate on a notional amount equal to the scheduled amortisation of the principal amount of the Tshuva Loan. The Tshuva Swap Agreement will be transferred by novation to the Issuer to form a Fixed/Floating Swap Transaction between the Issuer and the Swap Counterparty. In the event of any repayment of in excess of the amortisation schedule, this will effectively result in a partial termination of the relevant Fixed/Floating Swap Transaction and there may be a termination payment due from the Issuer to the Swap Counterparty. The mark to market value of the Tshuva Swap Agreement as at 19 June 2007 was approximately €475,431.19 in favour of Citibank International plc.

The Borrowers

The borrowers under the Tshuva Loan (the "**Tshuva Borrowers**") are (1) TGE Köln 100 GmbH, a limited liability company organised and existing under the laws of Germany, with a share capital of Euros 25,000, having its registered office at Friedberger Str. 23, 61169 Friedberg, registered with the Register of Commerce and Companies in Friedberg under no. HRB 6325, (the "**Tshuva Borrower 1**"); (2) TGE Bochum EINS GmbH (to be renamed into TGE Syke 176 GmbH), a limited liability company organised and existing under the laws of Germany, with a share capital of Euros 25,000, having its office (still to be registered) at Friedberger Str. 23, 61169 Friedberg, currently registered with the Register of Commerce and Companies in Hamburg under no. HRB 97100, (the "**Tshuva Borrower 2**"); and (3) Wurzen 203 GmbH, a limited liability company organised and existing under the laws of Germany, with a share capital of Euros 25,000, having its registered office at Friedberger Str. 23, 61169 Friedberg, registered with the Register of Commerce and Companies in Friedberg under no. HRB 6334, (the "**Tshuva Borrower 3**").

All shares of the Tshuva Borrowers are held by Holland Trading & Management B.V., Oosteinde 7-11, 1017 WT Amsterdam, The Netherlands, registered with the commercial register of the chamber of commerce Amsterdam (Kamer van Koophandel, Amsterdam) under no. 34190300 (the "**Tshuva Parent**").

The Property

The properties (the "**Tshuva Properties**") comprise of (1) a property known as Köln-Nippes, located at Niehler Gürtel 104 which consists of 100 apartments with 7,497sqm of residential space, 2,410sqm of commercial space and 129 parking spaces (the "**Tshuva Nippes Property**"); (2) 593 hereditary building rights in condominium property (*Wohnungserbbaurechte*) comprising a total space of 28,887 sqm and further partial hereditary building rights (*Teilerbbaurechte*) in garage parking spaces, situated in Köln-Meschenich (the "**Tshuva Kölnberg Property**"); (3) an apartment block located in the city of Syke (the "**Tshuva Syke Property**"); and (4) apartment blocks and houses located in Bad Düben, Grimma, Wurzen, Dommitzsch and Köhra (the "**Tshuva Wurzen Property**").

Property Management

Pursuant to a property management agreement between the Tshuva Borrower 1 and SHV Immobilien-Verwaltung GmbH, SHV Immobilien-Verwaltung GmbH manages the Tshuva Nippes Property and the Tshuva Kölnberg Property.

The services carried out by SHV Immobilien-Verwaltung GmbH include, *inter alia*, rent management, marketing and leasing, lease renewals, management of charges, technical management, administrative management and cash management.

SHV Immobilien-Verwaltung GmbH has signed a duty of care letter from the Tshuva Security Agent, also addressed to the Tshuva Lender, wherein it agrees to comply with the terms of and to fulfil its obligations set out in the property management agreement, exercise all proper skill, care and diligence in performing its obligations, pay any rental income received by it as soon as practicable into the account of the company designated the rent account. SHV Immobilien-Verwaltung GmbH also undertakes to install professional indemnity insurance with a coverage of €1,500,000.

Pursuant to a property management agreement between the Tshuva Borrower 2, the Tshuva Borrower 3 and WBT-Hausverwaltung GmbH, WBT-Hausverwaltung GmbH manages the Tshuva Syke Property and the Tshuva Wurzen Property.

The services carried out by WBT-Hausverwaltung GmbH include, *inter alia*, rent management, marketing and leasing, lease renewals, management of charges, technical management, administrative management and cash management.

WBT-Hausverwaltung GmbH has signed a duty of care letter from the Tshuva Security Agent, also addressed to the Tshuva Lender, wherein it agrees to comply with the terms of and to fulfil its obligations set out in the property management agreement, exercise all proper skill, care and diligence in performing its obligations, pay any rental income received by it as soon as practicable into the account of the company designated the rent account. WBT-Hausverwaltung GmbH also undertakes to install a professional indemnity insurance with a coverage of €1,500,000.

Subordinated Loan

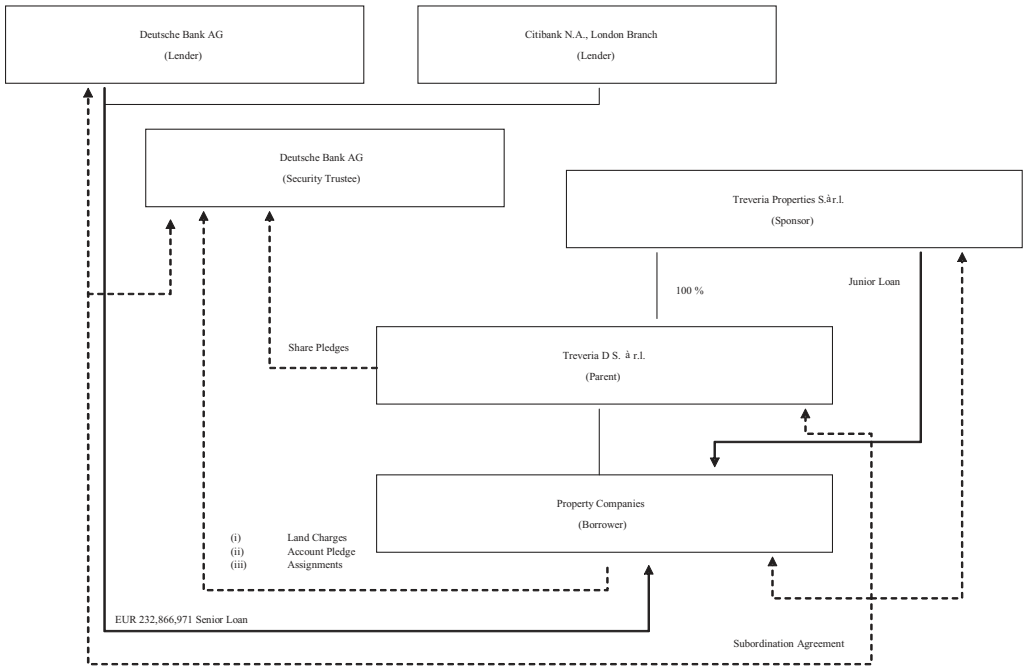
The Tshuva Parent has granted a shareholders loan (the "**Tshuva Shareholder Loan**") to the Tshuva Borrowers.

Pursuant to a subordination agreement between the Tshuva Lender, the Tshuva Security Agent, the Tshuva Borrowers and the Tshuva Parent as the subordinated creditor dated 8 December 2006, the payment of amounts owing under the Tshuva Shareholder Loan is subordinated to the payment of amounts owing under the Tshuva Loan.

The table below sets out some details in relation to the major tenants of the Tshuva Properties:

Major Tenants	Rent (€)	% of total rent
N.A.	N.A.	N.A.

Citibank Sunrise II Loan



Loan information*	
Cut-Off Date	20 April 2007
Lending Entity	Citibank, N.A., London Branch
Original Loan Balance (whole facility)	€116,433,486
Cut-Off Date Balance (whole facility)	€115,279,935
B loan sold to third party lender?	None
Cut-Off Date Balance (senior securitised facility)	€115,279,935
Cut-Off Date Balance (junior syndicated facility)	None
Initial Drawdown Date	19 May 2006
First Payment Date	20 July 2006
Loan Purpose	Acquisition
Interest Rate Type	Fixed
Hedging Type	Swap at Lender level with Citibank, N.A., London
Loan Maturity Date	20 July 2011
Borrower	Multiple entities, subsidiaries to Treveria D. Sarl
Amortisation Type	Scheduled Amortisation
Cut-Off Date LTV (whole facility)	74.3%
Cut-Off Date LTV (securitised facility)	74.3%
Loan Maturity Date LTV (whole facility)	69.8%
Loan Maturity Date LTV (securitised facility)	69.8%

Loan information*	
Cut-Off Date ICR (whole facility)	1.91
Cut-Off Date ICR (securitised facility)	1.91
Cut-Off Date DSCR (whole facility)	1.45
Cut-Off Date DSCR (securitised facility)	1.45
Swap Rate	3.89%
Securitised Loan Margin	0.90%
DSCR Covenant	If less than 1.15x at any time (cash trap) – only deemed cured if 1.25x is reached; 1.10x (event of default)
LTV Covenant	95% for default; 85% for cash trap
Prepayment Penalties	1.50% 1st utilisation date to 20 April 2008; 0.75% 21 April 2008 to 20 April 2009; nil thereafter

Property Information*	
Single Asset/Portfolio	Portfolio
Property Type	Retail & Office
Location	Germany
NR Sqm	123,561
Freehold or Leasehold	Freehold
Property Management	Dawnay, Day Treveria Real Estate Asset Management Limited
Gross Income	€11,073,678
Expenses	€528,057
Net Rental Income	€10,545,621
Property Value	€155,203,000
Vacant Possession Value	€130,951,000
Valuation Date	May / June 2006 (depending on property)
Valuation Firm	DTZ Debenham Tie Leung
Senior Loan per Sqm	€933
Expected/Estimated Rental Value	€13,500,053
Cut-off Gross Yield on the Properties	7.1%
Cut-off Net Yield on the Properties	6.8%
Cut-off Gross Yield on Securitised Debt	9.6%
Cut-off Net Yield on Securitised Debt	9.1%

Tenant Information*	
Occupancy	99.0%
WA Lease Term (Years)	6.4

* Based on Citibank's 50% interest in the Sunrise II Loan

The Loan

This loan (the "**Sunrise II Loan**") was jointly originated by Citibank, N.A., London Branch and DB Lender (the "**Sunrise II Lenders**"), each participating in the Sunrise II Loan in equal shares ranking *pari passu* with each other, pursuant to a facility agreement dated 19 May 2006 (as amended and restated on 29 June 2006) (the "**Sunrise II Loan Agreement**"). DB Lender has sold its 50 per cent. interest (the "**DB Sunrise II Loan**") in the Sunrise II Loan to the DB Issuer for securitisation. Such interest will not be acquired by the Issuer on the Issue Date. The First Seller will sell the remainder 50 per cent. interest (the "**Citibank Sunrise II Loan**") in the Sunrise II Loan to the Issuer on the Issue Date. The principal amount drawn by the Sunrise II Borrowers under the Sunrise II Loan Agreement was €232,866,971. The Sunrise II Loan was drawn on 19 May 2006, 29 June 2006 and 10 August 2006. The outstanding amount under the Citibank Sunrise II Loan as at the Cut-Off Date is €115,279,935. The Sunrise II Loan Agreement is governed by English law.

The Sunrise II Loan comprises 66 separate loans, each such loan made to an individual borrower, the maximum amount advanced to a Sunrise II Borrower being €43,800,000. All of these loans are cross-collateralised (subject to the Net Asset Rule described below) and cross-defaulted. No further amounts are available to be drawn by the Sunrise II Borrowers under the Sunrise II Loan Agreement.

Deutsche Bank AG, London Branch will, facilitate the implementation of servicing decisions taken by the separate entities servicing the different portions of the Sunrise II Loan, being the DB Master Servicer in respect of the DB Sunrise II Loan and the Master Servicer in respect of the Citibank Sunrise II Loan (in such capacity, "**Sunrise II Facility Agent**"). In addition, the Controlling Creditor may not be the only entity able to exercise control over the Sunrise II Loan. While the Controlling Creditor will have the right to appoint a Sunrise II Operating Adviser to represent its interest under the Citibank Sunrise II Loan, the DB Controlling Class pursuant to the securitisation of the DB Sunrise II Loan will have similar rights to the Controlling Creditor but only in relation to the portion of the Sunrise II Loan acquired by the DB Lender.

Please refer to the section entitled "**Servicing of the Sunrise II Loan**" for further details.

The amounts drawn under the Sunrise II Loan Agreement were applied by the Sunrise II Borrowers to (a) acquire a portfolio of commercial properties across Germany (each a "**Sunrise II Property**" and together the "**Sunrise II Properties**"), (b) fund the Sunrise II capex account with an amount up to a maximum of €1,693,600, (c) the payment of interest, fees, and other finance costs pursuant to the facility made available to the Sunrise II Borrowers pursuant to the Sunrise II Loan Agreement and (d) finance intercompany loans to the Sunrise II Parent or the shareholders in the Sunrise II Parent to the extent not required under (a) to (c) above and subject to such lending being in compliance with the German rules on capital maintenance (*Kapitalerhaltungsgrundsätze) (*the "**Net Asset Rule**"). The Sunrise II Properties comprise several distinct property portfolios, being the "**C&A Portfolio**", the "**Cloppenburg Portfolio**", the "**Kaufhof-Doetsch Portfolio**", the "**Mühldorf Portfolio**", the "**Oberpaur/Sinn-Leffers Portfolio**", the "**Ratingen Portfolio**" and the "**Zehdenick Portfolio**".

The Sunrise II Loan is secured by, amongst others, (1) land charges over the Sunrise II properties and security purpose agreements in connection with the land charges under German law; (2) share pledges over the issued share capital of, or pledge of partnership interest in, the Sunrise II Borrowers under German law; (3) pledges over certain bank accounts of the Sunrise II Borrowers under German law; (4) assignments of insurance policies in connection with the Sunrise II Properties under English law; (5) assignments of the claims under the sale and purchase agreements in connection with the Sunrise II Properties under German law; (6) assignments of the claims under the lease agreements in connection with the Sunrise II Properties under German law; and (7) a share pledge over the shares in the share capital of the Sunrise II Parent under the laws of Luxembourg. The Sunrise II Borrowers' obligations are guaranteed by the Sunrise II Parent.

The security has been granted to Deutsche Bank AG (the "**Sunrise II Security Trustee**") as security trustee to the Sunrise II Lenders.

The Sunrise II Properties located at Duisburg and Essen are subject to first-ranking mortgages in the amounts of DEM 2,000,000 and DEM 1,900,000 (equivalent to approximately €1,022,000 and €971,000 respectively), which have not been deleted from the relevant land register, because the land charge certificates are unavailable. In the absence of the original land charge certificates, first ranking land charges in favour of the Sunrise II Security Trustee cannot be entered on the land register. Pursuant to the Sunrise II Loan Agreement, the Sunrise II Facility Agent can request early repayment of the allocated loan amounts in respect of these two Sunrise II Properties and all related interest and costs if the prior ranking mortgages in respect of these Sunrise II Properties will not have been deleted from the relevant land register by 15 April 2007.

For further information, refer to the section entitled "**Enforcement Procedures**".

The interest rate of the Sunrise II Loan is the sum of (i) 0.90 per cent. per annum of the aggregate loan amount plus (ii) a rate calculated on each rate fixing date, which has been determined to be 3.89 per cent. plus (iii) a mandatory cost (if any) for the compliance with the requirements of the relevant regulatory authorities to be calculated on the first day of each interest period.

The Sunrise II Borrowers have not entered into any swap agreements with the Swap Counterparty in relation to the Sunrise II Loan.

The Sunrise II Borrowers undertake to ensure that the aggregate sum of the Sunrise II Loan to value at any time does not exceed 95 per cent. However, if, at any time, the loan to market value of all properties is more than 85 per cent. but less than 95 per cent., the Sunrise II Borrowers shall, within 30 days following the date of the valuation (a) pay an amount into the deposit account which is necessary to ensure that the sum of such amount and the amount of the loans outstanding is not more than 80 per cent. of the market value, or (b) prepay the loans in an amount which is necessary to ensure that the amount of the loans outstanding after such prepayment is not more than 80 per cent. of the market value.

The Sunrise II Borrowers are also obliged to maintain a debt service cover ratio (to be calculated in accordance with the Sunrise II Loan) of at least 125 per cent.

Repayment of the Citibank Sunrise II Loan is by quarterly instalments. Repayments are to be made on each interest payment date (excluding the Loan Maturity Date). The interest payment dates are 20 January, 20 April, 20 July and 20 October in each year. The Sunrise II Borrowers shall repay an amount equal to (a) on each interest payment date prior to the first anniversary of the first utilisation date 1.00 per cent. per annum of the aggregate loan amount, and (b) from the fifth interest payment date 1.50 per cent.

per annum of the aggregate loan amount. The indicative amounts scheduled to be made on each interest payment date are shown as follows:

Date	Amortisation (€)	Loan Balance (securitised facility) (€)
19-May-06		51,907,500
29-Jun-06	0	112,119,736
20-Jul-06	280,299	111,839,436
20-Oct-06	291,084	115,862,103
22-Jan-07	291,084	115,571,019
20-Apr-07	291,084	115,279,935
20-Jul-07	436,626	114,843,310
22-Oct-07	436,626	114,406,684
21-Jan-08	436,626	113,970,058
21-Apr-08	436,626	113,533,433
21-Jul-08	436,626	113,096,807
20-Oct-08	436,626	112,660,182
20-Jan-09	436,626	112,223,556
20-Apr-09	436,626	111,786,931
20-Jul-09	436,626	111,350,305
20-Oct-09	436,626	110,913,679
20-Jan-10	436,626	110,477,054
20-Apr-10	436,626	110,040,428
20-Jul-10	436,626	109,603,803
20-Oct-10	436,626	109,167,177
20-Jan-11	436,626	108,730,551
20-Apr-11	436,626	108,293,926
20-Jul-11	108,293,926	0

Hedging

The interest rate on the Citibank Sunrise II Loan is payable at a fixed rate. The Issuer will enter into an interest rate swap agreement (the "**Sunrise II Swap Agreement**") on off-market terms with the Swap Counterparty (a Fixed/Floating Swap Transaction) that requires (a) the Issuer to pay to the Swap Counterparty a fixed rate of 3.89 per cent. and (b) the Swap Counterparty will pay to the Issuer an amount calculated by reference to a 3-month EURIBOR rate on a notional amount equal to the scheduled amortisation of the principal amount of the Citibank Sunrise II Loan. In the event of any repayment of in excess of the amortisation schedule, this will effectively result in a partial termination of the relevant Fixed/Floating Swap Transaction and there may be a termination payment due from the Issuer to the Swap Counterparty. The mark to market value of the Sunrise II Swap Agreement as at 19 June 2007 was approximately €3,006,582.07 in favour of the Issuer.

The Borrowers

The borrowers under the Sunrise II Loan (the "**Sunrise II Borrowers**" and each a "**Sunrise II Borrower**") are indirect subsidiaries of Dawnay Day Treveria plc and direct subsidiaries of Treveria D S.à r.l., a limited liability company formed under the laws of Luxembourg, registered under no. B113107 with the Luxembourg Register of Commerce, with its registered office at 5, rue Guillaume Kroll, L-1882 Luxembourg (the "**Sunrise II Parent**"). The Sunrise II Borrowers are limited liability companies (*GmbH*) incorporated in Germany. The principal activities of the Sunrise II Borrowers are to acquire and hold properties.

In relation to the Sunrise II Loan, the majority shareholding of almost all the Sunrise II Borrowers is held by a company within the Sunrise II Borrower group ("**Sunrise II Majority Shareholders**") and the minority shareholding is held by a company within the Dawnay Day group (the "**Sunrise II Minority Shareholders**"). The minority shareholdings of each Sunrise II Borrower are 5.1 per cent. or 5.2 per cent., as the case may be, of the shares of such relevant Sunrise II Borrower. However, each of the Sunrise II Minority Shareholders has granted to the relevant Sunrise II Majority Shareholders a right to purchase the minority shareholding in the relevant Sunrise II Borrower at market value at any time.

Both the Sunrise II majority shareholdings and Sunrise II minority shareholdings are pledged in favour of the relevant Security Trustee as security for guarantees of the Sunrise II Borrowers' obligations under the Sunrise II Loan.

The Sunrise II Parent

The Sunrise II Parent, Treveria D S.A.R.L., was incorporated under the laws of Luxembourg as a limited liability company (*société à responsabilité limitée*) registered under no. B113107 with the Luxembourg Register of Commerce with its registered office at 5, rue Guillaume Kroll, L-1882 Luxembourg.

The Sunrise II Parent is a special purpose vehicle. As of the date of this Prospectus, the Sunrise II Parent has not been obliged to produce nor has it produced any financial statements nor has it carried on other activities than being the holding company of the Sunrise II Borrowers.

Principal Activities

The principal objects of the Sunrise II Parent are, *inter alia*, to carry on the business of an investment holding company, to enter into loan arrangements, to raise or borrow money, to grant security over its assets for such purposes and to lend money with or without security to subsidiaries or affiliated companies. The Sunrise II Parent has also provided a subordinated loan to the Sunrise II Borrowers. See "**Subordinated Loan**" below for further information. The Sunrise II Parent has represented in the Sunrise II Loan Agreement that it does not have any employees.

Corporate Administration and Management

The manager of the Sunrise II Parent is Mrs. Noëlla Antoine, 5 rue Guillaume Krol, L-1882 Luxembourg. The manager is either employee of a corporate service provider or of the parent company of the Sunrise II Parent.

Capitalisation

The issued share capital of the Sunrise II Parent is €12,500 divided into 500 fully paid up, registered shares with a par value of €25 each. Dawnay Day Treveria plc., through its wholly-owned subsidiaries, is the majority shareholder with an 89 per cent. shareholding. The remaining 11 per cent. shareholding is held indirectly by Arba Investments S.A.R.L.

The Property

The property comprises the "**C&A Portfolio**", the "**Cloppenburg Portfolio**", the "**Kaufhof-Doetsch Portfolio**", the "**Mühldorf Portfolio**", the "**Oberpaur/Sinn-Leffers Portfolio**", the "**Zehdenick Portfolio**" and the "**Ratingen Portfolio**" (the "**Sunrise II Properties**").

The Sunrise II Properties consists of commercial and mixed used properties located in Germany.

Property Management

The Sunrise II Properties are managed by Dawnay Day Property Investment GmbH pursuant to 15 property management agreements (the "**Sunrise II Management Agreements**"). The Sunrise II Management Agreements are for an indefinite term, subject to three months' written notice of termination by either party.

Under the terms of the Sunrise II Loan, the Sunrise II Lenders may require the Sunrise II Borrowers to appoint new managing agents on terms approved by the Sunrise II Lenders acting in a reasonably manner. The Sunrise II Borrower may terminate each of the Sunrise II Management Agreements if the managing agents are in default and may appoint any new managing agents who (i) are of a reputable national firm; (ii) enter into a duty of care agreement and (iii) have professional indemnity insurance of the required amount.

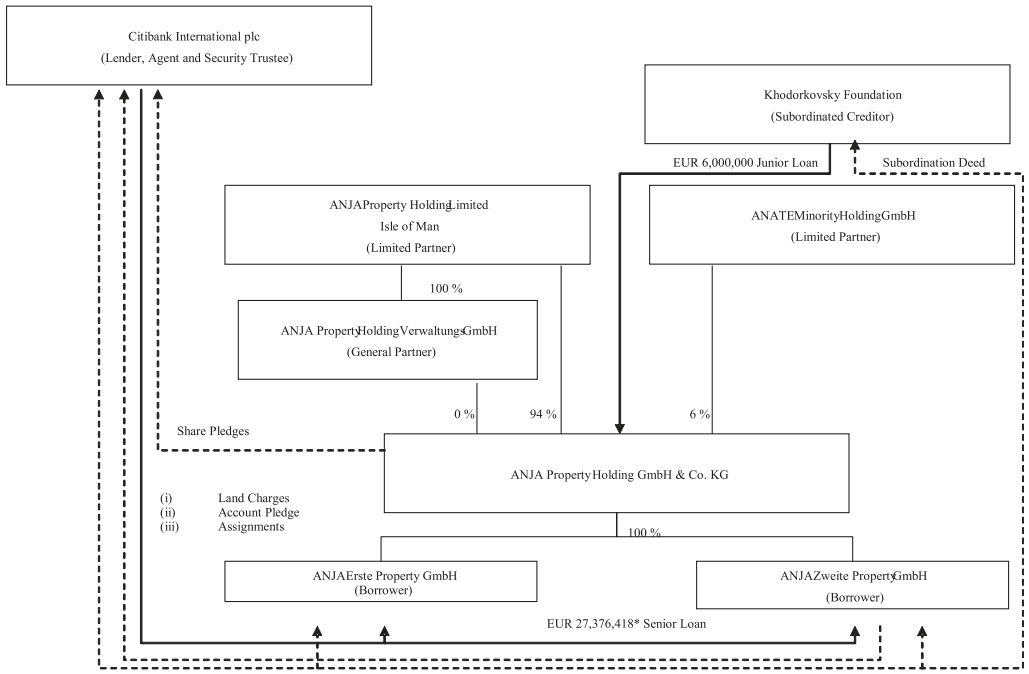
Subordinated Loan

The Sunrise II Borrowers, the Sunrise II Parent and DB Lender entered into a subordination agreement relating to the Sunrise II Loan dated 19 May 2006 pursuant to which the payments of amounts owing by each Sunrise II Borrower to the Sunrise II Parent are contractually subordinated to payments of amounts owing under the Sunrise II Loan.

The table below set out some details in relation to the major tenants of the Sunrise II Properties:

Major Tenants	Rent (€)	% of total rent
C&A Mode KG	1,777,578	16%
Kaufhof	1,499,108	14%
Wal Mart (Metro Group)	1,000,499	9%
Sinn Leffers AG	900,000	8%
Kaufland (Lidl & Schwarz)	810,386	7%
REWE	502,168	5%

Epic Horse Loan



Loan information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank International Plc
Original Loan Balance (whole facility)	€27,376,418*
Cut-Off Date Balance (whole facility)	€27,342,857*
B loan sold to third party lender?	None
Cut-Off Date Balance (securitised facility)	€27,342,857*
Cut-Off Date Balance (junior syndicated facility)	NA
Initial Drawdown Date	6 February 2007
First Payment Date	16 April 2007
Loan Purpose	Acquisition
Interest Rate Type	Fixed
Hedging Type	Swap at Lender level with Citibank, N.A., London Branch
Loan Maturity Date	16 April 2014
Borrower	Anja Erste Property Gmbh and Anja Zweite Property Gmbh
Amortisation Type	Scheduled Amortisation
Cut-Off Date LTV (whole facility)	79.6%
Cut-Off Date LTV (securitised facility)	79.6%

Loan information	
Loan Maturity Date LTV (whole facility)	71.6%
Loan Maturity Date LTV (securitised facility)	71.6%
Cut-Off Date ICR (whole facility)	1.57
Cut-Off Date ICR (securitised facility)	1.57
Cut-Off Date DSCR (whole facility)	1.44
Cut-Off Date DSCR (securitised facility)	1.44
Swap Rate	4.16%
Securitised Loan Margin	1.25%
ICR Covenant	1.15x first year + 1.20x thereafter
LTV Covenant	None
Prepayment Penalties	0-1st year 1.00%; 1-2nd year 0.75%; 2-3rd year 0.50%; 3-4th year 0.25%

Property Information	
Single Asset/Portfolio	Portfolio
Property Type	Residential/Office/Retail
Location	Germany
NR Sqm	47,624
Freehold or Leasehold	Freehold
Property Management	TREUREAL GmbH
Gross Income	€2,680,775
Expenses	€355,627
Net Rental Income	€2,325,148
Property Value	€34,330,000
Vacant Possession Value	€27,668,000
Valuation Date	17 January 2007
Valuation Firm	CBRE
Senior Loan per Sqm	€574
Expected/Estimated Rental Value	€2,859,927
Cut-off Gross Yield on the Properties	7.8%
Cut-off Net Yield on the Properties	6.8%
Cut-off Gross Yield on Securitised Debt	9.8%
Cut-off Net Yield on Securitised Debt	8.5%

Tenant Information	
Occupancy (Office/Retail)	100.0%
Occupancy (Residential)	95.0%
WA Lease Term (Years)**	13.4

* This includes an additional amount of €527,859 drawn down on 18 June 2007

** Excludes residential properties

The Loan

This loan (the "**Epic Horse Loan**") was originated by Citibank International plc (the "**Epic Horse Lender**") pursuant to a facility agreement dated 26 January 2007 and supplemental agreement dated 4 June 2007 (the "**Epic Horse Loan Agreement**"). The Epic Horse Loan Agreement is governed by English law.

The Epic Horse Loan is secured by, amongst others, (1) land charges over the Epic Horse Properties and security purpose agreements in connection with the land charges under German law; (2) share pledges over the issued share capital of the Epic Horse Borrowers under German law; (3) pledges over certain bank accounts of the Epic Horse Borrowers under German law; (4) assignments of certain claims including claims under the sale and purchase agreements, insurance claims and other claims in connection with the Epic Horse Properties under German law; and (5) assignments of the claims under the lease agreements in connection with the Epic Horse Properties under German law.

The securities conferred by each of the security agreements constitute a first priority security interest and have been granted to Citibank International plc (the "**Epic Horse Security Trustee**").

For further information, refer to "**Enforcement Procedures**".

The interest rate of the Epic Horse Loan is on each interest payment date prior to the first anniversary of the first utilisation date, the sum of (i) 1.25 per cent. per annum of the aggregate loan amount plus (ii) a rate (cost of funds for the hedging) calculated on the draw down date, which has been determined to be 4.16 per cent. plus (iii) a mandatory cost (if any) for the compliance with the requirements of the relevant regulatory authorities to be calculated on the first day of each interest period.

The Epic Horse Borrowers have not entered into any swap agreements with the Swap Counterparty in relation to the Epic Horse Loan.

The Epic Horse Borrowers undertake to ensure that the aggregate sum of the Epic Horse Loan to value at any time does not exceed 80 per cent.

The Epic Horse Borrowers are also obliged to maintain an interest cover ratio (to be calculated in accordance with the Epic Horse Loan) from the first drawdown date until the first anniversary date of the drawdown date of 115 per cent.; and thereafter of 120 per cent.

Repayment of the Epic Horse Loan is by quarterly instalments. Repayments are scheduled to be made on each interest payment date (excluding the Loan Maturity Date). The indicative amounts scheduled to be made on each interest payment date are shown as follows:

Date	Amortisation (€)	Loan Balance (securitised facility) (€)
30-Jan-07	0	26,848,559
16-Apr-07	33,561	27,342,857
16-Jul-07	34,222	27,308,635
16-Oct-07	34,222	27,274,414
16-Jan-08	34,222	27,240,192
16-Apr-08	51,332	27,188,860
16-Jul-08	51,332	27,137,528
16-Oct-08	51,332	27,086,196
16-Jan-09	51,332	27,034,864
16-Apr-09	68,443	26,966,421
16-Jul-09	68,443	26,897,978
16-Oct-09	68,443	26,829,534
18-Jan-10	68,443	26,761,091
16-Apr-10	136,887	26,624,204
16-Jul-10	136,887	26,487,318
18-Oct-10	136,887	26,350,431
17-Jan-11	136,887	26,213,544
18-Apr-11	136,887	26,076,658
18-Jul-11	136,887	25,939,771
17-Oct-11	136,887	25,802,885
16-Jan-12	136,887	25,665,998
16-Apr-12	136,887	25,529,111
16-Jul-12	136,887	25,392,225
16-Oct-12	136,887	25,255,338
16-Jan-13	136,887	25,118,451
16-Apr-13	136,887	24,981,565
16-Jul-13	136,887	24,844,678
16-Oct-13	136,887	24,707,792
16-Jan-14	136,887	24,570,905
16-Apr-14	24,570,905	0

Hedging

The interest rate on the Epic Horse Loan is payable at a fixed rate. Citibank International plc has entered into an interest rate swap agreement (the "**Epic Horse Swap Agreement**") with Citibank, N.A., London Branch (a Fixed/Floating Swap Transaction) that requires (a) Citibank International plc to pay Citibank, N.A., London Branch a fixed rate of 4.16 per cent. and (b) Citibank, N.A., London Branch will pay to Citibank International plc an amount calculated by reference to a 3-month EURIBOR rate on a notional amount equal to the scheduled amortisation of the principal amount of the Epic Horse Loan. The Epic Horse Swap Agreement will be transferred by novation to the Issuer to form a Fixed/Floating Swap Transaction between the Issuer and the Swap Counterparty. In the event of any repayment of in excess of the amortisation schedule, this will effectively result in a partial termination of the relevant Fixed/Floating Swap Transaction and there may be a termination payment due from the Issuer to the Swap Counterparty. The mark to market value of the Epic Horse Swap Agreement as at 19 June 2007 was approximately €753,515,89 in favour of Citibank International plc.

The Borrowers

The borrowers under the Epic Horse Loan (each a "**Epic Horse Borrower**" and together the "**Epic Horse Borrowers**") are Anja Zweite Property GmbH, a company registered in the commercial register of the local court of Frankfurt am Main under HRB 75818, and Anja Erste Property GmbH, a company registered in the commercial register of the local court of Frankfurt am Main under HRB 75816. The principal activities of the Epic Horse Borrowers are to acquire and hold properties.

The Epic Horse Borrowers are owned by Anja Property Holding GmbH & Co. KG (the "**Epic Horse Parent**").

The Epic Horse Parent

The Epic Horse Parent is a limited partnership registered in the commercial register of the local court of Frankfurt am Main under HRA 42909, with Anja Property Holdings Verwaltungs GmbH, a company registered in the commercial register of the local court of Frankfurt am Main under HRB 75814, as general partner, and Anja Property Holding Limited, a company registered in the Isle of Man and ANATE Minority Holding GmbH, a company registered in the commercial register of the local court of Frankfurt am Main under HRB 75815 as limited partners.

The Property

The properties comprise the "**Wilhelmshaven Portfolio**", the "**Bad Orb Portfolio**", the "**Norderstedt Portfolio**" and the "**Augsburg Portfolio**" (together, the "**Epic Horse Properties**").

The Wilhelmshaven Portfolio consists of 12 residential homes with 302 apartments and 45 garages located in the city of Wilhelmshaven. The Bad Orb Portfolio consists of six residential homes with 128 apartments in the city of Bad Orb. The Norderstedt Portfolio consists of a 10,070 sqm office building with 185 parking spaces. The Augsburg Portfolio consists of a property with 12,917 sqm lettable office, retail and commercial space with 40 parking spaces. It is located in the eastern part of Augsburg, approximately 80 kilometres west of Munich.

Property Management

The Epic Horse Properties are managed by TREUREAL GmbH (the "**Epic Horse Property Manager**") pursuant to two property management agreements (the "**Epic Horse Property Management Agreements**") dated 17 January 2007 between the Epic Horse Borrowers and the Epic Horse Property Manager. Under the terms of the Epic Horse Loan, the Epic Horse Lender may require the Epic Horse Borrowers to appoint a new managing agent on terms approved by the Epic Horse Lender acting in a reasonably manner.

Subordinated Loan

The Epic Horse Borrowers and the Epic Horse Parent entered into an €6,000,000 mezzanine credit agreement on 18 December 2006 (the "**Epic Horse Subordinated Loan**") with the Khodorkovsky Foundation (a registered charity (Charities Commission registration number 1106885) incorporated as a private company limited by guarantee and registered in England under company number 04988238 (the "**Epic Horse Subordinated Creditor**"), pursuant to which payments of amounts owing under the Epic Horse Subordinated Loan were contractually subordinated to payments of amounts owing under the Epic Horse Loan.

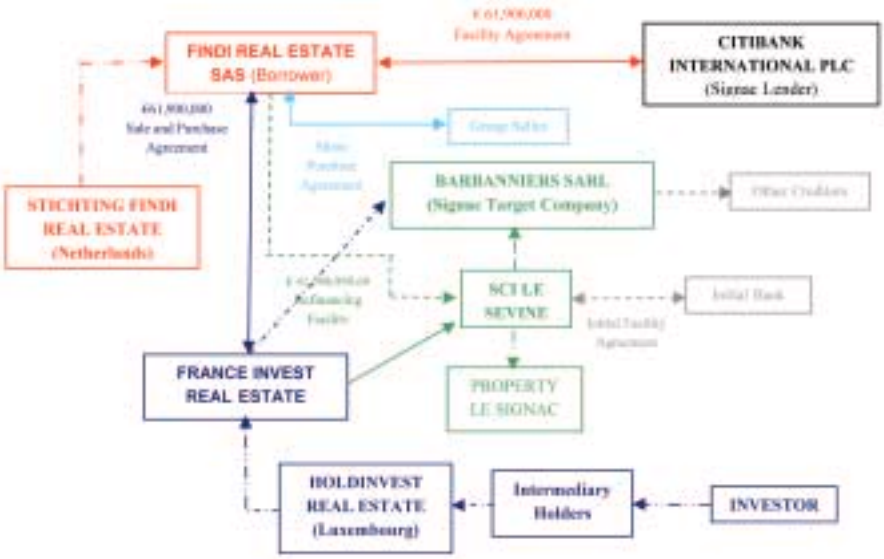
The Epic Horse Subordinated Loan is secured by a share pledge agreement between the Epic Horse Subordinated Creditor and Anja Property Holdings Verwaltungs GmbH and ANATE Minority Holdings GmbH over their shares in the Epic Horse Parent.

Pursuant to the Epic Horse Subordination Deed dated 6 February 2007, the rights of the Epic Horse Subordinated Creditor in respect of the liabilities payable or owing by the Epic Horse Borrowers to the Epic Horse Subordinated Creditor are subordinated to the liabilities owing or incurred by the Epic Horse Borrower to the Epic Horse Lender.

The table below set out some details in relation to the major tenants of the Epic Horse Properties:

Major Tenants	Rent (€)	% of total rent
Carus AG	720,000	27%
Rewe	185,268	7%
Federal Mogul	167,088	6%
Takko	60,000	2%
Relius	45,252	2%

Signac Loan



Loan information	
Cut-Off Date	20 April 2007
Lending Entity	Citibank International Plc
Original Loan Balance (whole facility)	€61,900,000
Cut-Off Date Balance (whole facility)	€61,900,000
B loan sold to third party lender?	Yes (subject to documentation)
Cut-Off Date Balance (securitised facility)	€48,400,000
Cut-Off Date Balance (junior syndicated facility)	€13,500,000
Initial Drawdown Date	12 July 2006
First Payment Date	16 October 2006
Loan Purpose	Refinancing/Acquisition
Interest Rate Type	Floating
Hedging Type	Swap at Borrower Level with Citibank, N.A., London Branch
Loan Maturity Date	16 July 2011
Borrower	Findi Real Estate
Amortisation Type	Interest Only
Cut-Off Date LTV (whole facility)	84.8%
Cut-Off Date LTV (securitised facility)	66.3%
Loan Maturity Date LTV (whole facility)	84.8%
Loan Maturity Date LTV (securitised facility)	66.3%
Cut-Off Date ICR (whole facility)	1.38
Cut-Off Date ICR (securitised facility)	1.92

Loan information	
Cut-Off Date DSCR (whole facility)	1.38
Cut-Off Date DSCR (securitised facility)	1.92
Swap Rate	4.04%
Securitised Loan Margin	0.82%
ICR Covenant	0 – 2nd year 1.30x; 2nd – 4th year 1.40x; 4th – 5th year 1.50x; 5th – 6th year 1.50x; 6th – 7th year 1.70x
LTV Covenant	84.8% to year 5 and 79.5% afterwards

Property Information	
Single Asset/Portfolio	Single Asset
Property Type	Office
Location	France
NR Sqm	16,723
Freehold or Leasehold	Freehold
Property Management	DTZ Asset Management Europe
Gross Income	€4,554,778
Expenses	€ 44,150
Net Rental Income	€4,510,628
Property Value	€73,000,000
Vacant Possession Value	NA
Valuation Date	15 April 2006
Valuation Firm	CBRE
Senior Loan per Sqm	€2,894
Expected/Estimated Rental Value	€4,530,000
Cut-off Gross Yield on the Properties	6.2%
Cut-off Net Yield on the Properties	6.2%
Cut-off Gross Yield on Securitised Debt	9.4%
Cut-off Net Yield on Securitised Debt	9.3%

Tenant Information	
Occupancy	100.0%
WA Lease Term (Years)	4.2
Occupancy	

Signac Whole Transaction

This loan (the "**Signac Loan**") is a part of a larger Islamic finance transaction (but the Signac Loan is not itself an Islamic law compliant transaction).

The amounts drawn under the Signac Loan were to (i) purchase the shares of Barbanniers S.A.R.L. (the "**Signac Target Company**") and (ii) refinance the existing debt of SCI Le Sevine (the "**Signac Property Company**") and of the Signac Target Company. The Signac Borrower entered into (i) a purchase agreement relating to the Signac Target Company's shares with the initial owner BRE Europe S.à r.l. and (ii) an inter-company loan with the Signac Property Company (the "**Signac Inter-company Loan**") to refinance (a) the first loan granted to the Signac Property Company by Aareal Bank AG and Aareal Bank France SA to purchase the property (the "**Signac Property**"), (b) the Signac Property Company's debt vis-à-vis the Signac Target Company and (c) the Signac Target Company's debt vis-à-vis third parties.

Contemporaneously, France Invest Real Estate (the "**Signac Property Investor**") has entered into a sale and purchase agreement with the Signac Borrower (the "**Signac Sale and Purchase Agreement**") to purchase the Signac Target Company's shares and the Signac Inter-company Loan. Under the Signac Sale and Purchase Agreement it was agreed that the purchase price would be paid on a deferred basis by the Signac Property Investor to the Signac Borrower. The Signac Property Investor has therefore pledged its claims against the Signac Property Company to the benefit of the Signac Borrower. Pursuant to the Signac Loan, the Signac Borrower assigned to the Signac Lender all claims and connected security against the Signac Property Company and the Signac Property Investor.

The Signac Loan

The Signac Loan was originated by Citibank International plc (the "**Signac Lender**") pursuant to a facility agreement dated 12 July 2006 (the "**Signac Loan Agreement**") entered into between, *inter alia*, the Signac Lender and to Findi Real Estate (the "**Signac Borrower**"). The Signac Loan Agreement is governed by French law.

The Signac Loan is directly or indirectly secured by, *inter alia*, (i) first-ranking mortgage security over the Signac Property, (ii) share pledges over the issued share capital of the Signac Borrower, the Signac Target Company, the Signac Property Company and the Signac Property Investor (together the "**Signac**

Borrowers"), (iii) pledges over certain bank accounts of the Signac Borrowers, (iv) pledges over the insurance policies in connection with the Signac Property, (v) assignments of the claims under the Signac Sale and Purchase Agreement in connection with the Signac Property, (vi) pledge over the claims under the lease agreements in connection with the Signac Property; all of which are governed by French law.

For further information, refer to the section "**Enforcement Procedures**".

The interest rate of the Signac Loan is the sum of (i) 1.25 per cent. per annum plus (ii) three-month EURIBOR and (iii) mandatory costs (if any) for the compliance with the requirements of the relevant regulatory authorities to be calculated on the first day of each interest period.

The Signac Borrower has undertaken (i) to ensure that the loan to value in respect of the Signac Loan does not exceed 84.8 per cent. and (ii) to maintain an interest cover ratio (to be calculated in accordance with the Signac Loan) of 130 per cent.

The Signac Borrower has undertaken to repay the Signac Loan in one bullet payment on 16 July 2011, subject to the exercise of the extension option(s) further to which the final repayment date may be extend to 16 July 2012 or to 16 July 2013 at the latest.

Hedging

The Signac Borrower has entered into an interest swap agreement governed by the ISDA Master Agreement with Citibank, N.A., London Branch dated 12 July 2006 pursuant to which the Signac Borrower undertakes to pay an amount calculated on a fixed interest rate of 4.04 per cent. and Citibank, N.A., London Branch undertakes to pay an amount calculated on a floating rate (3-month EURIBOR). The mark to market value of such swap agreement as at 19 June 2007 was approximately €1,310,307.03 in favour of the Signac Borrower.

The Borrower

The Signac Borrower is a limited liability company (*société par actions simplifiée*) incorporated in France whose principal activities are to acquire and hold properties. It is a direct subsidiary of Stichting Findi Real Estate, a foundation formed under the laws of the Netherlands.

The Signac Property Investor is a limited liability company (*société par actions simplifiée*) incorporated in France whose principal activities are to acquire and hold properties. It is a direct subsidiary of Holdinvest Real Estate, a company formed under the laws of Luxembourg.

The Signac Target Company is a limited liability company (*société à responsabilité limitée*) incorporated in France whose principal activities are to acquire and hold properties. It is a direct subsidiary of the Signac Investor Property.

The Signac Property Company is a real estate company (*société civile immobilière*) incorporated in France whose principal activities are to acquire and hold properties. It is a direct subsidiary of the Signac Target Company.

The Property

The property is a single asset office use property located in France (the "**Signac Property**").

The Signac Property is held freehold and is let to six tenants being (i) Péchiney-Alcan for a fixed term of (a) nine years from 1 January 2003 to 31 December 2011, (b) six years from 1 January 2006 to 31 December 2011, and (c) six years from 1 January 2007 to 31 December 2012, (ii) Comasec for a fixed term of six years from 1 June 2003 to 31 May 2009, (iii) Medacta for a fixed term of six years from 1 March 2004 to 29 February 2010, (iv) SLI for a fixed term of five years and a half from 1 November 2004 to 31 April 2010, (v) B2S for a fixed term of three years from 1 March 2006 to 28 February 2009 and (vi) UPS for a fixed term of three years from 1 April 2006 to 31 March 2009.

Property Management

The Signac Property is managed by DTZ Asset Management Europe SAS (the "**Signac Property Manager**") pursuant to a property management agreement dated 12 July 2006 (the "**Signac Management Agreement**").

The Signac Property Manager, the Signac Property Company and the Signac Lender entered into a duty of care agreement (the "**Signac Duty of Care Agreement**") on 12 July 2006 pursuant to which the Signac

Property Manager undertakes to provide the Signac Lender with any relevant information and to exercise all the proper skill, care and diligence in its performance of the Signac Management Agreement.

Under the terms of the Signac Loan, the Signac Lender may require the Signac Borrower to appoint a new property manager on terms approved by the Signac Lender (acting in a reasonable manner). The Signac Borrower may (i) terminate the Signac Management Agreement upon 30 days' notice if (a) the Signac Property Manager is in default of its obligations under the Signac Duty of Care Agreement or (b) ceases to exist or is subject to an insolvency proceeding, and (ii) appoint any new property manager subject to the Signac Lender's prior consent. The Signac Borrower has agreed to use its best efforts to enter into a new duty of care agreement with any such new property manager.

Subordinated Loan

The rights and obligations of the parties are regulated by a subordination agreement between, *inter alia*, the Signac Borrower, the Signac Property Investor, the Signac Property Company and the Signac Target Company dated 12 July 2006 (the "**Signac Subordination Agreement**"). The Signac Subordination Agreement provides that any debt owed to the Signac Borrower will rank senior to any other debt owed by the Signac Property Investor, the Signac Property Company and the Signac Target Company under the sale and purchase agreement or under any subordinated loan, if any. Due to sharia' compliancy issues, the Signac Lender was not able to enter into the Signac Subordination Agreement. However a specific undertaking has been inserted in the Signac Loan to compensate for such deficiency.

The table below set out some details in relation to the major tenants of the Signac Properties:

Major Tenants	Rent (€)	% of total rent
Péchiney-Alcan*	2,237,376	49%
B2S	1,056,308	23%
UPS	520,602	11%
Comasec	372,811	8%
Sylvania Lighting International (SLI) France	239,825	5%
Medacta France	127,856	2.8%

* Péchiney-Alcan benefits from a rental threshold on the 6 year lease from 1 January 2007 to 31 December 2012 until 30 June 2007.

DESCRIPTION OF THE FCC, THE FCC RELATED PARTIES AND THE FCC PURCHASED NOTES

The FCC

Status

The FCC, FCC EuroProp (EMC) was established by the FCC Management Company and the FCC Custodian on 31 July 2006, and comprising, on the Issue Date, of three FCC Compartments, including the Signac Compartment in relation to this securitisation. The FCC is a French debt mutual fund (*fonds commun de créances*), governed by the provisions of Articles L. 214-5, L. 214-43 to L. 214-49, L. 231-7 and R. 214-92 to R. 214-115 of the French Monetary and Financial Code, and by the General Regulations.

The FCC is an umbrella debt mutual fund (*fonds commun de créances à compartiments*) and may therefore comprise several compartments. Any compartment may issue units representing the receivables specifically allocated to such compartment and/or debt instruments. The FCC is governed by the General Regulations and, in relation to any compartment, by the relevant compartment regulations.

The FCC is a co-ownership entity (*copropriété*), created jointly by the FCC Custodian and the FCC Management Company. Neither the provisions of the French Code Civil concerning *indivision* (joint ownership) nor of Articles 1871 and 1873 of the French Code Civil concerning joint companies (*sociétés en participation*) shall apply.

Neither the FCC nor any of its compartments have separate legal personality. It is therefore unable to take action in its own name. However, the name of the FCC or, as the case may be, of one of its compartments may be validly substituted for its co-owners with respect to any action taken by the FCC Management Company in the name and on behalf of the co-owners. The role and duties of the FCC Management Company and the FCC Custodian are described in "**The FCC Related Parties**" below.

The FCC should, in principle, not be subject to the provisions of the French Commercial Code relating to bankruptcy and insolvency proceedings, nor to the provisions of the French Monetary and Financial Code relating to credit institutions (*établissements de crédit*), investment companies (*entreprises d'investissement*) or investment funds (*organismes de placement collectif en valeurs mobilières*).

The FCC was created on 31 July 2006 and shall be dissolved on the date when the last receivable (relating to whichever compartment) is repaid, written off or sold. The acquisition by the FCC after the said date of a receivable with a final maturity date occurring after such date, and its allocation to any compartment, will automatically result in the extension of the term of the FCC.

The FCC Management Company will liquidate the FCC simultaneously with the last compartment and no later than six months after the date when the last receivable (relating to whichever compartment) is repaid, written off or sold.

Principal activities and Management Strategy

Pursuant to Article R. 214-92 of the French Monetary and Financial Code, the General Regulations and the FCC Compartment Regulations set out the management strategy (*stratégie de gestion*) of the FCC and the Signac Compartment. The outstanding two FCC Compartments are not involved in this securitisation. Pursuant to the terms of the FCC Compartment Regulations, the management strategy (*stratégie de gestion*) of the Signac Compartment is (i) the purchase of the Signac Loan receivables, together with its Related Security and any other ancillary rights, and (ii) the issue of the FCC Notes and the Signac Units.

Pursuant to the FCC Compartment Regulations governing the Signac Compartment and notwithstanding the provisions of Article L. 214-43 of the French Monetary and Financial Code, the Signac Compartment is not entitled to purchase further receivables or debt instruments or issue further units or debt instruments after the Issue Date.

The FCC Senior Notes, FCC Junior Notes and FCC Residual Notes will be issued by the Signac Compartment pursuant to the General Regulations and the applicable FCC Compartment Regulations on the Issue Date:

Issued Notes	Initial Principal
	Amount in Euro
FCC Class Senior Notes due 2015	€48,300,000
FCC Class Junior Notes due 2015	€13,500,000
FCC Residual Notes due 2015	€100,000

The FCC Notes

By subscribing for or purchasing the FCC Notes, each FCC Noteholder shall be bound by the terms of the relevant FCC Compartment Regulations (which contain the terms and conditions of the FCC Notes) and, more generally, each such FCC Noteholder shall be deemed to have agreed to and acknowledged the terms of the General Regulations and the FCC Compartment Regulations governing the FCC Compartment having issued such FCC Notes.

Copies of the General Regulations and of the relevant FCC Compartment Regulations are available to the FCC Noteholders (at no cost), upon request to the FCC Management Company or the FCC Custodian.

Pursuant to Article L. 214-48-I of the French Monetary and Financial Code, only the FCC Management Company may enforce the rights of the FCC or any FCC Compartment against third parties. The FCC Management Company is not bound to act upon the instructions of the FCC Noteholders or any of them, but is responsible for ensuring that the conditions for maintaining the level of security enjoyed by the FCC Noteholders are fulfilled.

In accordance with Article L. 214-44 of the French Monetary and Financial Code, the securities issued by French debt mutual funds (*fonds commun de créances*) may not be sold by way of solicitation or canvassing (*démarchage*).

In accordance with Article L. 214-43 of the French Monetary and Financial Code, the holders of the FCC Notes may not require the Signac Compartment to repurchase the FCC Notes.

By subscribing for or purchasing the FCC Notes, the holders of such FCC Notes irrevocably agree that they shall have no recourse whatsoever against the Signac Borrowers.

The FCC Management Company is required to ensure that each party with whom the FCC Management Company, on behalf of the FCC or any FCC Compartment, enters into any contract shall expressly and irrevocably agree that such party shall have no contractual rights of recourse (*responsabilité contractuelle*) against the FCC or any FCC Compartment and shall waive the claims which it may have against the relevant FCC Compartment for sums in excess of the amount of the assets of the relevant FCC Compartment that are available to be applied for the benefit of such party in accordance with the cash allocation provisions set out in the General Regulations and the relevant FCC Compartment Regulations.

Signac Compartment – FCC Senior Notes and FCC Junior Notes

The holder of the FCC Junior Notes has rights to acquire the Signac Loan in circumstances where there has been a material event of default on the Signac Loan in consideration for payment of principal and all other amounts due in respect of the FCC Senior Note including costs and expenses for winding up or otherwise terminating the Signac Compartment arrangements relating to the FCC Senior Notes and the FCC Junior Notes.

Amendments to the General Regulations and the FCC Compartment Regulations

The FCC Management Company and the FCC Custodian, acting in their capacity as founders of the FCC and the FCC Compartments, may agree to amend the provisions of the General Regulations and the FCC Compartment Regulations, provided that:

(i) no such amendment shall result in the reduction of the level of security available to the FCC Noteholders and the holders of the Signac Units;

(ii) all provisions of the laws relating to providing information to FCC Noteholders are complied with;

(iii) any amendment to the financial characteristics of any class of FCC Notes shall require the prior approval of the holders of such FCC Notes in accordance with the terms and conditions of the FCC Notes,

and any such amendment shall be disclosed by way of publication on the FCC Management Company's website to the holders of all outstanding FCC Notes, provided that such amendment shall be automatically and without any further formality (*de plein droit*) enforceable against such FCC Noteholders five clear days after such disclosure.

The FCC Related Parties

The FCC Management Company

Eurotitrisation is a limited liability company (*société anonyme*) whose head office is located at 20, rue Chauchat, 75009 Paris, France. It is registered with the Paris Commercial Registry (*Registre de Commerce et des Sociétés de Paris*) under number 353 458 835. The FCC Management Company is licensed and supervised by the French Financial Market Authority (*Autorité des Marchés Financiers*) in accordance with Article L. 214-47 of the French Monetary and Financial Code. Its sole purpose is the management of French debt mutual funds (*fonds commun de créances*).

The FCC Management Company has a share capital of EUR 684,000. The FCC Noteholders may obtain copies of the FCC Management Company's annual accounts from the Clerk of the Paris Commercial Court (*Greffe du Tribunal de Commerce de Paris*) (free of charge).

Pursuant to the General Regulations, the FCC Management Company has participated jointly with the FCC Custodian in the establishment of the FCC and the FCC Compartments. The FCC Management Company is responsible for the management of the FCC and the FCC Compartments and shall represent the FCC and the FCC Compartments *vis-à-vis* third parties and in any legal proceedings, whether as claimant or defendant. The FCC Management Company shall take all steps which it deems necessary or desirable to protect the FCC's and the FCC Compartments' rights arising under the French assets. It is responsible for ensuring that the conditions for maintaining the level of security enjoyed by the FCC Noteholders are fulfilled. The FCC Management Company shall ensure that the FCC and the FCC Compartments do not deviate from their management strategy (*stratégie de gestion*) within the meaning of Article R. 214-92 et seq. of the French Monetary and Financial Code as set out in the General Regulations and the applicable FCC Compartment Regulations (see the section entitled "**The FCC**" above).

The FCC Custodian

BNP PARIBAS Securities Services is a limited liability company (société anonyme) whose registered office is located at 3, rue d'Antin, 75002 Paris, France.

It is registered with the Paris Commercial Registry (*Registre du Commerce et des Sociétés de Paris*) under number 552 108 011. It is governed by the relevant provisions of the French Monetary and Financial Code (formerly law No. 84-46 of 24 January 1984 (as amended) relating to banking activities and the supervision of credit institutions). It is duly licensed by the French Credit Institutions and Investment Companies Committee (*Comité des Etablissements de Crédit et des Entreprises d'Investissement*) and subject to the regulations of the French Banking and Financial Regulatory Committee (*Comité de la Réglementation Bancaire et Financière*).

The FCC Custodian has a share capital of EUR 165,279,835. The FCC Noteholders may obtain copies of the FCC Custodian's annual accounts from the Clerk of the Paris Commercial Court (*Greffe du Tribunal de Commerce de Paris*) (free of charge).

In accordance with Article L. 214-48-II of the French Monetary and Financial Code, the FCC Custodian will be in charge of the assets (*assure la conservation des actifs*) of the FCC and the FCC Compartment and in particular be responsible for custody of the FCC transfer deed (*acte de cession de créance*) (the "**Signac Loan Transfer Deed**") evidencing the assignment of the Signac Loan receivables to the FCC pursuant to the provisions of the General Regulations.

The FCC Custodian has participated jointly with the FCC Management Company in the establishment of the FCC and the FCC Compartments. The FCC Custodian shall act as the custodian of the respective FCC Compartment's assets in accordance with the French Monetary and Financial Code.

FCC Liquidity Facility Provider

Danske Bank A/S will act as the liquidity facility provider under the Signac Liquidity Facility Agreement. The Danske Bank Group provides a wide range of banking, mortgage and insurance products as well as other financial services, and is the largest financial institution in Denmark – and one of the largest in the Nordic region – measured by total assets. Danske Bank is a commercial bank with limited liability and carries on business under the Danish Financial Business Act, Consolidation Act No. 286 of 4 April 2006, as amended. Current credit ratings of Danske Bank A/S as at the date of this Prospectus are as follows: Moody's: P-1 (short-term) and Aa1 (long-term), S&P: A-1+ (short-term) and AA– (long-term), and Fitch: F1+ (short-term) and AA– (long-term).

FCC Servicer and FCC Special Servicer

Citibank International plc will act as a servicer to the FCC (the "**FCC Servicer**") pursuant to Article L. 214-46 of the French Monetary and Financial Code and the terms of the FCC Servicing Agreement.

Citibank International plc will act as a special servicer to the FCC (the "**FCC Special Servicer**") pursuant to Article L. 214-46 of the French Monetary and Financial Code and the terms of the FCC Servicing Agreement.

The FCC Account Bank

The accounts of each FCC Compartment will be held with BNP PARIBAS Securities Services (the "FCC Account Bank") under the terms of the bank account and paying agency agreements.

The FCC Paying Agent

The payments on the FCC Notes and the Units shall be made by BNP PARIBAS Securities Services (the "**FCC Paying Agent**") under the terms of the bank account and paying agency agreements.

The FCC Statutory Auditors

The FCC statutory auditors have been appointed by the FCC Management Company pursuant to Article L. 214-48 of the French Monetary and Financial Code. The FCC statutory auditors are KPMG Audit.

The FCC Notes

General provisions applicable to the FCC Notes

The FCC Notes are:

(i) financial instruments (*instruments financiers*) within the meaning of Article L. 211-1 of the French Monetary and Financial Code;

(ii) transferable securities (*valeurs mobilières*) within the meaning of Article L. 211-2 of the French Monetary and Financial Code; and

(iii) French law obligations as referred to in Article L. 213-5 and Article R 214-99 of the French Monetary and Financial Code, the General Regulations and any other laws and regulations governing French debt mutual funds (*fonds communs de créances*).

Title to the FCC Notes will be evidenced in accordance with Article L. 211-4 of the French Monetary and Financial Code by book-entries (*inscription en compte*). No certificates (including *certificats représentatifs*) issued pursuant to Article R. 211-7 of the French Monetary and Financial Code, global notes or physical documents of title will be issued in respect of the FCC Notes. By subscribing for the FCC Notes, each FCC Noteholder shall be bound by the terms and conditions of the FCC Notes and, more generally, each such FCC Noteholder shall be deemed to have agreed to and acknowledged the terms of the General Regulations and the applicable FCC Compartment Regulations.

Characteristics of the FCC Notes

Classes of Notes

The Signac Compartment will issue, on the Issue Date, the following Notes:

(i) the FCC Senior Notes;

(ii) the FCC Junior Notes; and

(iii) the FCC Residual Notes.

Subject to the provision of the FCC Compartment Regulations of the Signac Compartment, the Signac Compartment may (but will not be obliged to) issue additional FCC Junior Notes (the "**Further FCC Junior Notes**") to cure any shortfall on the FCC Senior Notes. The Further FCC Junior Notes will not be purchased by the Issuer.

The FCC Notes are effectively pass through securities and the FCC's liability to make payment of the FCC Notes will be limited to proceeds received from the Signac Loan.

The FCC Senior Notes, the FCC Junior Notes and the FCC Residual Notes are referred to in this Prospectus as the "**FCC Notes**", unless expressly stated to the contrary or unless the context otherwise requires.

Pursuant to Article L. 214-43 of the French Monetary and Financial Code, FCC Notes may entitle their holders to different rights in respect of the repayment of principal and the payment of interest.

Interest

Interest on the FCC Senior Notes will be payable by reference to three-month EURIBOR plus the agreed margin, payable on the same date as payment is due on the Signac Loan. The margin for the FCC Senior Notes and the FCC Residual Notes to be subscribed for by the Issuer are as follows:

Issued Notes	(% p.a.)
FCC Class Senior Notes	0.70
FCC Class Residual Notes	0.00

Interest on the FCC Residual Notes will be equal to the residual income of the Signac Compartment after payment of all prior ranking interest payments and costs, including those related to the FCC Junior Notes.

Redemption

The FCC Notes will be repaid in amounts equal to all principal receipts received from the Signac Loan and will be fully repayable on the earlier to occur of the Signac Compartment's liquidation or the final maturity date for the Signac Loan.

Representation of the FCC Noteholders

Pursuant to Article L. 228-46 of the French Commercial Code, the FCC Noteholders of each class of FCC Notes will be grouped automatically for the defence of their respective common interests in a masse (hereinafter referred to as the "**Masse**"). Each Masse is, in accordance with Article L. 228-90 of the French Commercial Code, governed solely by the legal provisions that are expressed as applicable to each class of the FCC Notes as stated above and subject to the foregoing paragraph. Each Masse will be governed by the provisions of (i) the French Commercial Code and by French decree no. 67-236 of 23 March 1967, as amended (with the exception that, due to the FCC having no legal personality pursuant to Article L. 214-43 of the French Monetary and Financial Code, the provisions of Article 222 thereof do not apply); (ii) any notices calling for a general meeting of the FCC Noteholders of each class of the FCC Notes (a "**General Meeting**"); and (iii) any other mandatory provisions from time to time governing obligations issued by French debt mutual funds (*fonds communs de créances*). In accordance with the provisions of Article L. 228-46 of the French Commercial Code, each Masse will be a separate legal entity (*personnalité civile*) and will be represented by one representative (a "**FCC Noteholder Representative**").

Each Masse, represented by the relevant FCC Noteholder Representative, will be empowered to exercise all rights, take all actions and claim all benefits, which in each case are common to the holders of the FCC Notes of the relevant Masse, to the exclusion of each FCC Noteholder of that class. Each Masse alone, to the exclusion of all individual FCC Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the FCC Notes.

The office of each FCC Noteholders Representative may be conferred on a person of any nationality provided that such person resides in France. However, the following persons may not be chosen as a FCC Noteholders Representative: (i) the FCC Management Company and the FCC Custodian together with the members of their board of directors (*conseil d'administration*), their general managers (*directeurs généraux*), their statutory auditors, their employees, their ascendants, descendants and spouses; (ii) the Seller; (iii) companies possessing at least ten per cent. of the share capital of the Management Company and/or the Custodian or of which the FCC Management Company and/or the FCC Custodian possess at least ten per cent. of the share capital; (iv) companies guaranteeing all or part of the obligations of the FCC and of the FCC Compartments together with their respective managers (*gérants*), general managers, (*directeurs généraux*), members of their board of directors (*conseil d'administration*), members of their executive board (*directoire*), members of their supervisory board (*conseil de surveillance*), their statutory auditors, their managers, as well as their ascendants, descendants and spouses; and (v) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing a business in whatever capacity.

In the event that any FCC Noteholders Representative is unable to perform his duties, he will be replaced by an alternative representative elected by a meeting of the General Meeting of holders of the relevant class of FCC Notes (the "**FCC Noteholders Alternative Representative**").

The FCC Noteholders Alternative Representative replaces the FCC Noteholders Representative when the FCC Noteholders Representative is no longer able to fulfil his duties and upon his receipt of notice by registered mail from the FCC Noteholders Representative, the FCC Management Company, the FCC Custodian or any other interested party of the inability of the FCC Noteholders Representative to fulfil his duties. In the event of such replacement, the FCC Noteholders Alternative Representative shall have the same powers as the replaced FCC Noteholders Representative.

In the event the FCC Noteholders Alternative Representative is unable to perform his duties, a replacement representative will be elected by a meeting of the General Meeting of the holders of the relevant class of FCC Notes.

All interested parties will at all times have the right to obtain the name and the address of the FCC Noteholders Representative at the head office of the FCC Management Company, the FCC Custodian and at the offices of the FCC Paying Agent.

Pursuant to the provisions of Article L. 228-53 of the French Commercial Code, each FCC Noteholder Representative shall, in the absence of any decision to the contrary of a General Meeting of the relevant FCC Noteholders, have the power to take any acts of management (*actes de gestion*) to protect the common interest of the relevant FCC Noteholders.

The FCC Noteholders Representatives shall not be entitled to interfere in the management of the affairs of the FCC and the FCC Compartment. None of the FCC Noteholders Representatives shall be entitled: (i) to petition or take any action or other steps or legal proceedings for the winding-up, dissolution or liquidation, of the FCC or the FCC Compartments; (ii) to initiate or join any person in initiating any liquidation proceedings in relation to the FCC or the FCC Compartments; or (iii) to take any steps or proceedings that would result in the FCC Compartments Priority of Payments in each of the FCC Compartment Regulations not being observed.

General meetings of the relevant FCC Noteholders may be held in any location and at any time, on convocation either by the FCC Management Company (acting for and on behalf of the FCC) or by the relevant FCC Noteholders Representative. In addition, pursuant to the provisions of Article L. 228-58 of the French Commercial Code, one or more FCC Noteholders of each class of the FCC Notes holding at least one-thirtieth of the outstanding FCC Notes of the relevant class may require, by written demand, the FCC Management Company and the relevant FCC Noteholder Representative to convene a General Meeting of the relevant Masse. If no General Meeting has been convened within two months from the delivery of such demand, the relevant FCC Noteholders may designate one of their number to petition a court to appoint an agent (*mandataire*) who will convene a General Meeting.

A General Meeting is empowered to deliberate on the dismissal and replacement of the FCC Noteholders Representative, and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the FCC Notes, including authorising the FCC Noteholders Representative to act as claimant or defendant. A General Meeting may further deliberate on any proposal relating to the modification of the conditions of each class of the FCC Notes (provided that each FCC Noteholders Representative may, without the consent of the FCC

Noteholders, agree to any modification of the conditions of each class of the FCC Notes if it is to correct a manifest error or is to make a formal, minor or technical change). This includes any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions. It is specified, however, that a General Meeting may not increase the obligations of (including any amounts payable by) the FCC Noteholders nor establish any unequal treatment between the FCC Noteholders of each class of the FCC Notes.

Governing Law

The FCC Notes will be governed by French law.

The Signac Compartment Priority of Payments

Priority of payments in respect of the Signac Compartment

Prior to the occurrence of certain material breaches by the Borrower under the Signac Loan (which includes non payment of any amounts due) (each a "**Material Event of Default**") or any FCC Compartment Liquidation Event, the FCC Management Company, acting for and on behalf of the FCC in respect of the Compartment shall, on each day for payment of interest under the FCC Notes, apply the relevant available funds, in accordance with the following priority of payments (the "**Signac Pre-Material Event of Default Priority of Payments**"), as determined by the FCC Management Company pursuant to the terms of the relevant Compartment Regulations. The Signac Pre-Material Event of Default Priority of Payments comprise (i) the Signac Pre-Material Event of Default Revenue Priority of Payments and (ii) the Signac Pre-Material Event of Default Principal Priority of Payments.

(A) Signac Pre-Material Event of Default Revenue Priority of Payments:

Prior to the occurrence of any Material Event of Default or any FCC Compartment Liquidation Event, the FCC Management Company, acting for and on behalf of the FCC in respect of the Signac Compartment shall, on each day for payment of the interest on the FCC Notes, apply revenue receipts from the Signac Loan, in accordance with the following priority of payments (the "**Signac Pre-Material Event of Default Revenue Priority of Payments**") by debiting the relevant Signac Compartment Collection Account:

(i) first, in or towards satisfaction, *pro rata* and *pari passu* according to the respective amounts due in respect of:

(a) the operating expenses of the Signac Compartment and, in priority to such payment (if any), payment of any operating expenses arrears of the Signac Compartment calculated by the FCC Management Company on the previous payment date and remaining unpaid on such date;

(b) any amounts payable to the FCC Liquidity Facility Provider under the Signac Liquidity Facility Agreement other than the FCC Liquidity Subordinated Amounts;

(ii) second, in or towards satisfaction, *pro rata* and *pari passu*, according to the amounts due in respect of the fees and any other costs and expenses payable to the FCC Master Servicer or FCC Special Servicer under the Signac Loan Servicing Agreement;

(iii) third, in or towards satisfaction, *pro rata* and *pari passu*, according to the interest amounts due in respect of the FCC Senior Notes and the FCC Junior Notes and any Further FCC Junior Notes;

(iv) fourth, to pay FCC Liquidity Subordinated Amounts;

(v) fifth, in or towards satisfaction, *pro rata* and *pari passu*, according to the amounts due in respect of the FCC Residual Notes; and

(vi) sixth, on liquidation of the Signac Compartment only, in or towards repayment, *pro rata* and *pari passu*, of the Signac Units.

(B) Signac Pre-Material Event of Default Principal Priority of Payments:

Prior to the occurrence of any Material Event of Default or any FCC Compartment Liquidation Event, the FCC Management Company, acting for and on behalf of the FCC in respect of the Signac Compartment shall, on each day for payment of the interest on the FCC Notes, apply principal

receipts from the Signac Loan, in accordance with the following priority of payments (the "**Signac Pre-Material Event of Default Principal Priority of Payments**") by debiting the relevant Signac Compartment Collection Account:

(i) first, in or towards satisfaction, *pro rata* and *pari passu*, according to the principal amounts due in respect of the FCC Senior Notes until the principal amount outstanding of the FCC Senior Notes is reduced to zero;

(ii) second, in or towards satisfaction, *pro rata* and *pari passu*, according to the principal amounts due in respect of the (i) FCC Junior Notes until the principal amount outstanding of the FCC Junior Notes is reduced to zero and (ii) the Further FCC Junior Notes until the principal amount outstanding of the Further FCC Junior Notes is reduced to zero; and

(iii) third, in or towards satisfaction, *pro rata* and *pari passu*, according to the principal amounts due in respect of the FCC Residual Notes until the principal amount outstanding of the FCC Residual Notes is reduced to zero.

After the occurrence of any Material Event of Default or any FCC Compartment Liquidation Event, the FCC Management Company, acting for and on behalf of the FCC in respect of the Signac Compartment shall, on each day for payment of interest on the FCC Notes, apply the receipts from the Signac Loan in accordance with the following priority of payments (the "**Signac Post-Material Event of Default Priority of Payments**"), as determined by the FCC Management Company pursuant to the terms of the relevant Compartment Regulations. The Signac Post-Material Event of Default Priority of Payments comprises (i) the Signac Post-Material Event of Default Revenue Priority of Payments and (ii) the Signac Post-Material Event of Default Principal Priority of Payments.

(C) Signac Post-Material Event of Default Revenue Priority of Payments:

After the occurrence of any Material Event of Default or any FCC Compartment Liquidation Event, the FCC Management Company, acting for and on behalf of the FCC in respect of the Signac Compartment shall, on each day for payment of interest on the FCC Notes, apply the revenue receipts from the Signac Loan, in accordance with the following priority of payments (the "**Signac Post-Material Event of Default Revenue Priority of Payments**") by debiting the relevant Signac Compartment Collection Account:

(i) first, in or towards satisfaction, *pro rata* and *pari passu* according to the respective amounts due in respect of:

  (a) the operating expenses of the Signac Compartment and, in priority to such payment (if any), payment of any operating expenses arrears calculated by the FCC Management Company on the previous payment date and remaining unpaid on such date;

  (b) any amounts payable to the FCC Liquidity Facility Provider under the Signac Liquidity Facility Agreement excluding FCC Liquidity Subordinated Amounts;

(ii) second, in or towards satisfaction, *pro rata* and *pari passu*, according to the amounts due in respect of the fees and any other costs and expenses payable to the FCC Master Servicer or FCC Special Servicer under the Signac Loan Servicing Agreement;

(iii) third, in or towards satisfaction, *pro rata* and *pari passu*, firstly according to the interest amounts due in respect of the FCC Senior Notes and secondly, to redeem the outstanding principal on the FCC Senior Notes to the extent not otherwise redeemed from principal receipts applied in accordance with the Signac Post-Material Event of Default Principal Priority of Payments;

(iv) fourth, in or towards satisfaction, *pro rata* and *pari passu*, firstly according to the interest amounts due in respect of the FCC Junior Notes and any Further FCC Junior Notes;

(v) fifth, to pay the FCC Subordinated Liquidity Amounts;

(vi) sixth, in or towards satisfaction, *pro rata* and *pari passu*, according to the amounts due in respect of the FCC Residual Notes; and

(vii) seventh, on the liquidation of the Signac Compartment only, in or towards repayment, *pro rata* and *pari passu*, of the Signac Units.

(D) Signac Post-Material Event of Default Principal Priority of Payments:

After the occurrence of any Material Event of Default or any FCC Compartment Liquidation Event, the FCC Management Company, acting for and on behalf of the FCC in respect of the Signac Compartment shall, on each day for payment of interest on the FCC Notes, apply the principal receipts from the Signac Loan, in accordance with the following priority of payments (the "**Signac Post-Material Event of Default Principal Priority of Payments**") by debiting the relevant Signac Compartment Collection Account:

(i) first, in or towards satisfaction, *pro rata* and *pari passu*, firstly according to the amounts due in respect of the full redemption of the FCC Senior Notes and secondly, to pay interest due and not paid to the extent not otherwise paid on such notes from revenue receipts applied in accordance with the Signac Post-Material Event of Default Revenue Priority of Payments;

(ii) second, in or towards satisfaction, *pro rata* and *pari passu*, firstly according to the amounts due in respect of the full redemption of the FCC Junior Notes and the amounts due in respect of the full redemption of the Further FCC Junior Notes and secondly, to pay interest due and not paid to the extent not otherwise paid on such notes from revenue receipts applied in accordance with the Signac Post-Material Event of Default Revenue Priority of Payments;

(iii) third, in or towards satisfaction, *pro rata* and *pari passu*, according to the amounts due in respect of the full redemption of the FCC Residual Notes; and

(iv) fifth, on the liquidation of the Signac Compartment only, in or towards repayment, *pro rata* and *pari passu*, of the Signac Units.

"**FCC Liquidity Subordinated Amounts**" means any amounts in respect of increased costs, mandatory costs and tax gross up amounts payable to the FCC Liquidity Facility Provider to the extent that such amounts exceed 0.15 per cent. per annum of the commitment provided under the Signac Liquidity Facility Agreement.

Rights and obligations of the FCC Noteholders

The FCC Noteholders shall have the rights which result from applicable laws, the General Regulations and the applicable FCC Compartment Regulations.

The FCC Noteholders shall be regularly informed by the FCC Management Company of the operation of the FCC.

Taxation of the FCC Notes

The FCC Notes being denominated in Euro will be deemed to be issued outside the Republic of France and, accordingly, under current French law, interest and other revenues in respect of the FCC Notes will benefit from the exemption from deduction of tax at source on account of French taxes provided by Article 131 *quater* of the French General Tax Code (*Code Général des Impôts*). Accordingly, such payments will not give the right to any tax credit from any French source.

If French law or any other relevant law should require that any payment of principal or interest in respect of the FCC Notes be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the Republic of France or any authority therein or thereof having power to tax, payments of principal and interest in respect of the FCC Notes shall be made net of any such withholding tax or deduction for or on account of any French or any other tax law applicable to the FCC Notes in any relevant state or jurisdiction and the FCC, with respect to the FCC Compartment, shall be under no obligation to pay additional amounts as a consequence of any such withholding or deduction.

Issuance and placement of the Notes

The FCC Senior Notes and the FCC Junior Notes are ordinary debt instruments to be privately placed in France with providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and qualified investors (*investisseurs qualifiés*) within the meaning of Article L. 411-2 and Article D. 411-2 of the French Monetary and Financial Code and with non-French resident investors.

The FCC Junior Notes and the FCC Residual Notes are *titres de créances spécifiques* (subordinated asset-backed securities) within the meaning of Articles R. 214-92 to R. 214-115 of the French Monetary and Financial Code. They may therefore only be acquired and held by qualified investors (*investisseurs qualifiés*) within the meaning of Article L. 411-2 of the French Monetary and Financial Code, by non-French resident investors and by any person as described in paragraphs 3 and 4 of Article R. 214-97 of the French Monetary and Financial Code.

TRANSACTION DOCUMENTS

Mortgage Sale Agreements

Consideration

Pursuant to the terms of mortgage sale agreements in relation to the Direct Loans (the "**Mortgage Sale Agreements**") entered into by, *inter alios*, the Issuer, the Sellers and the Trustee, the Sellers will transfer to the Issuer, as the case may be, their respective right, title, interest and benefit, present and future, in and to the relevant Loans and beneficial interest in the Related Security on the Issue Date. Consequently, as and from the Issue Date, the Issuer will be a lender under the Credit Agreements.

Pursuant to the terms of the Signac Mortgage Sale Agreement entered into by the FCC, the Signac Compartment and CIP will transfer to the FCC, on the Issue Date, title to the Signac Loan and its Related Security, which will be allocated to the Signac Compartment.

The initial purchase consideration payable on the Issue Date by the Issuer or the FCC, as the case may be, to the Sellers pursuant to the Mortgage Sale Agreements and the Signac Mortgage Sale Agreement is expected to be equal to the aggregate of €152,180,043 for Citibank International plc and €347,136,341 for Citibank, N.A., London Branch, each amount being equal to the sum of the aggregate principal amount of their respective Loans in the Loan Pool on the Cut-Off Date. In addition, Citibank International plc and Citibank, N.A., London Branch will be due an amount equal to interest due to be paid or accrued and unpaid as at the Issue Date in respect of any period ending on or before the Issue Date under or in respect of their respective Loans, this amount being the "**Residual Consideration**". The Residual Consideration will, until paid in full, be payable: (i) in respect of the Signac Loan Residual Consideration on each FCC Note interest payment date out of funds that would, but for the requirement to pay the Signac Loan Residual Consideration, be available to pay the FCC Residual Interest; and (ii) in respect of the Direct Loan Residual Consideration on each Interest Payment Date out of funds that would, but for the requirement to pay the Direct Loan Residual Consideration, be available to pay the interest on the Class R Notes.

In addition, pursuant to the terms of Mortgage Sale Agreements in relation to the Direct Loans (other than the Ash Loan, the Gutperle Loan and the Bonn Loan), Citibank, N.A., London Branch and Citibank International plc will: (i) in the case of Citibank International plc as First Seller, agree to transfer to the Issuer its interest in the existing related fixed/floating swap transactions previously entered into in respect of the Epic Horse Loan, the Epic Rhino Loan and the Tshuva Loan; and (ii) in the case of Citibank, N.A. as Swap Counterparty, agree to enter into off-market fixed/floating swap transactions relating to each of the Henderson Loans and the Citibank Sunrise II Loan with the Issuer that reflect the terms of the internal hedging arrangements made by the Second Seller on origination of such Loans, in each case in order to ensure that the Issuer hedges itself against interest rate risk. See below, "**The Swap Agreement**" in this regard. The initial purchase consideration referred to in the preceding paragraph will provide due consideration in respect of the aggregate value of: (i) each of the Loans and the Related Security; (ii) the agreement to novate the existing related fixed/floating swap transactions relating to the Epic Horse Loan, the Epic Rhino Loan and the Tshuva Loan; and (iii) the agreement to enter into off-market fixed/floating swap transactions relating to each of the Henderson Loans and the Citibank Sunrise II Loan.

Representations and warranties

Neither the Issuer or the FCC, as the case may be, nor the Trustee has made (or will make) any of the enquiries, searches or investigations which a prudent purchaser would normally make in relation to the purchase of the Loans or the Related Security. In addition, neither the Issuer or the FCC, as the case may be, nor the Trustee has made (or will make) any enquiry, search or investigation at any time in relation to compliance by any party with respect to the provisions of the Mortgage Sale Agreements, the Signac Mortgage Sale Agreement, the Credit Agreements or any other Finance Documents or in relation to any applicable laws or the execution, legality, validity, perfection, adequacy or enforceability of the Loans or the Related Security.

In relation to all of the foregoing matters concerning the Loans and the Related Security and the circumstances in which the Loans were made to the Borrowers prior to the transfer of the Loans to the Issuer or the FCC, as the case may be, the Issuer or the FCC, as the case may be, and the Trustee will rely entirely on the representations and warranties to be given by each Seller to the Issuer or the FCC, as the case may be, and the Trustee which are contained in the Mortgage Sale Agreements and the Signac Mortgage Sale Agreement.

Subject to the agreed exceptions, materiality qualifications and, where relevant, the general principles of law limiting the same, the representations and warranties to be given by the First Seller (in respect of the Epic Rhino Loan, the Ash Loan, the Tshuva Loan, the Epic Horse Loan and the Signac Loan) and by the Second Seller (in respect of the Henderson Loans, the Bonn Loan, the Citibank Sunrise II Loan and the Gutperle Loan) under the Mortgage Sale Agreements and Signac Mortgage Sale Agreement will include:

1 Particulars of the Loans

The particulars of each Loan, mortgage(s) and Property(ies) set out in the Mortgage Sale Agreement are complete, true and accurate in all material respects.

2 Business carried out at Properties

(i) No Property was (as at the origination date of its related Loan) and, to the best of the Seller's knowledge and belief, is utilised other than as office premises and/or retail premises and/or car park premises and/or social housing and/or industrial premises.

(ii) In relation to each Borrower, either prior to the date of the initial advance to such Borrower or within any period after the making of such initial advance agreed to by the Seller and as at the date of the most recent site visit, such Borrower has obtained all authorisations and licences which are required by it in connection with its business or intended business.

3 Title and security

(i) The Seller was, or will be immediately prior to execution and delivery of the Mortgage Sale Agreement, owner of the relevant Loan in the Portfolio and of all other Related Security it purports to sell, free and clear of all security interests and has a good and marketable title to the Property. Security interest means any mortgage, mortgage pre-notation, standard security, sub-standard security, pledge (including any pledge operating by law), lien, charge, assignment, assignation, hypothecation or security interest or other agreement or arrangement having the effect of conferring security in the jurisdiction of Germany or France, as applicable.

(ii) In the case of each Property, there is evidence that the relevant Borrower had at the date of the initial advance under the Loan a good and marketable title to the relevant Property.

(iii) Legal title to each Loan, and its Related Security is held by the Seller or the relevant Security Agent, in each case free and clear of all security interests and equities (including, without limitation, rights of set-off or counterclaim).

(iv) Each mortgage constitutes a valid and subsisting first charge by way of legal mortgage over the Property to which it relates, subject only to registration or recording of such mortgage at any relevant registries and (in such cases) there is nothing to prevent such registration or recording being effected in due course.

(v) In relation to each Loan, its Related Security secures the repayment of all principal, interest, costs, liabilities and expenses from time to time due under the relevant Credit Agreement.

(vi) Each Loan was originated by the Seller.

(vii) Each Loan and its Related Security constitutes the valid, binding and enforceable obligation of the relevant Borrower, subject to laws relating to liquidation, bankruptcy, insolvency, moratorium, administration, reorganisation, receivership, conservatorship, arrangement, composition or other similar laws affecting creditors' rights generally, or the rules governing the availability of orders for specific performance, injunctive relief or other equitable remedies and by general equitable or legal principles.

(viii) All steps necessary to perfect the title of the Seller to the relevant Loan and the relevant Security Agent's rights to the Related Security were duly taken at the appropriate time or are in the process of being taken, in each case (where relevant) within any applicable priority periods or time limits for registration, with all due diligence and without undue delay.

(ix) The Seller has (other than in accordance with the provisions of the Transaction Documents) (whether absolutely or by way of security only) not assigned, transferred, charged, disposed

of, dealt with or otherwise created or allowed to arise or subsist any security interest in respect of any of its right, title, interest and benefit in or to any of the Loans and mortgages, any of the other rights relating thereto or any of the property, rights, titles, interests or benefits to be sold or assigned pursuant to the relevant Mortgage Sale Agreement in any way whatsoever.

(x) The Seller has not knowingly waived or acquiesced in any breach of any of its rights in respect of a Loan or its mortgage, other than waivers and acquiescence which a Prudent Mortgage Lender might make. "**Prudent Mortgage Lender**" means a prudent lender acting reasonably where such lender's principal business or a portion of its principal business involves lending to borrowers in Germany and France, as relevant, and where the Loan is secured primarily over commercial or investment property or properties located in Germany and France, as relevant.

4 Form of Loans etc.

None of the Loans have been amended subsequent to origination or subsequent to their amendment and restatement to add to, lessen, modify or otherwise vary such provisions in any material respect, subject to the waiver, deletion of, addition to or amendment of such provisions as would have been within the discretion of a Prudent Mortgage Lender at the date of the relevant documentation.

5 Terms of the Loans etc.

(i) Neither the entry by the Seller into the Mortgage Sale Agreement nor any transfer, assignment, assignation or declaration of trust contemplated by the Mortgage Sale Agreement nor the disclosure by the Seller of any information in respect of the Portfolio affects or will adversely affect any of the Loans and their Related Security. The Seller may freely and validly assign its interest therein without breaching any term or condition applying to any of them.

(ii) The original executed copies of the documentation entered into in connection with each Loan and mortgage and the title deeds relating thereto are held by the Seller or the relevant Security Agent or to the order of the Seller or the relevant Security Agent or are kept on public record by a notary (as the case may be).

(iii) No Loan carries a right to payment of principal of less than the purchase price payable under the relevant Mortgage Sale Agreement.

(iv) No Loan is currently repayable in a currency other than Euros. No Borrower has the right to make, or to elect to make, any payment in respect of any Loan in a currency other than Euros.

(v) Each Loan is fully repayable on or prior to the end of April 2014.

(vi) No Credit Agreement contains any obligation to release any retentions or to pay fees or other sums relating thereto to any Borrower.

(vii) No Credit Agreement contains any obligation (whether or not subject to conditions precedent) on the part of the Seller to make a further advance thereunder and no part of any advance pursuant to the relevant Loan has been retained by the Seller pending compliance by the relevant Borrower with any other conditions.

(viii) Prior to the date of any Loan and its Related Security, the nature of, and amount secured by, such Loan and its Related Security and the circumstances of the relevant Borrower would, as at that date, have been acceptable to a Prudent Mortgage Lender.

6 Records

The Seller has, since the origination by it of each relevant Loan, kept or procured the keeping of full and proper records showing all material transactions, payments, receipts, proceedings and notices, in each case relating to each Loan.

7 Valuations

(i) Each Property was valued by an independent valuer instructed by or on behalf of the Seller either within the six month period prior to the date of advance of the relevant Loan or, if outside such six month period, the extension period agreed by an authorised senior officer of the Seller.

(ii) In respect of each such valuation as is referred to in paragraph (i), the Seller received from the relevant valuer a form of report in respect of the relevant valuation(s) in a form and content which would be acceptable to a Prudent Mortgage Lender.

(iii) The Seller is not aware (from any information received by it in the course of administering the Loans without further inquiry) of any circumstances giving rise to a material reduction in the value of any Property since the relevant valuation date (other than market forces affecting the value of properties comparable to the relevant Property in the area where the relevant Property is located).

8 Fraud

The Seller is not aware of any fraud in relation to any Loan or any Related Security.

9 Professionals

(i) Save for settlement in the ordinary course of business, the Seller has not excluded, restricted or waived any of its rights against valuers, lawyers, notaries or other professionals (other than accepting limitations of liability in accordance with the standard terms of engagement of such professionals which would be acceptable to a Prudent Mortgage Lender) who have carried out work on behalf of the Seller in connection with any Loan in any material respect.

(ii) Prior to the taking of any mortgage, the Seller instructed its lawyer or notary to carry out an investigation of title to the relevant Property and to undertake the necessary searches and enquiries. In each case, the Seller received a report from the lawyer or notary in respect of the Property which related, without limitation, to the good and marketable title of the Property.

(iii) To the best of the Seller's knowledge and belief, no report on title, certificate or letter given by any lawyer or notary in connection with any mortgage was negligently or fraudulently prepared by that lawyer or notary and each such report on title did not fail to disclose any fact or circumstance relating to the Loan, the Borrower or the Property which ought reasonably to have been disclosed by that valuation and which, if disclosed, would have caused a Prudent Mortgage Lender to decline to proceed with such Loan.

(iv) To the best of the Seller's knowledge and belief no valuation given by a valuer in connection with any Loan was negligently or fraudulently undertaken by that valuer and each such valuation did not fail to disclose any fact or circumstance relating to the Property which ought reasonably to have been disclosed by that valuation and which, if disclosed, would have caused a Prudent Mortgage Lender to decline to proceed with that Loan or any further advance secured by that mortgage, as the case may be.

10 Leasehold Properties

The Seller has not received written notice of any default that has not been remedied or forfeiture of any leases granted in respect of a Property or of the insolvency of any tenant which would render the relevant Property unacceptable as security for the relevant Loan.

11 Lending criteria

Prior to the making of each advance comprised in a Loan, the Seller, as originator applied the then applicable lending criteria in all material respects subject always to the waiver or variation of, or addition to, such guidelines and all preconditions or any of them as may have been acceptable to a Prudent Mortgage Lender at that time.

12 Litigation

(i) The Seller has not received, in respect of any Loan or its Related Security, any written notice of any material litigation or material dispute or material complaint (subsisting, pending or, to the best of the Seller's knowledge and belief, threatened) (other than letters of demand in relation to any Loan) between the Seller and any Borrower in relation to any Loan or its Related Security.

(ii) There is no litigation, dispute or complaint which is subsisting, pending or (to the best of the Seller's knowledge and belief) threatened which materially adversely affects any Property or which will have, or in the view of the Seller (acting reasonably) is likely to have, a material adverse effect on the value or enforceability of the mortgage or the relevant Loan.

(iii) No Loan or its Related Security has been discharged, terminated, cancelled, rescinded or repudiated and neither the Seller nor any of the Borrowers has given any written intention on or prior to the Issue Date to cancel, rescind or repudiate its Loan and/or mortgage and/or any other Related Security, other than by reason of a Loan maturing, being repaid or being enforced.

13 Direct debits and seasoning

(i) The Seller holds a current variable direct debit mandate from each Borrower or some other method of payment acceptable to the Seller has been agreed with the Borrower in respect of payments of interest and/or principal to be made by the Borrower pursuant to the relevant Loan and at least one successful direct debit collection or payment by another method acceptable to the Seller has been made from each Borrower.

(ii) As at the Issue Date, the Seller has not received any notice that any Borrower has cancelled its direct debit in relation to any Loan provided that where, at the Borrower's instigation, the Seller has agreed with the Borrower that the payment by direct debit shall not apply to such Borrower, a standing order, alternative payment arrangements or new direct debit instructions have been made which aim to ensure the timely payments due under the relevant Loan.

14 Tax

(i) No transfer of any Loan or Related Security pursuant to the Mortgage Sale Agreements is liable to stamp duty, stamp duty reserve tax or stamp duty land tax.

(ii) All documents which are or may be material in establishing the Seller's title to any of the Loans and/or Related Security or which may be needed to enforce any Loan or mortgage and which are stampable have been duly stamped.

(iii) Any payments made by a Borrower in connection with any Loan may be made to a person in a relevant jurisdiction that is within the charge to tax in respect of the Loan free and clear of, and without withholding or deduction for, any taxes, duties, assessment or governmental charge of whatsoever nature imposed, levied, collected, withheld or assessed by the relevant jurisdiction or any political sub-division or authority thereof or therein having the power to tax.

15 Borrowers

(i) The Seller has not received notice of the death, insanity, bankruptcy, receivership, administration, liquidation or insolvency of any Borrower.

(ii) No Borrower is an employee of the Seller.

16 Arrears and enforcement

(i) Without prejudice to paragraph (iii) below, to the best of the Seller's knowledge and belief no Borrower is in breach of any material obligation owed in respect of the relevant Loan or under any Related Security or of any outstanding event, which with the giving of notice and/or the expiration of any applicable grace period and/or the making of any determination, would constitute such breach.

(ii) No steps have been taken by or on behalf of the Seller to commence possession proceedings or appoint a receiver or administrator in respect of any Loan or Related Security.

(iii) There is no Loan in respect of which any scheduled payment due by the relevant Borrower is or has been, in the six month period ending on the Issue Date, more than 30 days past due.

(iv) In relation to the advance under each Loan, the Seller has received at least one scheduled payment of principal or interest due from the relevant Borrower.

17 Compliance with environmental laws

To the best of the Seller's knowledge and belief each Property is in compliance with all applicable environmental laws.

18 Insurance

(i) As far as the Seller is aware, having used reasonable endeavours to ensure the same, each Property is insured as required by the terms of the relevant Credit Agreement.

(ii) The Seller has not received and, where appropriate (so far as the Seller is aware) the Security Agent has not received written notice that any insurance policy is about to lapse on account of the failure by the relevant entity maintaining insurance to pay the relevant premiums.

(iii) The Seller is not aware of any material outstanding claim in respect of any insurance policy.

19 Finance Documents

The obligations of the Seller under the Finance Documents constitute legally valid and binding obligations of, and are enforceable against, the Seller.

The representations and warranties given by the Sellers in connection with their respective Loans and the Related Security under the Mortgage Sale Agreement are referred to as the Loan Warranties.

Purchase by the relevant Seller on breach of Loan Warranty

If there is a material breach of any Loan Warranty by a Seller, the relevant Seller will, if the breach cannot be remedied or (if capable of remedy) has not been remedied within a period of 30 days from the date on which the relevant Seller or the Issuer, as applicable, first became aware of the relevant breach, be required to purchase the relevant Loan and Related Security sold or transferred to the Issuer, from the Issuer, for a consideration equal to the then current outstanding principal balance of the relevant Loan plus any accrued but unpaid interest thereon up to and including the date of repurchase, or if such date is not an Interest Payment Date and an Acceleration Notice has not been served or the Notes have not otherwise become due and repayable in full, the immediately following Interest Payment Date together with any additional costs incurred by the Issuer, in respect of such repurchase (including any swap termination payments due to the Swap Counterparty arising as a result of the repurchase).

If the Seller under the Signac Mortgage Sale Agreement or the FCC Management Company becomes aware that there is a material breach of any Loan Warranty by the Seller, at any time after the Issue Date or that any of the Loan Warranties made by the Seller were false or incorrect on the Issue Date, then that party shall inform the other party without delay. If the breach cannot be remedied or (if capable of remedy) has not been remedied within a period of 30 days from the date on which the Seller or the FCC Management Company first became aware of such an event, the transfer of the affected Signac Loan from the Seller to the Signac Compartment pursuant to the Signac Mortgage Sale Agreement shall automatically be deemed null and void without any further formalities (*résolu de plein droit*) and the Seller shall indemnify the Signac Compartment for an amount being equal to the sum of (i) the current outstanding principal balance of the relevant affected Signac Loan as at the indemnification date and (ii) any unpaid amounts of interest, expenses and accessories relating to the affected Signac Loan as at the indemnification date or, if such date is not an interest payment date of the FCC Notes, the immediately following interest payment date of the FCC Notes.

Liquidity Facility Agreement

General

On or before the Issue Date, the Issuer will enter into a liquidity facility agreement (the "**Liquidity Facility Agreement**") with the Liquidity Facility Provider, the Cash Manager and the Trustee pursuant to which the Liquidity Facility Provider will provide a renewable 364-day committed liquidity facility (the "**Liquidity Facility**") to the Issuer. The Liquidity Facility will, subject to certain conditions, be available to be drawn by or on behalf of the Issuer where there is a shortfall in the Revenue Funds to pay any Revenue Priority Amounts (as defined below). Drawings under the Liquidity Facility (other than Liquidity Stand-by Drawings) shall be referred to as "**Liquidity Drawings**". The Liquidity Facility committed amount will be for an initial amount of €31,600,000 and will with respect to each Interest Period decrease as the outstanding principal balance of the Loans decreases in accordance with the terms of the Liquidity Facility Agreement, but will at all times be (i) where the outstanding principal balance

of the Loans is more than €336 million, an amount equal to 6.5 per cent of such outstanding principal balance; and (ii) where the outstanding principal balance of the Loans is €336 million or less, an amount equal to 8.7 per cent. of such outstanding principal balance.

Revenue Priority Amounts

If on any Business Day prior to delivery of an Acceleration Notice or the Notes otherwise becoming due and payable in full or steps being taken by the Trustee to enforce the Issuer Security, the Cash Manager on behalf of the Issuer determines that there is a shortfall in the Revenue Funds, that can be applied on behalf of the Issuer, to pay in full on any Interest Payment Date any of the items specified in (i) to (vii) (inclusive), (ix), (xi), (xiii), (xv) and (xvii) of the Pre-Enforcement Revenue Priority of Payments (save as provided below), (the "**Revenue Priority Amounts**"), the Cash Manager shall on the next Business Day and prior to a Liquidity Facility Event of Default make a request on behalf of the Issuer for a revenue priority amount drawing under the Liquidity Facility Agreement to be made on the next Interest Payment Date in an amount equal to such shortfall (each such drawing, a "**Revenue Priority Amount Drawing**"). The amount of the Revenue Priority Amount Drawing must not exceed the Available Commitment (as defined in the Liquidity Facility Agreement) at the time of the request and is subject to reduction as set out in ("**Loan Income Deficiency Drawings Reductions**") below. Further, the Issuer shall not be entitled to make a Revenue Priority Amount Drawing in order to pay amounts of interest due or unpaid on each of the Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes, if the debit balance on the Principal Deficiency Ledger in respect of that class of Notes is equal to or greater than 50 per cent. of the Principal Amount Outstanding of that Note. The proceeds of any Revenue Priority Amount Drawing will be credited to the Issuer Revenue Account, and applied by the Cash Manager on behalf of the Issuer in making payment of the Revenue Priority Amounts.

Revenue Priority Amounts include the repayment of any Protection Advance made by the Master Servicer and/or the Special Servicer in respect of the Direct Loans.

Loan Income Deficiency Drawings Reductions

The Borrowers are required to pay scheduled amounts of interest and/or principal under the terms of the relevant Credit Agreement. In the event that there is a shortfall in the amount of scheduled interest paid by a Borrower of a Loan (a "**Shortfall Loan**") on any Loan Interest Payment Date, the Master Servicer will notify the Cash Manager of such shortfall and the Cash Manager will, if required, make a Revenue Priority Amount Drawing as set out above. The amount of the Revenue Priority Amount Drawing that is attributable to a Shortfall Loan is, in respect of each such Shortfall Loan, a "**Loan Income Deficiency Drawing Amount**". Each Loan Income Deficiency Drawing Amount will, at any time an Appraisal Reduction has occurred and is continuing in respect of such Shortfall Loan, be reduced by the relevant Appraisal Reduction Percentage and the Revenue Priority Amount Drawing will be reduced accordingly.

Appraisal Reductions

Subject to the provisions described in the following paragraph, the Special Servicer must, not later than 30 days after the occurrence of a Special Servicing Event, if the relevant Loan Event of Default is continuing, and the Master Servicer or Special Servicer (as the case may be) must, not later than 30 days after receipt of a written request from the Trustee, obtain a valuation (an "**Appraisal Valuation**" and the resulting value being the "**Appraisal Value**") in respect of the relevant Property. The costs of obtaining an Appraisal Valuation will be paid by the Master Servicer or the Special Servicer, as applicable, subject to being reimbursed in accordance with the terms of the relevant Servicing Agreement.

The Relevant Servicer will not be obliged to obtain the relevant Appraisal Valuation if an Appraisal Valuation has been obtained during the immediately preceding 12 months and the Relevant Servicer is of the opinion (without any liability on its part) that neither the relevant Properties nor the relevant property markets have experienced any material change since the date of such previous Appraisal Valuation unless requested by the Trustee.

If the principal amount of the relevant Loan then outstanding (together with any unpaid interest, all currently due and unpaid taxes and assessments) (net of any amount placed into any secured account in respect of such items), insurance premiums and, if applicable, ground rents in respect of the relevant Properties exceeds the sum of 90 per cent. of the Appraisal Value of the relevant Property, an appraisal reduction will be deemed to have occurred (an "**Appraisal Reduction**", with the amount of the excess being the "**Appraisal Reduction Amount**"). The "**Appraisal Reduction Percentage**" is, in relation to a

Shortfall Loan, the Appraisal Reduction Amount expressed as a percentage of the Appraisal Value, subject to a maximum of 100 per cent.

Each Appraisal Reduction Amount will be reduced to zero as of the date that the relevant Shortfall Loan is brought current under the then current terms of the relevant Loan Agreement for at least three consecutive months, paid in full, liquidated, repurchased or otherwise disposed of.

Liquidity Stand-by Drawings

The Liquidity Facility Agreement will provide that, if at any time:

(i) the rating of the Liquidity Facility Provider falls below the Liquidity Requisite Ratings; or

(ii) the Liquidity Facility Provider refuses to renew the Liquidity Facility,

then the Issuer may find an alternative liquidity facility provider or may require the Liquidity Facility Provider to pay an amount equal to its undrawn commitment under the Liquidity Facility Agreement (a "**Liquidity Stand-by Drawing**") into an account solely for that purpose maintained with the Issuer Account Bank (or the Liquidity Facility Provider if it has the Liquidity Requisite Ratings) (such account, the "**Liquidity Stand-by Account**"). The Issuer may require that the Liquidity Facility Provider transfers its rights and obligations under the Liquidity Facility Agreement to a replacement Liquidity Facility Provider which has the Liquidity Requisite Ratings provided that the then current ratings of the Notes are not adversely affected thereby. In the event that the Cash Manager, on behalf of the Issuer, makes a Liquidity Stand-by Drawing, the Cash Manager will be required, prior to the expenditure of the proceeds of such drawing as described above, to invest such funds in Eligible Investments. Amounts standing to the credit of the Liquidity Stand-by Account will be available to the Issuer prior to the delivery of an Acceleration Notice or the Notes otherwise becoming due and repayable in full or steps being taken by the Trustee to enforce the Issuer Security for the purposes of making deemed Revenue Priority Amount Drawings as described above and in accordance with the terms of the Liquidity Facility Agreement. Following the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full or steps being taken by the Trustee to enforce the Issuer Security and following certain events of default under the Liquidity Facility Agreement, principal amounts standing to the credit of the Liquidity Stand-by Account in respect of a Liquidity Stand-by Drawing will be returned to the Liquidity Facility Provider and will not be applied in accordance with the any of the Priority of Payments.

For these purposes:

"**Liquidity Requisite Ratings**" means a rating for a bank of at least F1 (or better) by Fitch, A-1+ (or better) by S&P and P-1 (or better) by Moody's for that bank's short term unsecured, unsubordinated and unguaranteed debt obligations.

Repayment of drawings

All payments due to the Liquidity Facility Provider under the Liquidity Facility Agreement (other than in respect of any Liquidity Subordinated Amounts) will rank in priority to payments of interest and principal on the Notes. "**Liquidity Subordinated Amounts**" are any amounts in respect of increased costs, mandatory costs and tax gross up amounts payable to the Liquidity Facility Provider to the extent that such amounts exceed 0.15 per cent. per annum of the commitment provided under the Liquidity Facility Agreement.

The Issuer will repay any Revenue Priority Amount Drawing under the Liquidity Facility on the Interest Payment Date immediately following the date on which such drawing was made, or if earlier, on the Liquidity Facility Termination Date (as defined in the Liquidity Facility Agreement) or the Final Maturity Date.

In the event that such Liquidity Drawings are not repaid on the relevant due date the amount outstanding under the Liquidity Facility will be deemed to be repaid (but only for the purposes of the Liquidity Facility) and, provided that the Issuer has delivered a drawdown notice confirming satisfaction of the conditions to drawing, redrawn on the relevant day in an amount equal to the amount outstanding. The procedure will be repeated on each Interest Payment Date or other due date thereafter, as applicable, up to the amount of the Liquidity Facility Commitment (as defined in the Liquidity Facility Agreement) until all amounts outstanding under the Liquidity Facility are paid and/or repaid.

The Issuer will pay interest on Revenue Priority Amount Drawings at a rate equal to Note EURIBOR (as determined under the Notes) plus a specified margin. The Issuer will pay interest on any Liquidity

Stand-by Drawings at an amount equal to the commitment fee under the Liquidity Facility Agreement that would be paid had the Liquidity Stand-by Drawing not been made plus an amount equal to any interest earned on amounts standing to the credit of the Liquidity Stand-by Account following the date of the Liquidity Stand-by Drawing and the interest element of any proceeds of any Eligible Investments made out of amounts standing to the credit of the Liquidity Stand-by Account.

The Liquidity Facility Provider will have no claim against, or recourse to, any assets or contributed capital of the Issuer for any amounts due under the Liquidity Facility Agreement in excess of the amount permitted to be paid under the Issuer Priority of Payments. Under the Issuer Priority of Payments, on each Interest Payment Date the Liquidity Facility Provider will be entitled to receive payments of interest and principal due under the Liquidity Facility Agreement in priority to the obligations of the Issuer in respect of the payment of interest on the Notes.

The Swap Agreement

On or prior to the Issue Date, the Issuer will enter into a 1992 ISDA Master Agreement (Multicurrency – Cross Border) governed by English law together with a Schedule thereto and a Credit Support Annex thereunder with the Swap Counterparty (the "**Swap Agreement**"). Pursuant to the Swap Agreement, in order to hedge its floating rate payment obligations in respect of interest payable on the Rated Notes, the Issuer will enter into basis swap transactions (together the "**Basis Swap Transactions**" and each a "**Basis Swap Transaction**"). The Issuer on the Issue Date will also (a) enter into novations of existing fixed/floating swap transactions entered into between Citibank, N.A., London Branch and the First Seller under the Epic Rhino Loan, Epic Horse Loan and Tshuva Loan respectively so that following the Issue Date the parties to such Swap Agreement will be the Issuer and the Swap Counterparty and that the aggregate notional amount of these novated fixed/floating swap transactions will reflect the principal amount of the Epic Rhino Loan, Epic Horse Loan and Tshuva Loan being acquired by the Issuer; and (b) enter into new fixed/floating swap transactions with the Swap Counterparty in respect of the Henderson Loans and the Citibank Sunrise II Loan so that the aggregate notional amount of these fixed/floating swap transactions (together with the novated fixed/floating swap transactions, the "**Fixed/Floating Swap Transactions**" and each a "**Fixed/Floating Swap Transaction**") reflects the principal amount of the Henderson Loans and the Citibank Sunrise II Loan being acquired by the Issuer. The fixed/floating swap transactions to be entered into in respect of the Henderson Loans and the Citibank Sunrise II Loan shall reflect the terms of the internal hedging arrangements made by the Second Seller on origination of the relevant Loans.

The Basis Swap Transactions and the Fixed/Floating Swap Transactions are together referred to as the "**Swap Transactions**".

The Basis Swap Transactions

Under the Basis Swap Transactions, on each Interest Payment Date, the Issuer will be required to pay to the Swap Counterparty an amount calculated by reference to a rate equal to three months' EURIBOR on the relevant Loan Interest Payment Date and the Swap Counterparty will be required to pay to the Issuer an amount calculated by reference to a rate equal to Note EURIBOR (as determined under the Notes) for the Interest Period ending immediately prior to such Interest Payment Date, in each case based on the then notional amount of the relevant Basis Swap Transaction.

The initial aggregate notional amount of the Basis Swap Transactions will be equal to the aggregate Cut-Off Date Balance of the Loan Pool or such other amount agreed with the Rating Agencies. It will change over time in line with any reduction in the outstanding principal balance of the Loans. Certain changes to the notional amount of the Basis Swap Transactions may require the Issuer to make termination payments to the Swap Counterparty.

The Fixed/Floating Swap Transactions

Under the Fixed/Floating Swap Transactions, on each Interest Payment Date, the Issuer will be required to pay to the Swap Counterparty an amount calculated by reference to the interest rates payable by the relevant Borrowers under the fixed rate loans in respect of the interest periods of the fixed rate loans corresponding to the Interest Period ending immediately prior to such Interest Payment Date, and the Swap Counterparty will be required to pay to the Issuer an amount calculated by reference to a rate equal to 3 month EURIBOR for the Interest Period ending immediately prior to such Interest Payment Date, in each case based on the then notional amount of the relevant Fixed/Floating Swap Transaction.

The initial notional amount of the Fixed/Floating Swap Transactions will be equal to the aggregate outstanding principal balance of the fixed rate loans which have been acquired by the Issuer or such other amount agreed with the Rating Agencies. It will change over time in line with any reduction in the outstanding principal balance of the fixed rate loans. Such changes to the notional amount of such Fixed/Floating Swap Transactions may require the Issuer to make termination payments to the Swap Counterparty.

Swap Transactions – general provisions

As more particularly described below, one or more Swap Transactions under the Swap Agreement will be terminable if (i) an applicable Event of Default or Termination Event (as defined therein) occurs in relation to a party to the Swap Agreement, (ii) it becomes unlawful for either party to perform its obligations under a Swap Transaction, (iii) an Acceleration Notice is served or (iv) the Notes are redeemed in full prior to their Final Maturity Date. Events of Default under the Swap Agreement in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement and (ii) certain insolvency events.

Subject to the following, the Swap Counterparty is obliged to make payments under the Swap Transactions only to the extent that the Issuer makes any payments due from it under the Swap Transactions in a timely manner, though the Issuer may meet such payments by drawing down funds under the Liquidity Facility. Furthermore, a failure by the Issuer to make timely payment of amounts due from it under the Swap Transactions will constitute a default in respect of the relevant payment due under the relevant Swap Transaction and entitle the Swap Counterparty to terminate the Swap Transactions.

The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the amount actually received by the Issuer will equal the full amount the Issuer would have received had no such withholding or deduction been required. If the Swap Counterparty is required to pay an additional amount as a result of any withholding or deduction required by law in accordance with section 2(d)(i)(4) of the Swap Agreement and the Issuer determines (having consulted with the Cash Manager) that any tax credit, allowance, set-off or repayment from the tax authorities of any jurisdiction is attributable either to an increased payment of which that additional amount forms part, or to that additional amount and the Issuer has obtained, utilised and retained such tax credit, allowance, set-off or repayment, then the Issuer shall pay an amount to the Swap Counterparty (the "**Swap Tax Credit Amount**") which the Issuer determines will leave it (after such payment) in the same after tax position as it would have been in had the additional amount not been required to be paid by the Swap Counterparty.

The Swap Agreement will provide, however, that if due to action taken by a relevant taxing authority or brought in a court of competent jurisdiction or any change in tax law since the Issue Date the Swap Counterparty will, or there is a substantial likelihood that it will, on the next Interest Payment Date, be required to pay additional amounts in respect of tax under the Swap Agreement or will, or there is a substantial likelihood that it will, receive payment from the Issuer from which an amount is required to be deducted or withheld for or on account of tax (a "**Swap Tax Event**"), the Swap Counterparty will use its reasonable efforts to transfer its rights and obligations to another of its offices, branches or affiliates or a suitably rated third party to avoid the relevant Swap Tax Event. If no such transfer can be effected, the affected Swap Transactions may be terminated. The Swap Agreement will contain certain other limited termination events and events of default which will entitle either party to terminate it.

Ratings downgrade of Swap Counterparty

Pursuant to the terms of the Swap Agreement, in the event that the relevant ratings of the Swap Counterparty are downgraded by a Rating Agency below the ratings specified in the Swap Agreement (in accordance with the requirements of the Rating Agencies) for the Swap Counterparty, the Swap Counterparty will, in accordance with the Swap Agreement, be required to take certain remedial measures which may include providing collateral for its obligations under the Swap Agreement, arranging for its obligations under the Swap Agreement to be transferred to an entity with the ratings required by the relevant Rating Agency as specified in the Swap Agreement (in accordance with the requirements of the relevant Rating Agency), procuring another entity with ratings required by the relevant Rating Agency as specified in the Swap Agreement (in accordance with the requirements of the relevant Rating Agency) to become co-obligor in respect of its obligations under the Swap Agreement, or taking such other action as it may agree with the relevant Rating Agency.

The Cash Management Agreement

On or before the Issue Date, the Issuer, the Cash Manager, the Swap Counterparty and the Trustee will enter into a cash management agreement (the "**Cash Management Agreement**"). Under the Cash Management Agreement, the Cash Manager will undertake the following functions on behalf of the Issuer and the Trustee:

(i) the administration of payments to and from the Issuer Accounts in accordance with the terms of the Transaction Documents (including the administration of payments (based upon calculations supplied to it) due to and from the Swap Counterparty);

(ii) (with the agreement of the Issuer and the Trustee and subject as provided in the Cash Management Agreement) investing funds not immediately required by the Issuer in Eligible Investments;

(iii) the maintenance of the Principal Deficiency Ledgers in the books of the Issuer; and

(iv) the making of any Revenue Priority Amount Drawings pursuant to the Liquidity Facility Agreement.

"**Eligible Investments**" means:

(i) demand or time deposits, certificates of deposit and short term debt obligations (including commercial paper); provided that in all cases such investments will mature at least one Business Day prior to the next Interest Payment Date and the short term unsecured, unsubordinated and unguaranteed debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being a bank or licensed EU credit institution) are rated at least P-1 (short term) and A1 (long term) by Moody's, A-1+ by S&P and F1+ by Fitch (or in the case of longer dated securities P-1 (short term) and Aaa (long term) by Moody's, AAA by S&P and AAA by Fitch) or are otherwise acceptable to the Rating Agencies; and

(ii) a fund which is rated at least AAA/Aaa by the Rating Agencies,

in each case denominated and repayable in Euros and with maturity dates that are no later than the next Interest Payment Date.

The Issuer will be required to pay a fee to, and to reimburse the expenses of, the Cash Manager for the performance of the services under the Cash Management Agreement.

The Issuer will be entitled, in certain circumstances and with the consent of the Trustee, to terminate the appointment of the Cash Manager and to appoint a successor cash manager in its place.

The Cash Manager will be entitled to resign upon the giving of three months' notice in accordance with the terms of the Cash Management Agreement.

Any such termination of appointment or retirement shall not become effective until a successor cash manager is appointed.

The Cash Management Agreement will be governed by English law.

The Issuer Bank Agreement

On or before the Issue Date, the Issuer, the Trustee, the Cash Manager and the Issuer Account Bank will enter into a bank account agreement (the "**Issuer Bank Agreement**"). Under the Issuer Bank Agreement, the Issuer Account Bank will open and maintain certain bank accounts in the name of the Issuer, as follows:

(i) the Issuer Principal Account;

(ii) the Issuer Revenue Account;

(iii) the Liquidity Stand-by Account; and

(iv) an account in respect of which funds intended to be used to pay for certain expenses will be deposited (the "**Expenses Account**"),

(the accounts referred to in paragraphs (i) to (iv) (inclusive) being, together with any other account of the Issuer, the "**Issuer Accounts**").

With respect to the Expenses Account, so long as the Notes remain outstanding, if on the relevant Interest Payment Date, the amount standing to the credit of the Expenses Account is less than the Expenses Account Required Amount, the Issuer will be required at item (xxi) of the Pre-Enforcement Priority of

Payments to credit to the Expenses Account an amount equal to the difference in (a) the Expenses Account Required Amount and (b) the amount standing to the credit of the Expenses Account on such date.

The "**Expenses Account Required Amount**" means €200,000.

Under the Issuer Bank Agreement the Issuer Account Bank will agree to waive all rights of set-off, counterclaim, deduction and consolidation in respect of all accounts of the Issuer maintained by the Issuer.

The unguaranteed, unsubordinated and unsecured debt obligations of the Issuer Account Bank are currently rated F1+ (short term) by Fitch, A-1+ (short term) by S&P, P-1 (short term by Moody's). The Issuer Bank Agreement will provide that, if such ratings drop below F1 (short term) (Fitch) and/or A-1+ (short term) (S&P) and or P-1 (short term) (Moody's) then the Issuer Account Bank will be required, within 30 days following downgrade, to arrange for the transfer of its obligations under the Issuer Bank Agreement to a successor account bank with the short term ratings of at least F1/A-1+/P-1 or A1.

The Issuer will be required to pay to the Issuer Account Bank its usual fees in respect of the maintenance of these accounts.

The Issuer Bank Agreement will be governed by English law.

Trust Deed

On or before the Issue Date, the Issuer and the Trustee will enter into a trust deed (the "**Trust Deed**") pursuant to which the Notes will be constituted. The Trust Deed will include the form of the Notes and contain a covenant from the Issuer to the Trustee to pay all amounts due under the Notes. The Trustee will hold the benefit of that covenant on trust for the Noteholders.

The Trust Deed will contain provisions requiring the Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class R Noteholders equally (except where expressly provided otherwise), but where there is, in the Trustee's opinion, a conflict between any such interests, the Trust Deed will require the Trustee to have regard to the interests of only the Class A Noteholders. If there are no Class A Notes outstanding and, in the Trustee's opinion, there is a conflict between the interests of the Class B Noteholders on one hand and the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and/or the Class R Noteholders on the other hand, the Trust Deed will require the Trustee to have regard to the interests of the Class B Noteholders only. If there are no Class A Notes and Class B Notes outstanding and, in the Trustee's opinion, there is a conflict between the interests of the Class C Noteholders on one hand and the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and/or the Class R Noteholders on the other hand, the Trust Deed will require the Trustee to have regard to the interests of the Class C Noteholders only. If there are no Class A Notes, Class B Notes and Class C Notes outstanding and, in the Trustee's opinion, there is a conflict between the interests of the Class D Noteholders on one hand and the Class E Noteholders, the Class F Noteholders and/or the Class R Noteholders on the other hand, the Trust Deed will require the Trustee to have regard to the interests of the Class D Noteholders only. If there are no Class A Notes, Class B Notes, Class C Notes and Class D Notes outstanding and, in the Trustee's opinion, there is a conflict between the interests of the Class E Noteholders on one hand and the Class F Noteholders and/or the Class R Noteholders on the other hand, the Trust Deed will require the Trustee to have regard to the interests of the Class E Noteholders only. If only the Class F Notes and the Class R Notes are outstanding and, in the Trustee's opinion, there is a conflict between the interests of the Class F Noteholders and the Class R Noteholders, the Trust Deed will require the Trustee to have regard to the interests of the Class F Noteholders only. Only the holders of the Most Senior Class of Notes outstanding may request or direct the Trustee to take any action under the Trust Deed.

The Trust Deed will contain provisions which, subject to the previous paragraph, limit the powers of (i) the Class B Noteholders to, *inter alia*, pass any Extraordinary Resolution which might adversely affect the interests of the Class A Noteholders, (ii) the Class C Noteholders to, *inter alia*, pass any Extraordinary Resolution which might adversely affect the interests of the Class A Noteholders and the Class B Noteholders, (iii) the Class D Noteholders to, *inter alia*, pass any Extraordinary Resolution which might adversely affect the interests of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders, (iv) the Class E Noteholders to, *inter alia*, pass any Extraordinary Resolution which might adversely affect the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders; (v) the Class F Noteholders to, *inter alia*, pass any Extraordinary Resolution which might adversely affect the interests of the Class A Noteholders, the Class

B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders; and (vi) the Class R Noteholders to, *inter alia*, pass any Extraordinary Resolution which might adversely affect the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders.

The Trust Deed will be governed by English law.

The Deed of Charge

General

On or before the Issue Date, the Issuer will enter into a deed of charge (the "**Deed of Charge**") with each of the Trustee, the Cash Manager, the Swap Counterparty, the Agent Bank, the Paying Agents, the Issuer Account Bank, the Liquidity Facility Provider, the Corporate Services Provider, the Master Servicer, the Special Servicer and the Sellers (together with the Noteholders and any appointee of the Trustee, the "**Secured Creditors**") pursuant to which the Issuer will grant security in respect of its obligations, including the Notes.

Issuer Security

Under the Deed of Charge, the Issuer will grant the following security in favour of the Trustee who holds or will hold such security on trust for the benefit of itself and the other Secured Creditors:

(i) an assignment by way of first fixed security of its right, title, interest and benefit, present and future, in, to and under:
  (a) the Mortgage Sale Agreements;
  (b) the Direct Loan Servicing Agreements;
  (c) the Sunrise II Loan Servicing Agreement;
  (d) the Cash Management Agreement;
  (e) the Subscription Agreement;
  (f) the Swap Agreement (including the confirmations thereunder);
  (g) the Trust Deed;
  (h) the Agency Agreement;
  (i) the Issuer Bank Agreement;
  (j) the Liquidity Facility Agreement;
  (k) the Corporate Services Agreement;
  (l) the Master Definitions Schedule; and
  (m) the Registrar Agreement;

(ii) an assignment by way of first fixed security over all of its right, title, interest and benefit, present and future, under each relevant Finance Document relating to the Direct Loans;

(iii) an assignment by way of first fixed security over all of its right, title, interest and benefit, present and future, under each relevant Whole Loan Intercreditor Agreement;

(iv) a charge by way of first fixed security over all of its right, title, interest and benefit, present and future, in and to the amounts from time to time standing to the credit of each Issuer Account (excluding the Issuer Capitalisation Account as defined in the Master Definitions Schedule);

(v) a charge by way of first fixed security over all of its right, title, interest and benefit, present and future, in and to all Eligible Investments (permitted to be made by or on behalf of the Issuer);

(vi) a first floating charge over all of the property, assets and undertaking of the Issuer not already subject to the security mentioned above, other than any such assets, undertakings, property and rights located in any jurisdiction where such floating charge would not be recognised,

(together, the "**Issuer Security**"), all as more particularly set out in the Deed of Charge.

The Trustee shall not, and shall not be bound to, take proceedings against the Issuer or any other person to enforce the provisions of the Deed of Charge or any of the other Transaction Documents or any other action thereunder unless:

(i) it shall have been directed or requested to do so by an Extraordinary Resolution of the holders of the Most Senior Class of Notes or in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding; and

(ii) it shall have been indemnified and/or secured to its satisfaction against all liabilities, proceedings, claims and demands to which it may be or become liable and all costs, charges and expenses which may be incurred by it in connection therewith.

The Notes will be full recourse obligations of the Issuer. On enforcement of the Issuer Security, recourse in respect of all other obligations (that is, other than the obligation to pay principal and interest on the Notes) of the Issuer will be limited to the proceeds of realisation of the Issuer Security.

Non-petition

Each of the Secured Creditors which is a party to the Deed of Charge (other than the Trustee) will agree in the Deed of Charge that, unless an Acceleration Notice has been served, or the Trustee, having become bound to serve an Acceleration Notice, fails to do so within a reasonable period and such failure is continuing, it will not take any steps for the purpose of recovering any debts due or owing to it by the Issuer or to petition or procure the petitioning for the winding-up or administration of the Issuer or to file documents with the court or serve a notice of intention to appoint an administrator in relation to the Issuer.

Enforcement

The Issuer Security will become enforceable on the occurrence of an Event of Default pursuant to Condition 10. If the Issuer Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Trustee will not be entitled to dispose of the assets comprising the Issuer Security or any part thereof unless (i) a sufficient amount would be realised to allow discharge in full of all amounts owing to the Noteholders and any amounts required under the Deed of Charge to be paid *pari passu* with, or in priority to, the Notes, or (ii) the Trustee is of the opinion, which will be binding on the Noteholders and the other Secured Creditors, reached after considering at any time and from time to time the advice, upon which the Trustee will be entitled to rely, of such professional advisers as are selected by the Trustee, that the cashflow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the Noteholders and any amounts required under the Deed of Charge to be paid *pari passu* with, or in priority to, the Notes, or (iii) the Trustee determines that not to effect such disposal would place the Issuer Security in jeopardy, and, in any event, the Trustee has been secured and/or indemnified to its satisfaction.

The Deed of Charge will be governed by English law (whereby the assignment of German law governed receivables under the Deed of Charge will be governed by German law).

The Corporate Services Agreement

The Issuer and the Corporate Services Provider will each enter into a services agreement (the "**Corporate Services Agreement**") on or before the Issue Date pursuant to which the Corporate Services Provider will agree to provide certain administrative services to the Issuer. The Corporate Services Provider will be entitled to receive a fee for the provision of such services.

The Corporate Services Agreement will be governed by Luxembourg law.

The Agency Agreement

Pursuant to an agency agreement to be entered into on or prior to the Issue Date (the "**Agency Agreement**") between the Issuer, the Trustee, the Principal Paying Agent, the Irish Paying Agent and the Agent Bank, provision will be made for, *inter alia*, payment of principal and interest in respect of the Notes of each class.

The Agency Agreement will be governed by English law.

Master Definitions Schedule

On or prior to the Issue Date, each of the Issuer, the Trustee, the Cash Manager, the Swap Counterparty, the Issuer Account Bank, the Master Servicer, the Special Servicer, the Agent Bank, the Paying Agents, the Liquidity Facility Provider, the Registrar and the Corporate Services Provider will sign, for the purposes of identification only, a definitions schedule (the "**Master Definitions Schedule**") incorporating the definitions applicable to each of the Transaction Documents where not otherwise defined therein.

ENFORCEMENT PROCEDURES

The following is intended only as a summary of the enforcement procedures applicable to the security granted or to be granted by the Issuer, the Borrowers and the shareholders/partners (as applicable) of the Borrowers. It provides a brief description of complex legal and procedural issues and accordingly should not be relied upon as exhaustive or comprehensive. This section should be read in conjunction with the section entitled "Risk Factors".

Enforcement in Luxembourg

Enforcement of security against a Luxembourg incorporated company may result in that company experiencing a *cessation de paiements* (i.e. the company is unable to satisfy its outstanding due and payable liabilities with its available assets (being cash and other assets readily realisable for cash)) and therefore becoming subject to bankruptcy proceedings. Under Luxembourg law, a secured creditor may proceed to enforce his rights for payment even in an insolvency situation (*faillite*) of the pledgor (Article 119 of the Luxembourg Code of Commerce). All collateral financial arrangements (as defined in the Luxembourg law of 5 August 2005 on financial collateral arrangements) as well as the enforcement events are valid and enforceable against third parties, including supervisors, receivers, liquidators and any other similar persons or bodies irrespective of any insolvency, liquidation or other Luxembourg or non-Luxembourg proceedings whereby the relevant debtor has made arrangements with its creditors (including without limitation the *Concordat préventif de faillite* proceeding) or reorganisation affecting any one of the parties. However, it is the view of Luxembourg counsel that the *actio pauliana* (i.e. the action whereby a creditor can ask for the revocation of fraudulent acts) opened to any creditor who is the victim of a fraud to its rights (irrespective of an insolvency event), remains available to such creditor.

If the Luxembourg company in respect of which security is being enforced has been declared insolvent, the general rules of Luxembourg insolvency law provide that the chargee (i.e. the relevant Security Agent) can enforce the charge and apply the proceeds of realisation in or towards satisfaction of the chargor's obligations, subject to certain preferential claims (if any) and in accordance with applicable local laws and procedures. Under Luxembourg law, the court-appointed receiver may take over the enforcement/sale proceedings subject to his power to do so being recognised by the courts in the jurisdiction in which the charged property is situated. If such proceedings were taken over by the Luxembourg receiver he would be obliged to pay the sale proceeds to the chargee (subject to any preferential claims) in or towards satisfaction of the chargor's secured obligations.

Share pledge

Under the Henderson Loans and the Ash Loan, each of the shareholders of the relevant Borrowers, granted security over all its registered shares in the Borrowers. Under the Sunrise II Loan, the shareholder of the Sunrise II Parent granted security over registered shares in the Sunrise II Parent. A pledge must be registered in the shareholders' register of the relevant Borrower, or in the case of the Sunrise II Loan the Sunrise II Parent, to ensure the security right is enforceable.

Luxembourg law regarding enforceability of pledge agreements has been amended by the Luxembourg law of 5 August 2005 on financial collateral arrangements implementing Directive 2002/47/EC (the "**Law**"). The previous regime is less flexible than the new regime provided for in the Law which introduces new enforcement mechanisms and removes the requirement to summon (unless otherwise agreed between the parties) the defaulted party before enforcing the collateral. The new regime automatically applies to existing collateral arrangements, but in case of diverging contractual provisions, the latter will be prevailing.

Upon the occurrence of an event of enforcement, the security agent, without any demand advertisement or notice of any kind and without notice to any other person, may if the secured obligations have become due and payable and have not been paid, realise the pledged assets by way of (i) appropriation as per the contractual arrangements of the parties, (ii) sale by private placement, at a stock exchange or by public auctions, (iii) set-off, (iv) judicial appropriation or (v) any other realisation or enforcement method permissible under applicable law.

Bank accounts

Under the Ash Loan, the relevant Borrowers granted security over their bank accounts by way of a Luxembourg law-governed pledge. The pledge must be notified and/or accepted by the account bank to ensure the security right is enforceable.

Luxembourg law regarding enforceability of pledge agreements has been amended by the Law. The previous regime is less flexible than the new regime provided for in the Law which introduces new enforcement mechanisms and removes the requirement to summon (Unless otherwise agreed between the parties) the defaulted party before enforcing the collateral. The new regime automatically applies to existing collateral arrangements, but in case of diverging contractual provisions the latter will be prevailing.

Upon the occurrence of an event of enforcement, the security agent, without any demand advertisement or notice of any kind and without notice to any other person, may if the secured obligations have become due and payable and have not been paid, realise the pledged assets by way of (i) appropriation as per the contractual arrangements of the parties, (ii) sale by private placement, at a stock exchange or by public auctions, (iii) set-off, (iv) judicial appropriation or (v) any other realisation or enforcement method permissible under applicable law.

Enforcement in Germany

The enforcement remedies described in relation to each of the assets set out below arise (unless otherwise stated) pursuant to German law governed security which was granted in connection with the German Loans.

Land charges over Properties in Germany

Under the German Loans, each of the relevant Borrowers granted security over the property it owns in Germany (the "**German Property**") in favour of the relevant Security Agent. Each German Property is secured by certain certified (*Briefgrundschuld*) and non-certified land charges (*Buchgrundschuld*) *first ranking* in section three of the land register (the "**German Land Charges**"). Aside from the land charge (*Grundschuld*), the parties entered into a separate security purpose agreement (*Sicherungszweckvereinbarung*) and agreed on the purpose and the rights and obligation of the parties under the land charge (*Grundschuld*).

A Borrower may submit the encumbered property to an immediate enforcement for up to 100 per cent. of the amount of the land charge. Under such circumstances a court order for payment will not be required and the relevant Security Agent may directly initiate enforcement proceedings. A Borrower may also personally submit himself to an immediate enforcement into his entire assets. The Security Agent may in such case attach any other asset of the relevant Borrower without having to obtain an executory title by way of court proceedings

The enforcement of the German Land Charges is effected either by way of (i) public auction of the property (*Zwangsversteigerung*) or (ii) by way of compulsory administration of the property (*Zwangsverwaltung*).

Compulsory sale

In the case of a compulsory sale, the court will effect a public auction of the relevant Property. The organisation of such auction and the sale of the Property therein may take a considerable amount of time (likely to be more than one year and, depending upon the workload of the court, possibly significantly longer, especially if an insolvency administrator should request a suspension of the sale). Certain rules as to a minimum bid price will apply (e.g. in no event may the court dispose of the property if the highest bid in the first auction does not reach 50 per cent. of the estimated value of the property).

If the German Land Charges are enforced and all or a part of the encumbered property is transferred to the successful bidder, the net proceeds of sale (after payment of enforcement costs and expenses payable in connection therewith) will, together with any amount payable to the relevant Borrower on any related insurance contracts (to the extent such amounts may be applied in repayment of the relevant Loan), be applied against the sums owing from the relevant Borrower to the extent necessary.

Compulsory administration

In a compulsory administration (*Zwangsverwaltung*), which can be started immediately after attachment (*Beschlagnahme*) of the relevant Property, the court will appoint an administrator for the relevant Property (*Zwangsverwalter*) to administer such Property. The administrator alone is entitled to receive all income generated from such Property, including all rents and insurance claims. The right of the

administrator to collect rents takes priority over all other rights to the rent stream. The administrator, subject to the supervision of the court, passes the collected monies on to the enforcing creditors after deducting ongoing costs and enforcement costs calculated in accordance with the Compulsory Administrator Remuneration Act (*Gesetz über die Zwangsversteigerung und die Zwangsverwaltung*). In Germany it is usually not possible for the enforcing creditors to implement an administration in its name.

Ranking

The proceeds of a compulsory sale or a compulsory administration will be applied in a statutory order of priority pursuant to which the claims of certain creditors rank prior to other creditors. In a compulsory sale of a property (following an enforcement of the relevant land charge by compulsory sale), the relevant Security Agent will generally rank junior to certain claims such as claims resulting from necessary improvement of the property or public charges (such as real property tax).

Hereditary Building Rights

Hereditary building rights (*Erbbaurechte*) ("**HBRs**") are rights created by the holder of the full title to the relevant real estate (the "**Real Estate Owner**") in favour of itself or a third party (the "**HBR Holder**") and grant the relevant HBR Holder the in rem property right to maintain a building on or below the surface of the relevant real estate. HBRs are created by registering the HBR in the relevant special section for HBRs of the relevant land registry against payment by the relevant HBR Holder of a one-off payment or periodic rental payment (*Erbbauzins*). The obligation to pay rentals can be registered as charge on the HBR. In addition to such payment obligations, the agreement creating the HBR may provide for a number of obligations attaching to the HBR which would be registered in the land registry and would be obligations of each current or future HBR Holder (for example, an obligation to erect and maintain the relevant building, to insure the building, to pay public charges attaching to the real estate, pre-emption rights and other obligations).

In general, HBRs are created for a certain period of time. Often, extension options are also included and registered in the HBR section of the land registry. In principle, HBRs cannot be terminated unilaterally by the Real Estate Owner prior to the end of the term of the HBR, but the HBR can provide that it is to be transferred by the HBR Holder to the Real Estate Owner upon the occurrence of certain predefined events (*Heimfallanspruch*). The agreement creating the HBR normally provides that, compensation is payable upon the occurrence of such events and that the amount of such compensation will depend upon the time period that the HBR has been in effect. The same applies upon the termination of the HBR upon the expiry of the term of the HBR. If the agreement creating the HBR does not provide for an explicit compensation scheme, the HBR Holder will have a statutory right to receive an appropriate (*angemessene*) compensation for the building. The sum an HBR Holder may claim for the building depends on its fair market value at the time of reversion (*Heimfall*) or expiry of term and depends on the value of the building, the realisation value of the HBR and the value of the right to use the land for the Real Estate Owner.

In lieu of paying compensation to the HBR Holder upon expiry of the term of the HBR, the Real Estate Owner may, prior to the termination of such right, grant the HBR Holder an HBR for the whole period the building is likely to exist on the land (*Standdauer*). If the HBR Holder refuses to accept such an extension of the HBR, it would lose its compensation claim. HBRs can be used as security by creating a mortgage over the relevant HBR. The agreement creating the HBR may, however, provide that the consent of the Real Estate Owner is required: (a) to create the relevant mortgage on the HBR; and (b) to dispose of the hereditary building rights in an enforcement of the relevant mortgage through auction proceedings or otherwise. If a required consent for the creation of a mortgage on the HBR is not granted, the relevant mortgage on the HBR will not be registered in the land register and, therefore, will not come into existence. However, in case of such refusal, the relevant HBR Holder may initiate court proceedings to seek a court order to replace the Real Estate Owner's consent to the mortgage with the consent of the court based on a need for legal relief. There may be some delay in obtaining such order and there can be no assurance that a court will make an order replacing the relevant Real Estate Owner's consent with that of the court. Furthermore, such consent might only be granted with respect to a mortgage that complies with orderly economical behaviour (*ordnungsgemäße Wirtschaft*) and that has a nominal value that is materially lower than the value of the HBR as determined in the valuation.

In order to enforce a mortgage granted over an HBR by way of compulsory sale (*Zwangsversteigerung*) of the relevant HBR, the additional (express) consent to such enforcement by way of compulsory sale will

need to be obtained from the relevant Real Estate Owner if the agreement creating the HBR requires the consent of the Real Estate Owner to a sale of the HBR. The absence of such consent to enforcement by way of compulsory sale can result in a delay of several months in the enforcement process in respect of the relevant HBR and may in some circumstances prevent enforcement altogether, unless a court judgement is obtained. However, where the relevant Real Estate Owner withholds its consent without good cause, the mortgage holder can apply to court allowing the enforcement by way of compulsory sale of the HBR. The court will make such order if it can be established, among other things, that such consent to enforcement is necessary in the circumstances and the contemplated acquirer of the HBR is reliable and able and willing to comply with the obligations arising from the HBR.

Share pledge

Under the Epic Rhino Loan, the Epic Horse Loan, the Sunrise II Loan and the Tshuva Loan, each of the shareholders of the relevant Borrowers granted security over all its shares in the Borrowers (each a "**German Share Pledge**"). A pledge must be notified to the company whose shares are pledged, to ensure the security right is enforceable against the company. A pledge of shares of a GmbH requires notarisation.

Upon the secured obligations becoming due and payable (*Pfandreife*) the security constituted by the German Share Pledge will become enforceable and the Security Trustee may enforce the share pledge by selling the pledged shares by way of public auction in Germany. The respective Borrower must be notified in writing of the place and time of the public auction five days prior to such auction. A share pledge does not grant the Security Agent control over the company the shares of which have been pledged but only the right to have the pledged shares sold.

Assignment of receivables (including rental income)

Under the German Loans each of the relevant Borrowers granted security over certain present and future receivables, including:

(i) rental receivables arising under the relevant lease agreements with the tenants of the German Property (such assignment a "**German Lease Receivables Assignment**");

(ii) rights and claims under property development and construction agreements, management agreements and sales contracts (the Epic Rhino Loan, the Bonn Loan);

(iii) rights and claims under sale and purchase agreements (the Epic Rhino Loan, the Bonn Loan, the Ash Loan, the Sunrise II Loan);

(iv) insurance receivables (the Epic Rhino Loan, the Bonn Loan, the Sunrise II Loan); and

(v) other receivables (the Epic Rhino Loan),

(the "**German Assignments**").

Upon the secured obligations becoming due and payable (*Verwertungsreife*) the security constituted by the German Assignments will become enforceable by instructing the relevant debtors to pay any claim when due and payable directly to the relevant Security Agent.

Bank accounts

Under each of the German Loans except the Ash Loan, each of the relevant Borrowers granted security over its bank accounts by way of a German law-governed pledge (each a "**German Account Pledge**"). Under the Ash Loan, the Borrower granted security over its bank accounts by way of a German law-governed pledge and by way of a Luxembourg law-governed pledge. The German law-governed pledge, in relation to the relevant German Loans becomes effective in each case if the relevant Borrower notifies the relevant account bank.

Upon the secured obligations becoming due and payable (*Pfandreife*) and after having given notice to the Borrowers the security constituted by the German Account Pledges will become enforceable. The relevant Security Agent may revoke the authorisation of the relevant Borrower to dispose of the pledged accounts (freeze on accounts). Further, the Security Trustee may, after having given five business days' prior written notice, collect any credit balances from the pledged accounts.

Enforcement after insolvency

Enforcement of a German land charge upon insolvency of the land chargor

Generally, forced auction and forced administration proceedings are not affected by the opening of insolvency proceedings over the assets of the debtor. However, the insolvency administrator has, under

very restricted and remote circumstances, the right to apply to the enforcement court for an interim order to stop proceedings (*einstweilige Einstellung*).

In the event of insolvency of the land chargor, the land chargee is entitled to a preferential and thus prior ranking repayment from the property. However, following the enforcement of the land charge by way of public auction of the property (*Zwangsversteigerung*) or by way of compulsory administration of the property (*Zwangsverwaltung*), the distributed proceeds from the enforcement are reduced by the expenses of the public auction or the administration of the property, i.e. merely the proceeds less expenses are distributed to the land chargee.

Moreover, seizures that occurred during the last month prior to the initiation of the insolvency proceedings are excluded from the above. Any such seizures are of no effect.

Enforcement of share pledges

The share pledge gives the relevant Security Agent a right to preferential treatment (*Absonderungsrecht*) i.e. satisfaction of its secured claims out of the proceeds of a sale of the shares in priority to other creditors. It is disputed whether the relevant Security Agent as pledgee has the right to sell the shares itself or whether the insolvency administrator will sell the shares and only distribute the proceeds to the creditors. If the insolvency administrator were the one entitled to sell the shares, he is entitled to deduct a fee for the costs of enforcement (up to 9 per cent. of the proceeds). However, the majority of legal commentators in Germany take the view that the enforcement of a pledge over shares will be exclusively in the hands of the secured creditors as pledgees and not the insolvency administrator. Consequently, the relevant Security Agent could control the sale of the shares and such sale would not be subject to a deduction of the insolvency administrator's fee. Such sale would still be by way of public auction, or by way of another method agreed with the pledgor (or its insolvency administrator) after the secured obligations became due. Generally, the share sale is effected by way of public auction – unless the insolvency administrator (usually in return for a fee) agrees to a private sale.

German Lease Receivables Assignment in respect of insolvency

In the event of an insolvency of a relevant Borrower as landlord, the relevant lease agreement will remain unaffected, i.e. the appointed insolvency administrator and the relevant tenants will be bound by the terms of the contracts. However, in the event of an insolvency of the landlord, the beneficiary of the assignment of rental receivables would be entitled to preferential payment from the assigned rental receivables. The effectiveness of this assignment is limited and terminates from the beginning of the month following the initiation of insolvency proceedings where such proceedings have been initiated before the 15th day of a month. If proceedings have been initiated only after the 15th day of a month, the assignment becomes ineffective from the beginning of the month following the next. However, the relevant Security Agent might get proceeds from the rents and insurance claims in connection with the compulsory administration (*Zwangsverwaltung*) as described above.

Other German Assignments in respect of insolvency

Receivables assigned as collateral to the relevant Security Agent that come into existence in the course of the Borrower's insolvency will at some point cease to be assigned to the relevant Security Agent:

(i) Receivables arising after the formal opening of the insolvency proceedings will not secure the German Loans.

(ii) Receivables arising after the filing of the petition but prior to the formal opening of insolvency proceedings will also not secure the German Loans as such security will almost certainly be challenged.

(iii) Receivables arising (a) within three months prior to the insolvency petition and (b) at a time when the relevant Security Agent knows that the collateral provider is illiquid, would probably be challenged by the insolvency administrator.

Enforcement of a pledge of bank accounts upon insolvency of the account holder

In the event of insolvency of the account holder, the creditor of a pledge of bank accounts is entitled to preferential repayment from the pledged bank accounts. Realisation can be effected by the pledgee himself by way of collection of the bank balances.

However, the prior ranking pledge of the bank pursuant to the German General Bank Conditions (*AGB Banken*), unless being waived, persists regardless of the insolvency of the account holder and entitles the bank to prior ranking preferential repayment from the pledged bank accounts up to the full amount required for the settlement of its claims.

Enforcement in France

Enforcement of security interests

The enforcement remedies described in relation to each of the assets set out below arise (unless otherwise stated) pursuant to French law governed security which was granted in connection with the Signac Loan.

Properties in France

Under the Signac Loan, the Signac Borrower assigned the mortgages granted by the Signac Property Company over the property it owns in France (the "**Signac Property**") in favour of the Security Agent.

Enforcement of the mortgage under French law would result in the sale of the Signac Property at a public auction (*vente aux enchères*). The first step is to deliver an enforcement notice to the debtor ordering it to pay its debts (*commandement de payer*) by a *huissier* (bailiff) (Article 13 of decree 2006-936 of July 27, 2006 (hereafter, the "**Decree**" under the French Civil Code). In case the debtor does not pay its debts, this notice must be filed with the Land Registry (*Bureau de la Conservation des Hypothèques*) for the district in which the Signac Property subject to the enforcement is situated. Pursuant to the Decree, the next step is to instruct local legal counsel to draft the terms of the sale approved by the court (*cahier des conditions*), including a minimum sale price for the Signac Property. The minimum price is proposed by the enforcing creditor.

Finally, a number of notices would need to be given prior to the sale (such as publishing the legal notice of the sale, posting notices advertising the sale and notifying other creditors to inform them of the terms of sale). The buyer of the Signac Property would have to pay French registration tax at the rate of 5.09 per cent. plus notary fees on the purchase price or, in certain situations, French VAT at the rate of 19.6 per cent. plus a 1 per cent. fee (approximately) and notary fees.

If no bid were made at the public auction, the enforcing creditor would be declared to be the highest bidder and would be obliged to purchase the Signac Property at the minimum sale price specified in the terms of the sale (Article 2206 of the French Civil Code).

Any interested party may re-open the auction by offering to purchase the Signac Property for a sum 10 per cent. higher than the highest bid within 15 days of the sale by auction.

The Security Agent, as mortgagee, would be paid out of the proceeds only after full satisfaction of a minimal number of preferred claims, if any, such as court fees, certain "super preferred" (*super privilégié*) and "preferred" tax and social security claims for wages and (in the case of insolvency) claims arising out of the continuation of the activity of the insolvent company (Article L. 622-17 of the French Commercial Code).

Certain limited "technical" liens (*privilèges spéciaux*) provided for in Article 2374 of the French Civil Code, such as those in favour of architects and builders who have worked on the building, could rank in priority to the Security Agent.

The enforcement procedures would need to be repeated in every district in which the Signac Property subject to enforcement is situated.

The French Civil Code, modified according to Ordinance 2006-346 of March 23, 2006 allows under certain circumstances the mortgagee not to apply the aforementioned rules of enforcement proceedings.

Article 2458 of the French Civil Code entitles the mortgagee to request the court to retain the immovable property by way of satisfaction (*attribution judiciaire*), unless the immovable property is the main residence of the debtor. According to Article 2459 of the French Civil Code, it may also be agreed in a contract that the creditor shall become the owner of the mortgaged property directly upon enforcement of the mortgage and without any other step to be taken. This clause is however ineffective in case the property is the main residence of the debtor.

Under both articles, the immovable property shall be appraised by an expert designated by amicable agreement or judicially. Where its value exceeds the amount of the secured debt, the creditor owes the debtor a sum equal to the difference.

Share pledge

Under the Signac Loan, pledges of shares were granted by the shareholders of the Signac Borrower in favour of the Security Agent.

Since the Ordinance dated 26 March 2006 which has reformed the guarantees and the security interests regime, enforcement of such pledges is now possible through either (i) the sale of the pledged assets at public auction and satisfaction of the secured debt out of the proceeds or (ii) the petition to court for appropriation of the asset or (iii) the automatic attribution of ownership of the shares to the beneficiary, such shares being valuated by an expert.

Realising shares via judicial attribution had the disadvantage that the Security Agent acquires shares in a company which may be indebted to third parties (although, *inter alia*, due to the limited activities which the Signac Borrower would covenant to engage in, the Signac Borrower's covenant not to have any employees, and the insurance which the Signac Borrower would undertake to procure, the number of third party creditors should be limited). The judicial attribution was in payment of the obligations of the Signac Borrower to the Security Agent.

Alternatively, the Security Agent could ask for a mandatory court auction (*vente forcée*) of the shares. Following the service by a *huissier* (court appointed bailiff) of a notice to the Signac Borrower and the relevant shareholders (and upon failure to pay within eight days of such notice) the mandatory auction would have been initiated and the proceeds thereof would have been applied in satisfaction of the obligations of the Signac Borrower to the Security Agent.

Such enforcement procedure used to take approximately two years at first instance, plus a further one to two years if appealed by another creditor.

Under the new regime, the pledgor and the secured creditor may also agree in the pledge agreement that, should the pledgor fail to pay an amount on its due date, the creditor may automatically (i.e. without court order) become the owner of the pledged assets. The pledged assets must then be valued by an expert.

In the case where the value of the shares is higher than the amount of the secured debt the relevant Security Agent would, subject to being indemnified to its satisfaction, pay consideration for the difference or would limit its claims to the relevant percentage of the pledged shares.

Upon the Security Agent becoming the sole or majority shareholder of the Signac Borrower, it could take steps to dissolve the companies and to proceed with the realisation of their assets and the discharge of their obligations.

Pledge of rental income and insurance proceeds relating to the loss of rental income

Under the Signac Loan, the French Property Company granted security over the rental income and the insurance proceeds relating to the loss of rental income arising under the relevant lease agreements with the tenants of the Signac Property in favour of the Signac Borrower (the "**French Pledges over Claim**").

The only step required to be taken to enforce the French security is to serve notice to the debtor (e.g. the tenant or the relevant insurance company). Such notifications have been made for French Pledges over Claim by the Signac Borrower, (i) in order for the related proceeds to be directed immediately on the Signac Borrower's account and (ii) to enable the Signac Borrower to comply with its payment obligations under the Signac Loan.

Bank accounts

Under the Signac Loan, the Signac Borrowers granted a pledge over its bank accounts in favour of the Security Agent.

Upon notification and subject to the pledgor being in breach of its obligations, the secured creditor may appropriate the receivables/monies standing to the credit of the bank account either (i) by way of court order (*attribution judiciaire*) or (ii) if so provided in the pledge agreement, without the need for a court order, by way of collection of such receivables by the secured creditor.

As a consequence of the reform mentioned above, pledges over receivables or bank accounts no longer require any notification served by a (*huissier*) bailiff on creation, which is be appreciated by both borrowers and lenders alike. In practical terms, only a notification to the debtors/banks is required by the lenders following the occurrence of an event of default in order to protect them in an enforcement scenario.

Insurance receivables

Under the Signac Loan, the Security Agent will have the benefit of the proceeds payable under the insurance policies related to the Signac Property and covering loss or damage to the Signac Property (but not loss of rent), pursuant to Article L. 121-13 of the French Insurance Code. The Security Agent will be vested with a direct action against the insurance company for the payment of the relevant insurance proceeds. Such right depends upon the notary (before which the mortgages have been executed) (i) notifying the relevant insurance company of the Signac Borrower of the Security Agent's benefit under the relevant insurance policy, and (ii) registering the mortgages over the Signac Property. In the absence of such notification and registration, a payment by the relevant insurance company of the relevant insurance proceeds to the Signac Borrower and not to the Security Agent would be considered as a valid and bona fide payment since the insurance company could claim that it was not aware of the mortgage. All such formalities were performed by the notary prior to the Cut-Off Date.

Insolvency in France

On 26 July 2005 the French Parliament passed a new law entitled *Loi de sauvegarde des entreprises*, which came into force on 1 January 2006 and is applicable to any preventive measures or bankruptcy proceedings commenced after that date. This law is complemented by a Decree from the French State Council (*Conseil d'Etat*) dated 28 December 2005.

The Signac Borrower is incorporated under the laws of France. Consequently, it is subject to French laws and proceedings affecting creditors, including Article 1244-1 of the French Civil Code, the so-called conciliation procedure (conciliation), the safeguard procedure (*procédure de sauvegarde*) and insolvency proceedings, which may be either judicial reorganisation or liquidation proceedings (*redressement or liquidation judiciaire*).

The French Property Investor, the Target Company and the Signac Property Company are also incorporated under the laws of France and subject to French laws and proceedings affecting creditors as described below. Should one of them become insolvent, this may affect the transactions relating to the Signac Loan.

Debt rescheduling

Pursuant to Article 1244-1 of the French Civil Code, French courts may, in any civil proceeding involving a French debtor, whether initiated by the debtor or the creditor, taking into account the debtor's financial position and the creditor's financial needs, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations. In addition, if a debtor specifically initiates proceedings therefor, French courts may decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate which is lower than the contractual rate (but not lower than the legal rate) and that payments made shall first be allocated to repayment of principal. If a court order is made under Article 1244-1, it will suspend any pending enforcement measures, and any contractual interest or penalty for late payment will not accrue or be due during the period covered by the court order.

Debt rescheduling under Articles 1244-1 et seq. of the French Civil Code applies only to debts that are already due and payable, as opposed to payments that will become due at a later stage. In addition, these provisions do not entitle the courts to extend the term of a given contract if such contract was duly and effectively terminated before the court's decision to reschedule the debts. The power of the courts to grant additional time to a debtor is not limited by the contractual term of its arrangement with creditors.

Failure by the debtor to make payments in accordance with the court's rescheduling order entitles the creditors of such debtor to request an acceleration of all payments that have been rescheduled.

Conciliation proceedings

A French company may initiate, in its sole discretion, a so-called conciliation procedure (conciliation) with respect to itself, whereby it will try to reach a judicial amicable settlement of its debts if the two following conditions are met. Firstly, the company must not have suspended its payments for more than 45 days. As a matter of law, a company is regarded as having suspended its payments (a situation described as *cessation de paiements*) if it is unable to pay its debts as they fall due out of its available assets (this is primarily a cash flow test which means that a company could be deemed to have suspended its payments even if its assets exceed its liabilities). Secondly, the company must experience legal, economic or financial difficulties. At the request of the company, the president of the court will enter an order

appointing a conciliator (*conciliateur*) to help the company reach an agreement with its creditors for reducing or rescheduling its indebtedness. The proceedings will remain confidential unless the debtor company requests the court to approve (*homologuer*) the agreement with the relevant creditors. The approval of the court is subject to certain conditions (the agreement must permit in particular the survival of the company as a going concern). The president of the court may impose, pursuant to Article 1244-1 of the French Civil Code and as described above, debt rescheduling on creditors which, during the course of the conciliation proceedings, take any action against the company for the payment of their claims. However, contrary to bankruptcy proceedings, the stay of enforcement actions resulting from these debt deferrals will not affect creditors at large but merely those which are named in the court decision ordering the debt deferral.

Safeguard proceedings

A French company may initiate, in its sole discretion, a safeguard procedure (*procédure de sauvegarde*) with respect to itself, provided that (i) it has not suspended its payments (i.e. it is not *en cessation des paiements*) and (ii) it experiences difficulties, which it is not able to overcome and which may cause the company to suspend its payments. The court may (and will in the case of large companies) appoint an administrator (*administrateur*) when ordering the opening of safeguard proceedings. Depending on the court decision, the administrator's mission will consist in monitoring or assisting the debtor company's management.

Observation period and outcome of the safeguard proceedings

The court order initiating the insolvency proceedings (the "**Opening Judgment**") opens an observation period which may last for up to 18 months in exceptional cases.

The purpose of the observation period is to enable the company's management to prepare, with the assistance of the administrator (if one has been appointed), a safeguard plan for the continuation of the company as a going concern. This plan of up to 10 years, which can provide for debt deferrals or write-offs, may be negotiated with two separate creditors' committees, one comprising the main suppliers of the company and the other comprising its banks. For a plan to be approved by the court, it needs to be adopted by each committee with a majority in number of the creditors representing at least two thirds of the claims of the committee members. The current applicable legislation does not provide for the inclusion of Noteholders in the membership of any committee; they must be consulted separately. If the company suspends its payments during the safeguard proceedings, those proceedings should be converted into either reorganisation or liquidation proceedings. This may happen in particular if the debtor company and its main creditors cannot agree on a safeguard plan or if the proposed plan is not approved by the court.

Proof of claims

As a general rule, creditors domiciled in France whose debts arose prior to the Opening Judgment, must file a claim with the creditors' representative within two months of the publication of the Opening Judgment in the *Bulletin Officiel des Annonces Civiles et Commerciales*. This period is extended to four months for creditors domiciled outside France. Creditors who have not submitted their claims during this period are barred from receiving distributions.

Prohibition from paying prior claims and stay of creditors' enforcement actions

From the date of the Opening Judgment, a debtor is prohibited from paying debts outstanding prior to that date, subject to limited exceptions.

Similarly, creditors may not pursue any legal action against the debtor with respect to any debt incurred prior to the Opening Judgment, if the purpose of the legal actions is to obtain an order for, or payment of a sum of money by the debtor to the creditor or to enforce any other creditor's rights against any asset of the debtor. In particular, from the date of the Opening Judgment, creditors can no longer enforce security or attach assets of the debtor.

Continuation of executory contracts (contrats en cours)

Notwithstanding any contractual provision to the contrary, existing agreements of the company may not be cancelled, rescinded, terminated or accelerated solely as a result of the opening of safeguard

proceedings. The administrator is vested with the exclusive power to determine whether executory contracts (*contrats en cours*) should be terminated or continued, provided that the administrator makes such a determination within one month (which may be extended for a maximum additional period of two months) from receiving the relevant party's formal written request to do so, failing which the contract entered into with such party is deemed terminated. The administrator may only continue executory contracts if it believes that the company is in a position to perform its obligations thereunder. Any agreement not terminated by the administrator, and not terminated prior to the Opening Judgment, shall be continued pursuant to its terms and conditions (subject to any rescheduling of payments pursuant to Articles 1244-1 et seq. of the French Civil Code, if such rescheduling was ordered prior to the Opening Judgment). No party or third party is entitled to contest the decision of the administrator to continue or terminate certain executory contracts. However, any continued contract may be terminated during the course of the insolvency proceedings upon the occurrence of a default after the Opening Judgment (provided that such default is of such a nature as to trigger the right to terminate the contract).

Debts arising after the Opening Judgment, which are incurred in connection with the safeguard proceedings or the observation period, or which result from services provided to the debtor for its business, must be paid as they fall due.

Bankruptcy proceedings

Judgment opening bankruptcy proceedings

The directors of a French company are required to petition for bankruptcy proceedings within 45 days of such company suspending its payments. The creditors of the company, the relevant commercial court or the public prosecutor may also file a petition for bankruptcy proceedings if the company suspends its payments. Depending on the situation of the insolvent company, the court may enter a judicial reorganisation (*redressement judiciaire*) or a liquidation order. Even if the court has initially entered a judicial reorganisation order, it can convert the reorganisation proceedings into liquidation proceedings at any time if it subsequently appears that the company cannot be reorganised.

Suspension of payments

The date on which the debtor suspended its payments (i.e. the *date de cessation des paiements*), is usually deemed to be the date of the court order commencing insolvency proceedings (*jugement d'ouverture*). However, in this order or in a subsequent order, a court may set the date of suspension of payments at an earlier date of up to 18 months prior to the court order commencing proceedings (but in any event at no earlier date than the date on which the court approved any prior conciliation agreement (see "**Conciliation proceedings**" above). As further described below, the date of suspension of payments is particularly important as it marks the beginning of the suspect period (*période suspecte*).

Judicial reorganisation

The court will usually appoint an administrator to either monitor, assist or replace the company's management during the observation period (*période d'observation*) which can last for up to 18 months in exceptional circumstances. The administrator, in co-operation with the company's management, will make proposals for the debtor's reorganisation (through a *plan de continuation*), sale (through a *plan de cession*) or liquidation. There is no observation period if the court directly opens liquidation proceedings against the debtor.

During the observation period, a reorganisation plan (*plan de continuation*) which could involve debt rescheduling or write-offs may be negotiated and adopted by two creditors' committees under the same principles as those applicable to the safeguard proceedings described above. If the debtor fails to comply with its obligations under the continuation plan, any creditor may request the termination of this plan. Such termination would result in the commencement of liquidation proceedings (see "**Liquidation proceedings**" below).

In case of business sale plan (*plan de cession*), subject to certain exceptions, the purchaser of the business does not assume the liabilities of the debtor. In these circumstances, all outstanding contracts that the court deems necessary for the continued operation of the transferred business can be transferred to the purchaser. Contracts transferred to the purchaser of the business must be performed on the same terms and conditions as those in effect on the date of the Opening Judgment. The payment of the price by the

purchaser clears most of the security. The purchase price for the transferred business, together with the proceeds of sale of the remaining assets (in the absence of any business continuation), are allocated amongst creditors according to a statutory order of priority (see "**Preferred Creditors under French law**" below).

Liquidation proceedings

In liquidation proceedings, the court decides either to order the disposal of part or all of the business and assets of the debtor as a going concern together with the necessary employment and commercial contracts pursuant to a sale plan (*plan de cession*) or, if it considers that no such plan is likely to take place, orders the disposal of the assets either individually or by groups of assets. Subject to certain exceptions, the making of a liquidation order automatically renders all non-matured debts of the insolvent company immediately due and payable.

Période suspecte and preferences

The so-called "**suspect period**" (*période suspecte*) is the period starting from the date on which the debtor is deemed by the insolvency court to have suspended its payments (*date de cessation des paiements*). Certain transactions entered into or payments made during the suspect period may be void or voidable.

Transactions which are automatically void include voluntary preferences for the benefit of certain creditors to the detriment of other creditors. This would cover transfers of assets for no or nominal consideration (*à titre gratuit*), contracts under which the reciprocal obligations of the debtor significantly exceed those of the other party, payments on debts not due at the time of payment, payments of matured debts otherwise than through recognised means of payment (e.g., cheques, promissory notes, cash), security granted for debts previously incurred, interim enforcement measures unless the writ of attachment predates the date of suspension of payments.

Transactions which can be declared void include (i) transfers of assets for no or nominal consideration (*à titre gratuit*) within six months prior to the commencement of the suspect period and (ii) if the party dealing with the debtor knew or should have known that it had suspended payment of its debts, transactions entered into, or payments made when due, after the date of suspension of payments.

Main restrictions on creditors' rights

Subject to certain limited exceptions, rules similar to the ones described above in the section "**Safeguard proceedings**" regarding proofs of claim, payment prohibitions, stay of creditors' enforcement actions and continuation of executory contracts will also apply in case of reorganisation or liquidation proceedings (in a liquidation scenario, the continuation of executory contracts may only be required in limited circumstances (in particular where the court has allowed the company to carry on trading for the purpose of the liquidation)).

Preferred Creditors under French law

As a matter of French law, after the Opening Judgment, the following debts, in the order of priority in which they are listed, are treated as preferred debts and are paid in priority to those owed to unsecured creditors of the debtor company:

(i) certain salaries and other sums payable to employees;

(ii) certain court costs;

(iii) claims relating to new financing granted to the debtor during the conciliation proceedings;

(iv) claims that arose after the commencement of the safeguard or bankruptcy proceedings provided that the debts were incurred for the purpose of the safeguard or bankruptcy proceedings or which result from services provided to the debtor for its business (ranking high within these are tax and social security debts) unless the debtor company is subject to liquidation proceedings, in which case claims secured in particular by mortgages or security interest conferring a retention right (*droit de rétention*) to the secured creditor will rank ahead; and

(v) secured debts (but only in respect of the assets securing such debts, and according to their rank).

In any event, in order to rank in priority, security interests subject to registration formalities such as mortgages will have to be registered prior to the judgment opening the safeguard, reorganisation or liquidation proceedings.

Insolvency proceedings most likely to be applicable to the Signac Borrower

Considering that the Signac Borrower under the Signac Loan is not supposed to conduct any business (other than renting the Signac Property) or to have any employee or significant third party creditors (other than the tax authorities and, potentially, tenants), a French court would in all likelihood, enter a liquidation order if the Signac Borrower were to become unable to pay its debts as they fall due.

Other companies

These insolvency rules also apply to the French Property Investor, the Signac Target Company and the Signac Property Company (the latter is a *société civile immobilière*). Indeed, according to Articles L611-5, L 620-2, L 631-2 and L 640-2 of the French Commercial Code, the conciliation procedure, the safeguard procedure, the reorganisation procedure and the liquidation procedure apply to private law entities, which includes *sociétés civiles immobilières*. A difference arises regarding the competent court since the Tribunal de Grande Instance is competent when the debtor is not a trader, instead of the Commercial Court (Articles L611-5, L 621-2, L 631-7 and L 641-1 of the French Commercial Code). However, the Commercial Court may be competent in cases where commenced proceedings are extended from a commercial company to a société civile immobilière.

Enforcement in Guernsey

The enforcement remedies described in relation to each of the assets set out below arise (unless otherwise stated) pursuant to Guernsey law governed security which was granted in connection with the Bonn Loan and the Gutperle Loan.

Security interest agreement

Under the Bonn Loan and the Gutperle Loan, each of the shareholders of the relevant Borrowers granted security over its registered shares in such Borrowers. Security interests in respect of the issued share capital of the Bonn Borrower and the Gutperle Borrowers will be created by way of the deposit of share certificates and assignment of title to those shares in accordance with the requirements of the Security Interests (Guernsey) Law 1993 (the "**Security Interests Law**") pursuant to the security interest agreements entered into by the Bonn Parent and the Gutperle Parent respectively.

A power of sale or a power of application of collateral are the only means of enforcing the security interests contemplated by the Security Interests Law. Pursuant to the Security Interests Law, following an event of default, the Bonn Security Agent or the Gutperle Security Agent (as the case may be) must serve on the Bonn Parent or the Gutperle Parent (as the case may be) a notice specifying the particular default complained of before the power of sale or power of application is exercisable.

On the exercise of the power of sale or on application of the collateral, the Bonn Security Agent or Gutperle Security Agent (as the case may be) must apply the proceeds in the order directed by the Security Interests Law, which in general terms follows the following order of priority:

– in payment of the costs and expenses of such sale;

– in discharge of any prior security interest;

– in discharge of all monies properly due to the Bonn Security Agent or Gutperle Security Agent as the case may be;

– in payment, in due order of priority, of any other secured parties; and

– as to the balance (if any remains) payment to the Bonn Parent or the Gutperle Parent as the case may be.

In the event that the shares are not registered in the name of the Bonn Security Agent or Gutperle Security Agent (as the case may be) and/or their nominee(s) by entry of its or their names on the register of members of each of the Bonn Borrower and the Gutperle Borrowers, the security (including priority) created and the right of the Bonn Security Agent or the Gutperle Security Agent (as the case may be) to enforce the security pursuant to the security interest agreements will be preserved. However, upon the commencement of any insolvency proceedings against the Bonn Parent or the Gutperle Parent (as the case may be) title to the shares may, if Guernsey law applies, vest in the relevant insolvency officer for the purpose of realisation of those shares.

In addition, where an arresting creditor seeks to enforce a judgement against the Bonn Parent or the Gutperle Parent (as the case may be) through désastre proceedings, the Royal Court of Guernsey has the

power to vest the rights of the Bonn Security Agent or Gutperle Security Agent (as the case may be) in the arresting creditor and direct that the shares be sold or applied by HM Sheriff in the order of priority set out above. Désastre proceedings in Guernsey permit all creditors to share in the proceeds of sale of a debtor's personalty as opposed to a single creditor liquidating the debtor's assets for his exclusive benefit.

To the extent that title to the collateral is held, the Security Interests Law provides that désastre proceedings will not affect the power of the Bonn Security Agent or the Gutperle Security Agent (as the case may be) to realise or deal with the collateral in the same manner as would have been the case had there been no désastre proceedings. To the extent that they do not have title to the collateral, the Security Interests Law expressly provides that the priority afforded to the Bonn Security Agent or the Gutperle Security Agent (as the case may be) by the security interest agreements will be preserved, although they will not have the power to realise or deal with the collateral.

European Union Insolvency Regulation

Council Regulation (EC) No. 1346/2000 (the "**Insolvency Regulation**") contains provisions which affect cross border insolvencies and which took effect on 31 May 2002. The Insolvency Regulation contains provisions dealing with the jurisdictional powers of the courts within member states and the law which will be applied in cases where the Insolvency Regulation takes effect.

The Insolvency Regulation applies to collective insolvency proceedings. This means insolvency proceedings conducted for the benefit of creditors generally and does not therefore apply to any form of receivership or enforcement action by the relevant Security Agent under the Trust Deed. In the event of collective insolvency proceedings against the Issuer and/or the Borrower and/or the shareholders/partners of the Borrowers, as applicable, the courts in the member state in which the debtor has its "centre of main interests" (in absence of proof to the contrary, the member state in which the debtor is registered or maintains its registered office) will have jurisdiction and any such proceedings shall be effective throughout all member states within the European Union, unless secondary proceedings are opened in another member state.

The courts of other member states have jurisdiction to open insolvency proceedings against a debtor only if it possesses an "establishment" within another member state. This means that it must carry out operations of an economic activity which are non-transitory and with human means and goods in such member state. The court's jurisdiction in such proceedings is restricted to the assets of the debtor situated within that member state's territory and such secondary proceedings may only be opened prior to the opening of main insolvency proceedings provided they are limited to (i) proceedings commenced by creditors domiciled or registered within that member state; or (ii) circumstances where proceedings cannot be opened in the territory in which the debtor's centre of main interest is situated because of conditions laid down by that member state. Furthermore, secondary proceedings must be winding up proceedings.

The general effect of the Insolvency Regulation is that the law applicable to insolvency proceedings shall be that of the member state in which the main or secondary proceedings are opened although this is subject to a number of exceptions as set out in the Insolvency Regulation. These exceptions relate to, *inter alia*, rights *in rem* and rights of set off. Although there is no jurisprudence on what constitutes "rights *in rem*", the Insolvency Regulation states that the opening of insolvency proceedings shall not affect the rights *in rem* of creditors or third parties in respect of tangible or intangible, movable or immovable assets (both specific assets and collections of indefinite assets as a whole which change from time to time) belonging to the debtor which are situated within the territory of another member state at the time of the opening of proceedings. "rights *in rem*" include the right to dispose of assets and have them disposed of, the right to obtain satisfaction from the proceeds of or income from those assets, in particular by virtue of a lien or mortgage, the exclusive right to have a claim met, in particular, a right guaranteed by a lien in respect of the claim or by assignment of the claim by way of guarantee and a right *in rem* to the beneficial use of assets and a right to demand the assets from, and/or require restitution by, anyone having possession or use of them contrary to the wishes of the party so entitled. The right, recorded in a public register and enforceable against third parties, under which a right *in rem*, as set out above, may be obtained, will be considered a right *in rem*. In broad terms, the Insolvency Regulation provides that rights *in rem* will be subject to the law of the member state in which the asset is situated. As regards rights of set off, the opening of insolvency proceedings under the Insolvency Regulation shall not affect such rights where the law applicable to the debtor's claim against the creditor permits such a claim.

The precise interaction between main and secondary proceedings in the event of legal systems' conflicting approaches on insolvency is unclear. Although the Insolvency Regulation does allow the secondary proceedings to be stayed at the request of the liquidator in the main proceedings, any such request being very difficult to refuse, this remains subject to the court possibly requiring the liquidator to take any suitable measure to guarantee the interests of the creditors in the secondary proceedings.

The overall effect of the Insolvency Regulation is to codify the law allowing different courts to exercise jurisdiction over different assets of a debtor. Each court may apply different laws depending upon where the debtor is situated and where the assets are situated. In doing so, the courts in each member state will be required to make reference to the provisions of the Insolvency Regulation.

The Insolvency Regulation will be subject to construction and evolution of case law, which may differ between the various member states' courts.

CASHFLOWS

Collection Procedures

Borrowers are required to make quarterly payments of principal, interest and other amounts (such as in respect of prepayments, recoveries, break costs and fees and other charges) in respect of their Loans. All payments to be made by Borrowers in respect of amounts due under their Loans are made by the relevant Borrower on the relevant Loan Interest Payment Date, either by direct debit or by way of bank transfer, from an account established for this purpose by the relevant Borrower (the "**Borrower Accounts**", each a "**Borrower Account**") to one or more collection accounts (each a "**Collection Account**" and together the "**Collection Accounts**").

Following the acquisition of the Citibank Sunrise II Loan by the Issuer pursuant to the Sunrise II Mortgage Sale Agreement on or shortly after each payment date under the Sunrise II Loan (each a "**Sunrise II Loan Interest Payment Date**"), the Sunrise II Facility Agent will, pursuant to the Sunrise II Loan Servicing Agreement, transfer (to the extent funds are available for such purpose) all amounts then due to the Issuer from the Borrower Account to a Collection Account for application in accordance with the Sunrise II Loan Agreement and its related documents.

Each Borrower Account is maintained by the relevant Borrower (but controlled by the relevant Lender or the relevant Security Agent (as the case may be) with a bank as specified under the relevant Credit Agreement in respect of the Loans (the "**Borrower Account Bank**"), which is an Eligible Bank. If at any time the Borrower Account Bank ceases to be an "**Eligible Bank**" (as defined in the Masters Definitions Schedule) then Citibank International plc, as Master Servicer, may be required, under certain circumstances, to arrange for the designation of a replacement bank account with an Eligible Bank as the Borrower Account Bank.

The Master Servicer will, under the relevant Servicing Agreement, or the Sunrise II Facility Agent under the Sunrise II Loan Servicing Agreement, be required to identify and transfer collections received in the relevant Collection Account (the "**Collections**") on a daily basis and, at the end of each Business Day following the Business Day on which funds were received, on behalf of the Issuer or the FCC (in respect of the Signac Compartment), as the case may be.

Amounts received in respect of the Signac Loan will be transferred to accounts of the Signac Compartment (the "**Signac Compartment Collection Accounts**") and payment of amounts due under the FCC Senior Notes will be transferred on each interest payment date of the FCC Notes to the Issuer (after deduction of the FCC costs, fees and expenses (which include the costs, fees and expenses of the FCC Servicer and amounts payable to the FCC Liquidity Facility Provider)).

The Master Servicer together with the Cash Manager in respect of the FCC Notes will identify for the Issuer all (i) Scheduled Principal Receipts, Prepayment Receipts and Principal Recoveries on the Direct Loans which it will arrange to be transferred to an Issuer Account (the "**Issuer Principal Account**") and principal repayments on the FCC Senior Notes which will be paid to the Issuer Principal Account under the terms of the FCC Notes respectively and (ii) Interest Receipts, Revenue Recoveries, Prepayment Fees and Additional Fees on the Direct Loans which it will arrange to be transferred to an Issuer Account (the "**Issuer Revenue Account**") and interest and any premium or further amounts on the FCC Senior Notes which will be paid to the Issuer Revenue Account under the terms of the FCC Notes. All bank accounts of the Issuer (except its share capital account) will be required to be maintained with the Issuer Account Bank and will be subject to the terms of the Issuer Bank Agreement.

The Master Servicer (where applicable acting on information provided by the Special Servicer), the Sunrise II Facility Agent, together with the Cash Manager in respect of amounts received in respect of the FCC Notes, will be responsible (under the Servicing Agreements, the Sunrise II Loan Servicing Agreement and the Cash Management Agreement respectively) for identifying and recording which category of Collections are received, as follows:

(i) scheduled amounts of principal repayable in respect of Loans (including final repayments on the Loan Maturity Date in respect of the Loans) ("**Scheduled Principal Receipts**");

(ii) all amounts of interest payable in respect of Loans ("**Interest Receipts**");

(iii) amounts of principal arising in respect of a prepayment of principal ("**Prepayment Receipts**");

(iv) amounts recovered (less any expenses) following enforcement in respect of a Loan and/or its Related Security up to the principal amount outstanding of the Loan or upon sale of a Loan either by the Issuer or the FCC ("**Principal Recoveries**") (the amounts of any excess received being "**Revenue Recoveries**");

(v) amount recovered (less any expenses) following enforcement in respect of a Loan and/or its Related Security in excess of the principal amount outstanding of the Loan less any Loss in respect of a Loan ("**Writebacks**");

(vi) fees or break costs (if any) arising in respect of a prepayment of a Loan or FCC Note which is not allocated to interest or principal ("**Prepayment Fees**");

(vii) other fees and charges payable by a Borrower under the terms of its Loan ("**Additional Fees**");

(viii) all amounts of payments paid to the Issuer Relevant Account or the Issuer Principal Account by mistake;

(ix) any indemnity payments in respect of the Loans;

(x) interest payable together with any premium or other amounts (other than FCC Note Principal) on the FCC Notes ("**FCC Note Interest**");

(xi) principal paid on the FCC Notes ("**FCC Note Principal**");

(xii) the outstanding Direct Loan Residual Consideration and Signac Loan Residual Consideration; and

(xiii) any amounts received by the Issuer in recompense for any Protection Payments made by it.

"**Sunrise II Protection Payments**" means all advances to be made by (or on behalf of) the Issuer as lender under the Citibank Sunrise II Loan in accordance with the servicing arrangements applicable to the Citibank Sunrise II Loan which, for the avoidance of doubt, shall only be made in circumstances appropriate for a Prudent Mortgage Lender to protect the value of its interest under the Citibank Sunrise II Loan.

"**Protection Payments**" means any Sunrise II Protection Payments or any Protection Advance.

The Master Servicer (where applicable acting on information provided by the Special Servicer) will be required to notify the Cash Manager, on a quarterly basis, of the amount of Collections attributable to each such category (together with amounts that were payable), except in relation to amounts received under the FCC Notes (which will be recorded by the Cash Manager), and the Cash Manager will record this in the Cash Report.

Under the terms of the Cash Management Agreement, the Cash Manager will be entitled to use funds in the Issuer Principal Account, the Issuer Revenue Account and the Liquidity Stand-by Account, which are not immediately required by the Issuer to make or purchase Eligible Investments.

Quarterly Determinations

The Cash Manager will be required, in respect of the 27th day of each calendar month in which an Interest Payment Date falls (or, if such day is not a Business Day, on the next following Business Day) (each a "**Determination Date**") to produce a Cash Report containing, amongst other things, details of (i) the amount of Revenue Funds and Principal Receipts received by the Issuer during the Calculation Period then ended and (ii) Available Redemption Funds in respect of the Calculation Period then ended.

"**Revenue Funds**" means, in respect of any Calculation Period, the aggregate (without double-counting) of:

(i) all Interest Receipts in respect of the Direct Loans, Prepayment Fees in respect of the Direct Loans, Additional Fees in respect of the Direct Loans and FCC Note Interest received by the Issuer during that period;

(ii) any amounts scheduled to be received from the Swap Counterparty on the next following Interest Payment Date;

(iii) interest paid on the Issuer Accounts and earnings received on any Eligible Investments purchased for the Issuer during that period;

(iv) the aggregate of all Revenue Recoveries in respect of the Direct Loans received during that period;

(v) any other receipts (other than Principal Receipts) received by the Issuer during that period; and

(vi) (only to the extent required following the calculation of the then Senior Expenses Shortfall (if any) by the Cash Manager as described below) the sum of (1) an amount standing to the credit of the Expenses Account up to the Senior Expenses Shortfall and (2) an amount of any Available Redemption Funds applied as Revenue Funds under paragraph (i) of the Pre-Enforcement Principal Priority of Payments, subject to (1) being applied first, to enable payment of the amounts described in paragraphs (i) to (vi) (inclusive) of the Pre-Enforcement Revenue Priority of Payments;

less:

(vii) the aggregate amount of any refunds in respect of the above made by the Issuer (or the Relevant Servicer on behalf of the Issuer) to banks in respect of incorrect payments, direct debit recalls, dishonoured cheques or otherwise dishonoured or recalled payments during that period;

(viii) any collateral (other than Excess Swap Collateral) transferred by the Swap Counterparty to the Issuer pursuant to the Swap Agreement and any interest or distributions in respect thereof ("**Swap Collateral**");

(ix) any Excess Swap Collateral;

(x) any Replacement Swap Premium; and

(xi) any Swap Tax Credit Amount.

"**Principal Receipts**" means, in respect of any period, the aggregate of Scheduled Principal Receipts in respect of the Direct Loans, Prepayment Receipts in respect of the Direct Loans, Principal Recoveries in respect of the Direct Loans and FCC Note Principal in each case referable to such period.

"**Available Redemption Funds**" means, in respect of an Interest Payment Date, the aggregate of:

(i) Principal Receipts received in the immediately preceding Calculation Period; and

(ii) Deemed Principal Receipts arising on that Interest Payment Date.

"**Deemed Principal Receipts**" means, in respect of any Calculation Period, the aggregate of the amounts to be applied from Revenue Funds on the following Interest Payment Date under paragraphs (viii), (x), (xii), (xiv), (xvi) and (xviii) of the Pre-Enforcement Revenue Priority of Payments.

"**Excess Swap Collateral**" means, with respect to the Swap Counterparty, an amount equal to the value of any collateral (or the applicable part thereof) transferred by the Swap Counterparty to the Issuer pursuant to the Swap Agreement that is in excess of the Swap Counterparty's liability, as applicable, to the Issuer thereunder (i) as at the date of termination of any Basis Swap Transaction and/or any Fixed/Floating Swap Transaction, and (ii) that the Swap Counterparty is otherwise entitled to have returned to it in accordance with the terms of the Swap Agreement.

"**Replacement Swap Premium**" means any premium or upfront payment received by the Issuer from a replacement swap counterparty under a replacement transaction to the extent of the termination payment due to the Swap Counterparty under the Swap Agreement.

"**Swap Subordinated Amounts**" means any termination payment payable to the Swap Counterparty following the occurrence of an event of default under the Swap Agreement, where the Swap Counterparty is the defaulting party, or of an additional termination event under the Swap Agreement following a ratings downgrade of the Swap Counterparty but only to the extent that such termination payment is in excess of any premium received from a replacement swap counterparty in respect of the transaction terminated under the Swap Agreement.

Calculation of Senior Expenses Shortfall

On each Determination Date, the Cash Manager will be required to calculate whether or not there will be sufficient Revenue Funds (ignoring for the purposes of this calculation the amount referred to in paragraph (vi) of the definition thereof) to enable the Issuer to pay or provide for in full the amounts referred to in paragraphs (i) to (vi) (inclusive) of the Pre-Enforcement Revenue Priority of Payments.

If there would be any such insufficiency (the "**Senior Expenses Shortfall**"), then the Cash Manager will (subject as described below) be required to apply first, amounts standing to the credit of the Expenses Account and second, (under paragraph (i) of the Pre-Enforcement Principal Priority of Payments) Available Redemption Funds (to the extent available) as Revenue Funds in an amount sufficient to pay or provide for in full the amounts referred to in paragraphs (i) to (vi) (inclusive) of the Pre-Enforcement Revenue Priority of Payments, in that order of priority, in an amount equal to the then Senior Expenses Shortfall.

Pre-Enforcement Revenue Priority of Payments

Prior to enforcement of the Issuer Security, Revenue Funds calculated in respect of each Determination Date will be applied by the Cash Manager (on behalf of the Issuer and the Trustee) on the following

Interest Payment Date, in the following order of priority (the "**Pre-Enforcement Revenue Priority of Payments**") (in each case only if and to the extent that the payments and provisions of a higher priority have been paid in full):

(i) in or towards payment, *pro rata* and *pari passu* according to the amounts then payable, of all amounts then payable to the Trustee and any person appointed by it under the Trust Deed, the Deed of Charge or any other Transaction Document to which it is a party;

(ii) in or towards satisfaction of the Issuer's liabilities to third parties other than Issuer Secured Creditors incurred in the course of the Issuer's business and not otherwise provided for in this order of priorities, including the provision for and payment of the Issuer's liability (if any) to income tax (impôt sur le revenu, impôt commercial communal, impôt sur la fortune);

(iii) in or towards payment, *pro rata* and *pari passu*, according to the amounts then payable, of:

  (a) all amounts then payable to the Paying Agents and the Agent Bank under the Agency Agreement;

  (b) all amounts then payable to the Issuer Account Bank under the Issuer Bank Agreement;

  (c) all amounts then payable to the Liquidity Facility Provider under the Liquidity Facility Agreement (other than Liquidity Subordinated Amounts);

  (d) all amounts then payable to the Corporate Services Provider under the Corporate Services Agreement;

  (e) all amounts then payable to the Cash Manager under the Cash Management Agreement; and

  (f) all amounts then payable to the Registrar under the Registrar Agreement;

(iv) to the extent that such amounts have not already been paid, in or towards payment, *pro rata* and *pari passu* to the Master Servicer in respect of the Servicing Fee and Servicing Expenses, the Special Servicer in respect of the Special Servicing Fee, and any other amount due to the Master Servicer or the Special Servicer pursuant to the Direct Loan Servicing Agreement (including any Liquidation Fees or Restructuring Fees);

(v) in or towards payment of the amounts then payable to the Swap Counterparty under the Swap Transactions other than (A) any Excess Swap Collateral, Replacement Swap Premium and/or Swap Tax Credit Amount (which will be paid directly to the Swap Counterparty) and (B) any Swap Subordinated Amounts;

(vi) to the extent that such amounts have not already been paid, in or towards Protection Payments;

(vii) in or towards payment of on a *pro rata* and *pari passu* basis all amounts of interest then due or overdue in respect of the Class A Notes;

(viii) in or towards application as Deemed Principal Receipts in such amount as is required to reduce any debit balance on the Class A Principal Deficiency Ledger to zero;

(ix) all amounts of interest then due or overdue in respect of the Class B Notes;

(x) in or towards application as Deemed Principal Receipts in such amount as is required to reduce any debit balance on the Class B Principal Deficiency Ledger to zero;

(xi) all amounts of interest then due or overdue in respect of the Class C Notes;

(xii) in or towards application as Deemed Principal Receipts in such amount as is required to reduce any debit balance on the Class C Principal Deficiency Ledger to zero;

(xiii) all amounts of interest then due or overdue in respect of the Class D Notes (other than any Excess Class D Interest Amount);

(xiv) in or towards application as Deemed Principal Receipts in such amount as is required to reduce any debit balance on the Class D Principal Deficiency Ledger to zero;

(xv) all amounts of interest then due or overdue in respect of the Class E Notes (other than any Excess Class E Interest Amount);

(xvi) in or towards application as Deemed Principal Receipts in such amount as is required to reduce any debit balance on the Class E Principal Deficiency Ledger to zero;

(xvii) all amounts of interest then due or overdue in respect of the Class F Notes (other than any Excess Class F Interest Amount);

(xviii) in or towards application as Deemed Principal Receipts in such amount as is required to reduce any debit balance on the Class F Principal Deficiency Ledger to zero;

(xix) in or towards payment of any Liquidity Subordinated Amounts then payable to the Liquidity Facility Provider;

(xx) in or towards payment of Swap Subordinated Amounts then payable to the Swap Counterparty;

(xxi) until all the Notes have been redeemed in full, if the amount standing to credit of the Expenses Account is less than the Expenses Account Required Amount, to credit to the Expenses Account an amount equal to the difference in (a) the Expenses Account Required Amount and (b) the amount standing to the credit of the Expenses Account on such date;

(xxii) in paying all amounts of interest in respect of the Excess Class D Interest Amounts (if any);

(xxiii) in paying all amounts of interest in respect of the Excess Class E Interest Amounts (if any);

(xxiv) in paying all amounts of interest in respect of the Excess Class F Interest Amounts (if any);

(xxv) in paying the Direct Loan Residual Consideration (until such amount has been paid in full);

(xxvi) in paying all amounts of interest then due or overdue in respect of the Class R Notes;

(xxvii) in redeeming the Class R Notes on the Final Maturity Date; and

(xxviii) the surplus (if any) to the Issuer.

Pre-Enforcement Principal Priority of Payments

On each Interest Payment Date, prior to the enforcement of the Issuer Security, the Cash Manager (on behalf of the Issuer and the Trustee) will apply Available Redemption Funds in making payments in the following order of priority (the "**Pre-Enforcement Principal Priority of Payments**") (in each case only if and to the extent that the payments and provisions of a higher priority have been paid in full):

(i) to the extent that Revenue Funds would be insufficient to pay in full the amounts described in paragraphs (i) to (vi) (inclusive) of the Pre-Enforcement Revenue Priority of Payments, in or towards application as Revenue Funds in an amount, sufficient to provide in full the amounts referred to in paragraphs (i) to (vi) (inclusive) of the Pre-Enforcement Revenue Priority of Payments (in that order of priority), equal to the then Senior Expenses Shortfall;

(ii) in relation to Available Redemption Funds (after making any payment in paragraph (i) above) attributable to Scheduled Principal Receipts (excluding receipts on final repayment on the Loan Maturity Date in respect of the Loans), in or towards redeeming the Rated Notes in the following order of priority:

  (a) the Class A Notes until the Principal Amount Outstanding thereof is reduced to zero;

  (b) the Class B Notes until the Principal Amount Outstanding thereof is reduced to zero;

  (c) the Class C Notes until the Principal Amount Outstanding thereof is reduced to zero;

  (d) the Class D Notes until the Principal Amount Outstanding thereof is reduced to zero;

  (e) the Class E Notes until the Principal Amount Outstanding thereof is reduced to zero; and

  (f) the Class F Notes until the Principal Amount Outstanding thereof is reduced to zero.

(iii) (A) prior to the occurrence of a Sequential Payment Trigger and in relation to Available Redemption Funds (after making any payment in paragraph (i) above) attributable to Prepayment Receipts and receipts on final repayments on the Loan Maturity Date in each case in respect of the Pool A Loans (excluding the Signac Loan) and FCC Note Principal (in respect of each of the FCC Senior Notes and the FCC Residual Notes) which derives from Prepayment Receipts and receipts on final repayment on the Loan Maturity Date in each case in respect of the Signac Loan, such amounts will be applied in the following order:

  (I) subject to (iii) (A) (III) below, an amount equal to any Pro rata Amount will be applied in or towards redeeming, *pro rata* and *pari passu*, according to the respective Principal Amounts Outstanding thereof:

    (a) the Class A Notes;

(b) the Class B Notes;

(c) the Class C Notes;

(d) the Class D Notes; and

(e) the Class E Notes,

in each case until the same have been redeemed in full;

(II) subject to (iii) (A) (III) below, an amount equal to any Sequential Amount will be applied in or towards redeeming the Rated Notes in the following order of priority:

(a) the Class A Notes until the Principal Amount Outstanding thereof is reduced to zero;

(b) the Class B Notes until the Principal Amount Outstanding thereof is reduced to zero;

(c) the Class C Notes until the Principal Amount Outstanding thereof is reduced to zero;

(d) the Class D Notes until the Principal Amount Outstanding thereof is reduced to zero;

(e) the Class E Notes until the Principal Amount Outstanding thereof is reduced to zero; and

(f) the Class F Notes until the Principal Amount Outstanding thereof is reduced to zero;

(III) in the event that (x) all of the Pool B Loans have been repaid in full and applied in accordance with (i) and/or (iii) (B) below and (y) the Principal Amount Outstanding of the Class F Notes in greater than zero, an amount will be applied in or towards reducing the Class F Notes until the Principal Amount Outstanding thereof is reduced to zero

(B) (I) prior to the occurrence of a Sequential Payment Trigger, subject to (iii)(B)(II) below and in relation to Available Redemption Funds (after making any payment in paragraph (i) above) attributable to Prepayment Receipts and receipts on final repayments on the Loan Maturity Date in each case in respect of the Pool B Loans, such amounts will be applied in or towards redeeming, *pro rata* and *pari passu*, according to the respective Principal Amounts Outstanding thereof:

(a) the Class A Notes;

(b) the Class B Notes;

(c) the Class C Notes;

(d) the Class D Notes;

(e) the Class E Notes;

(f) the Class F Notes,

in each case until the same have been redeemed in full;

(II) prior to the occurrence of a Sequential Payment Trigger and in relation to Available Redemption Funds (after making any payment in paragraph (i) above) attributable to Prepayment Receipts and receipts on final repayments on the Loan Maturity Date in each case in respect of the Pool B Loans, if all but one Pool B Loan has been repaid in full and applied in accordance with (i), (ii) and/or (iii) (B) (I) above, all Pool B Loan receipts will thereafter be applied in or towards reducing the Class F Notes until the Principal Amount Outstanding thereof is reduced to zero and thereafter in accordance with (iii) (B) (I) above;

(iv) on and following the occurrence of a Sequential Payment Trigger and in relation to Available Redemption Funds (after making any payment in paragraph (i) above) attributable to Prepayment Receipts and receipts on final repayments on the Loan Maturity Date in each case in respect of the

Pool A Loans (excluding the Signac Loan), the Pool B Loans, and FCC Note Principal (in respect of each of the FCC Senior Notes and the FCC Residual Notes) which derives from Prepayment Receipts and receipts on final repayment on the Loan Maturity Date in each case in respect of the Signac Loan , in or towards redeeming the Rated Notes in the following order of priority:

(a) the Class A Notes until the Principal Amount Outstanding thereof is reduce to zero;

(b) the Class B Notes until the Principal Amount Outstanding thereof is reduce to zero;

(c) the Class C Notes until the Principal Amount Outstanding thereof is reduce to zero;

(d) the Class D Notes until the Principal Amount Outstanding thereof is reduce to zero;

(e) the Class E Notes until the Principal Amount Outstanding thereof is reduce to zero; and

(f) the Class F Notes until the Principal Amount Outstanding thereof is reduce to zero.

"**Pro rata Amount**" for any Interest Payment Date will be equal to 50% of the Available Redemption Funds attributable to Prepayment Receipts and receipts on final repayments on the Loan Maturity Date, all of which have been received during the related Calculation Period.

"**Sequential Amount**" for any Interest Payment Date will be equal to 50% of the Available Redemption Funds attributable to Prepayment Receipts and receipts on final repayments on the Loan Maturity Date, all of which have been received during the related Calculation Period.

"**Pool A Loan**" means the Citibank Sunrise II Loan, the Bonn Loan, the Gutperle Loan, the Epic Horse Loan, the Henderson 2 (Weiterstadt) Loan, the Henderson 3 (Staples) Loan, the Henderson 6 (Lüneburg) Loan, the Henderson 8 (Flensburg) Loan, the Henderson 10 (Cluster 2) Loan and the Signac Loan.

"**Pool B Loan**" means the Epic Rhino Loan, the Ash Loan, the Tshuva Loan, the Henderson 1 (Oberursel) Loan, the Henderson 4 (Bergen) Loan, the Henderson 5 (Bardowick) Loan, the Henderson 7 (Cluster 4 and 5) Loan and the Henderson 9 (Cluster 1) Loan.

For the purposes of applying the Available Redemption Funds in accordance with the Pre-Enforcement Principal Priority of Payments, the Cash Manager will, based on information provided by the Master Servicer, identify the source of each constituent of the Principal Receipts, including the nature of receipts in respect of the Signac Loan which are received by the Issuer as FCC Note Principal.

Determination of Sequential Payment Trigger

The Cash Manager (acting on information provided by the Master Servicer or the Special Servicer, as the case may be) will be required to determine, as at every Determination Date in respect of the immediately following Interest Payment Date, whether or not the Sequential Payment Trigger is then met.

"**Sequential Payment Trigger**" for any Determination Date means any of the following circumstances:

(i) there is a Loan Event of Default subsisting in respect of any of the Loans, based on the original loan terms of such Loan as at the Issue Date, on such Determination Date; or

(ii) the cumulative percentage of the Loans which have defaulted since the Issue Date is greater than 10 per cent. of the aggregate principal amount outstanding of the Loans as of the Issue Date, provided that, in determining whether a Loan has defaulted for the purposes of this paragraph (ii):

(a) such determination shall be made solely on the basis of the terms of the relevant Credit Agreement as at the Issue Date and without regard to any subsequent amendments to the relevant Credit Agreement or waivers granted in respect thereof; and

(b) a Loan Event of Default (if so determined in the Investor Report for the immediately preceding Interest Period) shall not be deemed to have occurred if (I) the default is with respect to payment and such default has been remedied or cured within five Business Days of such default, and/or (II) the default is other than with respect to payment, the default is capable of being remedied or cured and such default has been remedied or cured by the Borrower within 30 days of such default being notified in accordance with the terms of the relevant Credit Agreement, and/or (III) enforcement procedures have been completed and the principal amount outstanding of all amounts of interest, fees, expenses and any other amounts payable by the relevant Borrower in respect of such defaulted Loan have been received in full or the relevant Borrower has prepaid the defaulted Loan in full (including, for the avoidance of doubt, all amounts of interest, fees, expenses and other amounts payable by the relevant Borrower in respect of such defaulted Loan); or

(iii) the aggregate Principal Amount Outstanding of the Rated Notes is less than 10 per cent. of the initial aggregate Principal Amount Outstanding of the Rated Notes; or

(iv) there has been a failure to make any payment due and payable in respect of the Notes (and, for the avoidance of doubt, no amount of interest shall be due and payable in respect of the Notes for the purposes of this definition where it is deferred in accordance with the Conditions).

Intra-Period Cashflows

Prior to enforcement of the Issuer Security, the Cash Manager will also be responsible for making additional payments on behalf of the Issuer on any date, in respect of servicing expenses. The Cash Manager will, upon written instruction by the Master Servicer, advance to the Master Servicer (or, if so directed by the Master Servicer, to the Expenses Account) (using funds standing to the credit of the Issuer Revenue Account) such reasonable expenses as are payable by the Issuer to the Master Servicer under the Servicing Agreement, to enable the Master Servicer to make payment thereof in accordance with its performance of its obligations under the relevant Servicing Agreement.

Post-Enforcement/Pre-Acceleration Priority of Payments

From and including the time at which the Trustee takes any step to enforce the Issuer Security, but prior to the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, all monies received or recovered by the Trustee, or any receiver appointed by it (other than any Swap Collateral, Excess Swap Collateral, Replacement Swap Premium, Swap Tax Credit Amount and amounts standing to the credit of the Liquidity Standby Account), for the benefit of the Secured Creditors will be held by it on trust, to be applied in the same order of priority as the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, but:

(i) as if references in paragraph (i) of the Pre-Enforcement Revenue Priority of Payments to the Trustee and any person appointed by the Trustee were to include the receiver appointed by the Trustee as well as the Trustee itself;

(ii) disregarding paragraph (ii) of the Pre-Enforcement Revenue Priority of Payments; and

(iii) as if paragraph (xxviii) of the Pre-Enforcement Revenue Priority of Payments was amended so that the surplus amounts referred to in that paragraph are retained rather than paid to the Issuer or other persons entitled to it,

(the "**Post-Enforcement/Pre-Acceleration Priority of Payments**").

Post-Acceleration Priority of Payments

Following the service of an Acceleration Notice or the Notes otherwise becoming due and repayable in full, all funds recovered by or on behalf of the Trustee (other than any principal amounts standing to the credit of the Liquidity Stand-by Account in respect of a Liquidity Stand-by Drawing, any Swap Collateral, Excess Swap Collateral, Replacement Swap Premium or Swap Tax Credit Amount) will be applied in the following order of priority (the "**Post-Acceleration Priority of Payments**" and, together with the Pre-Enforcement Revenue Priority of Payments, the Pre-Enforcement Principal Priority of Payments and the Post-Enforcement/Pre-Acceleration Priority of Payments, the "**Priority of Payments**") (in each case only if and to the extent that the payments and provisions of a higher priority have been paid in full):

(i) first, *pro rata* and *pari passu* according to the amounts then payable to the Trustee and any receiver or other person appointed by any of them under the Trust Deed, the Deed of Charge or any other Transaction Document to which it is a party;

(ii) second, *pro rata* and *pari passu* according to the amounts then payable:

  (a) all amounts payable to the Paying Agents and the Agent Bank under the Agency Agreement;

  (b) all amounts payable to the Issuer Account Bank under the Issuer Bank Agreement;

  (c) all amounts payable to the Liquidity Facility Provider under the Liquidity Facility Agreement (other than any Liquidity Subordinated Amounts);

  (d) all amounts payable to the Corporate Services Provider under the Corporate Services Agreement;

(e) all amounts payable to the Cash Manager under the Cash Management Agreement; and

(f) all amounts payable to the Registrar under the Registrar Agreement;

(iii) third, *pro rata* and *pari passu* according to the amounts then payable, all amounts payable to the Master Servicer in respect of the Servicing Fee and Servicing Expenses, the Special Servicer in respect of the Special Servicing Fee, and any other amounts due to the Master Servicer or the Special Servicer pursuant to the Servicing Agreement (including any Liquidation Fees or Restructuring Fees);

(iv) fourth, all amounts then payable to the Swap Counterparty under the Swap Agreement (other than (a) any Excess Swap Collateral, Replacement Swap Premium and/or Swap Tax Credit Amount (which will be paid directly to the Swap Counterparty) and (b) Swap Subordinated Amounts);

(v) fifth, all amounts then due or overdue in respect of the Class A Notes;

(vi) sixth, all amounts then due or overdue in respect of the Class B Notes;

(vii) seventh, all amounts then due or overdue in respect of the Class C Notes;

(viii) eighth, all amounts then due or overdue in respect of the Class D Notes (other than any Excess Class D Interest Amount);

(ix) ninth, all amounts then due or overdue in respect of the Class E Notes (other than any Excess Class E Interest Amount);

(x) tenth, all amounts then due or overdue in respect of the Class F Notes (other than any Excess Class F Interest Amount);

(xi) eleventh, all Liquidity Subordinated Amounts then payable to the Liquidity Facility Provider under the Liquidity Facility Agreement;

(xii) twelfth, all Swap Subordinated Amounts then payable to the Swap Counterparty under the Swap Agreement;

(xiii) thirteenth, all amounts in respect of the Excess Class D Interest Amounts;

(xiv) fourteenth, all amounts in respect of the Excess Class E Interest Amounts;

(xv) fifteenth, all amounts in respect of the Excess Class F Interest Amounts;

(xvi) sixteenth, the Direct Loan Residual Consideration (to the extent that such amount has not previously been paid in full);

(xvii) seventeenth, all amounts then due or overdue in respect of the Class R Notes; and

(xviii) eighteenth, the surplus (if any) to the Issuer or other persons entitled thereto.

SERVICING (OTHER THAN IN RELATION TO THE SUNRISE II LOAN)

Introduction

Each of the Issuer (together with the Trustee) and the FCC Management Company (in respect of the Signac Compartment) (each a "**Relevant Servicer Principal**") will appoint CIP as the initial Master Servicer and Special Servicer of the relevant Loans, on its behalf, under servicing agreements to be entered into on or prior to the Issue Date (the "**Direct Loan Servicing Agreements**" in respect of the Direct Loans (other than the Sunrise II Loan) and the "**Signac Loan Servicing Agreement**" in respect of the Signac Loan (together the "**Servicing Agreements**")). In respect of each of the Whole Loans, CIP will also be appointed by the purchasers of the Subordinated Loans as initial Master Servicer and Special Servicer (under the Direct Loan Servicing Agreement). The Master Servicer will perform the day-to-day servicing of the Loans and exercise the rights of the Relevant Servicer Principal as lender under the relevant Finance Documents. Following the occurrence of a Special Servicing Event (as defined below), the Special Servicer will service the relevant Specially Serviced Loan. In acting as agent for the Relevant Servicer Principal, the Master Servicer or the Special Servicer must act in accordance with the Servicing Standard (as defined below) and the provisions of the relevant Servicing Agreement.

Servicing of the Loans (other than the Sunrise II Loan)

Servicing procedures will include monitoring compliance with and administering the options available to each Borrower under the terms and conditions of the relevant Credit Agreement. The Master Servicer and (where applicable) the Special Servicer shall take all measures it deems necessary or appropriate in accordance with the Servicing Standard to administer and collect the Loans (other than the Sunrise II Loan) and in exercising its obligations and discretions under the Servicing Agreements. Each of the Master Servicer and the Special Servicer must act in accordance with the following requirements at all times (the "**Servicing Standard**"), and in the event that the Master Servicer or Special Servicer considers there to be a conflict between them, in the following priority:

(i) all applicable legal and regulatory requirements;

(ii) the terms of the applicable Loan Documentation and, if applicable, intercreditor documentation entered into in respect of such Loan Documentation;

(iii) any covenants or restrictions contained in the relevant Servicing Agreement;

(iv) in relation to the Direct Loan Servicing Agreement, the directions of the Trustee (if any) which may only be given after the Issuer Security has become enforceable and in relation to the Signac Loan Servicing Agreement, the directions of the FCC Management Company; and

(v) ensuring the maximisation of recovery of funds taking into account:

  (a) the likelihood of recovery of amounts due in respect of the relevant Loan or Whole Loan (if applicable);

  (b) the timing of recovery;

  (c) the costs of recovery; and

  (d) the interests of the Relevant Servicer Principal and, in the case of a Whole Loan, the Subordinated Lender (subject to the relevant Whole Loan Intercreditor Agreement),

  giving due and careful consideration to customary and usual standards of practice of a reasonably prudent mortgage lender servicing loans similar to the Loans and without regard to any fees or other compensation to which it is entitled, or the ownership of it or any of its affiliates of an interest in the Notes or any relationship with the Master Servicer or the Special Servicer or any of their respective affiliates or any other person may have with any Borrower or any other party to the Transaction Documents.

Appointment of the Special Servicer

The Master Servicer or the Special Servicer, as applicable, will promptly give notice to the Relevant Servicer Principal, the Cash Manager, the Operating Adviser (in respect of the relevant Loan), the Rating Agencies and the Special Servicer (where applicable) of the occurrence of any Special Servicing Event in respect of a Loan (other than the Sunrise II Loan). Upon the delivery of such notice, that Loan will become a "**Specially Serviced Loan**".

A "**Special Servicing Event**" in respect of a Loan (other than the Sunrise II Loan) will be the occurrence of any of the following:

(i) a payment default occurring with regards to any payment due on the maturity of the relevant Loan;

(ii) a scheduled payment due and payable in respect of the relevant Loan being delinquent for more than 60 days past its due date;

(iii) insolvency or bankruptcy proceedings being commenced in respect of the relevant Borrower;

(iv) in the Master Servicer's opinion, a breach of a material covenant under the relevant Credit Agreement occurring or, to the knowledge of the Master Servicer, being likely to occur, and in the Master Servicer's opinion such breach is not likely to be cured within 30 days of its occurrence;

(v) any relevant Borrower notifying the Master Servicer, the Special Servicer, the relevant Lender or the relevant Security Agent (as the case may be), the Issuer or the Trustee in writing of its inability to pay its debts generally as they become due, its entering into an assignment for the benefit of its creditors or its voluntary suspension of payment of its obligations; or

(vi) any other Loan Event of Default occurring in relation to the relevant Loan that, in the good faith and reasonable judgement of the Master Servicer, materially impairs or could materially impair or jeopardise the Related Security for the relevant Loan or the value thereof as Related Security for that Loan and the ability of a Borrower to satisfy its obligations in respect of the relevant Loan.

Upon a Loan becoming a Specially Serviced Loan, actions in respect of the relevant Loan will be undertaken by the Special Servicer except where otherwise provided.

Payments from Borrowers

Payments by Borrowers in respect of amounts due under the Loans (other than the Sunrise II Loan) will be collected on the relevant Loan Interest Payment Date, either by way of direct debit or by way of bank transfer, from the relevant Borrower Account and credited to the Collection Account. In certain limited circumstances, payments may be made by other means.

Interest and principal payments collected by or on behalf of the FCC under the Signac Loan will be used to, amongst other things, make payments of interest or principal, as applicable, to the holders of the FCC Notes.

Restrictions on Loan Variations and Consents

Neither the Master Servicer nor the Special Servicer will be permitted to consent (whether by way of the exercise of a discretion, the grant of a waiver, indulgence or release and/or an agreement to a modification to the Loan Documentation), on behalf of the Relevant Servicer Principal to any variation in the terms and conditions applicable to any Loan or Specially Serviced Loan (other than the Sunrise II Loan) or their respective Related Security in respect of the interest basis, the interest rate, the margin, the interest calculation basis, the maturity date (including, for the avoidance of doubt, extending the maturity date), the interest payment dates and/or the amount or frequency of principal repayments except (i) as described under "**Arrears and enforcement**" below, (ii) as required by law or to cure ambiguities or inconsistencies and/or (iii) subject in each case to the Servicing Standard and consideration of the economic position of the Relevant Servicer Principal, to move the maturity date forward or extend the maturity date by a period of no more than 12 months after the scheduled maturity date (provided that such date is no later than 30 months prior to the Final Maturity Date), increase the frequency of principal payments to one payment per quarter or decrease the frequency to one payment per year or increase the amount of any principal repayment.

In respect of Loans (other than the Sunrise II Loan) where the Relevant Servicer Principal, is asked to provide its consent to the Borrower borrowing additional funds from a third party ("**Additional Debt**") (including granting security for any such Additional Debt), neither the Master Servicer nor (in respect of Specially Serviced Loans) the Special Servicer shall provide on behalf of the Relevant Servicer Principal any such consent, waiver and/or agreement to any necessary modifications and amendments being made to the relevant Loan Documentation unless, as at the date the relevant Additional Debt is incurred (or, in the case of committed Additional Debt to be drawn over a period of time, the date the commitment is entered into), the creditors in respect of such Additional Debt have entered into (i) a subordinated loan agreement pursuant to which such Additional Debt is subordinated to the relevant Loan and Related

Security and (ii) (if security is to be granted by the Borrower in respect of the Additional Debt) intercreditor arrangements, that are approved by the Master Servicer or the Special Servicer, as the case may be, acting in accordance with the Servicing Standard.

Neither the Issuer nor the FCC will make any further advances to the respective Borrowers under the Loans (other than the Sunrise II Loan).

Quarterly Reporting

Pursuant to the Servicing Agreements, the Master Servicer will be required to prepare and deliver to the Cash Manager the Master Servicer Cash Reports at least three Business Days prior to each Determination Date. The Master Servicer Cash Reports will (together) contain details of, *inter alia*, the cashflows in relation to the Direct Loans (other than the Sunrise II Loan), the Signac Loan and the FCC Senior Notes for the Calculation Period then ended. The Master Servicer will also be required to prepare and deliver to the Cash Manager reports (the "**Master Servicer Loan Pool Reports**") by the 10th Business Day after the Determination Date containing (together) certain information regarding the performance of the Loan Pool for the Calculation Period then ended.

Valuations

Subject to the provisions described in the following paragraph, the Special Servicer must, not later than 90 days after the occurrence of a Special Servicing Event, if the relevant Loan Event of Default is continuing, instruct a third party valuer to carry out a valuation in respect of the relevant Property. The costs of obtaining such valuation will be paid by the Master Servicer or the Special Servicer, as applicable, subject to being reimbursed in accordance with the terms of the relevant Servicing Agreement and, in the case of the Issuer, subject to the Pre-Enforcement Revenue Priority of Payments, the Post-Enforcement/ Pre-Acceleration Priority of Payments or the Post-Acceleration Priority of Payments, as the case may be, and, in the case of the FCC, the conditions of the FCC Notes in respect of the Signac Compartment.

The Relevant Servicer will not be obliged to obtain such a valuation if a valuation has been obtained during the immediately preceding three months and the Relevant Servicer is of the opinion (without any liability on its part) that neither the relevant Properties nor the relevant property markets have experienced any material change since the date of such previous valuation unless requested by the Trustee or the Relevant Servicer Principal (as the case may be).

The Special Servicer must, not later than 30 days after the occurrence of a Special Servicing Event, if a relevant Loan Event of Default is continuing, and the Master Servicer or Special Servicer (as the case may be) must, not later than 30 days after receipt of a written request from the Trustee or the Relevant Servicer Principal (as the case may be), obtain a valuation (an "**Appraisal Valuation**") in respect of the relevant Property. The costs of obtaining an Appraisal Valuation will be paid by the Master Servicer or the Special Servicer, as applicable, subject to being reimbursed in accordance with the terms of the relevant Servicing Agreement and subject to the Pre-Enforcement Revenue Priority of Payments, the Post-Enforcement/Pre-Acceleration Priority of Payments or the Post-Acceleration Priority of Payments, as the case may be, and, in the case of the FCC, the conditions of the FCC Notes in respect of the Signac Compartment.

Provided that a written valuation request has been made by the Trustee or the Relevant Servicer Principal (as the case may be), the Relevant Servicer will not be obliged to obtain the relevant Appraisal Valuation if an Appraisal Valuation has been obtained during the immediately preceding 12 months and the Relevant Servicer is of the opinion (without any liability on its part) that neither the relevant Properties nor the relevant property markets have experienced any material change since the date of such previous Appraisal Valuation.

Arrears and Enforcement

The Master Servicer will, as permitted by and in accordance with the relevant Credit Agreements (as agent for the Relevant Servicer Principal), collect all payments due under or in connection with the Loans (other than the Sunrise II Loan).

The Master Servicer will be responsible for the supervision and monitoring of payments falling due in respect of the Loans (other than the Sunrise II Loan). On the occurrence of a Loan Event of Default, the Master Servicer or, if the relevant Loan is a Specially Serviced Loan, the Special Servicer (each as agent for the Issuer or the FCC and for the Trustee, as applicable) will implement enforcement procedures

which meet the requirements of the Servicing Agreements. These procedures may involve the deferral of formal enforcement procedures and may involve the restructuring of the relevant Loan by the amendment or waiver of certain of the provisions. Any such restructuring will have to comply with the specific provisions of the relevant Servicing Agreement.

Insurance

At the time of advance of a Loan (other than the Sunrise II Loan), the Security Agent became a named insured or had its interest noted on the buildings insurance policy taken out by the relevant Borrower other than in respect of certain leasehold Property which is covered by a landlord's buildings insurance policy. The amount of cover is linked to the reinstatement value of the Property recommended by the valuer appointed at the time of origination of the relevant Loan.

In respect of any event occurring in respect of any Property which is an insurance event under the terms of the buildings insurance policy and any other insurance contract taken out by the relevant Borrower pursuant to the terms and conditions of a Loan (other than the Sunrise II Loan), the Relevant Servicer shall promptly do such things as are necessary to protect the interests of the Relevant Servicer Principal, as applicable, or as would be considered to be desirable by the Relevant Servicer acting in accordance with the Servicing Standard in relation to such insurance.

The Relevant Servicer shall monitor the arrangements for insurance which relate to the Loans (other than the Sunrise II Loan) and the Related Security and the payment of premiums due in respect thereof. As soon as it becomes aware of the failure by any Borrower to maintain or have in effect such insurances as is required under the terms of the relevant Loan Documentation, the Relevant Servicer shall:

(i) take out such an insurance policy on behalf of the Borrower and pay the premium for such insurance policy to the relevant insurer; and

(ii) promptly charge to, and seek to collect from, the Borrower the amount of the relevant insurance premium paid by the Relevant Servicer in accordance with paragraph (i) on behalf of the Borrower.

Delegation by the Master Servicer and the Special Servicer

Each of the Master Servicer or the Special Servicer, as applicable, may sub-contract or delegate its obligations (including in respect of Loans, other than in relation to the Sunrise II Loan, which are in arrears) under the Servicing Agreements (subject to certain limited exceptions), although the Master Servicer or the Special Servicer, as the case may be, will nevertheless remain liable for all these obligations. Each of the Master Servicer and the Special Servicer may also sub-contract valuations of Properties to third party valuers.

With effect from the Issue Date, the Master Servicer will delegate the performance of many of its day-to-day servicing activities in respect of the Loan Pool (other than in relation to the Sunrise II Loan) to Capmark Services Ireland Limited (formerly known as GMAC Commercial Mortgage Servicing (Ireland) Limited) although the Master Servicer will remain responsible for the performance of such delegated activities.

Expenses

Each of the Master Servicer and the Special Servicer will be entitled on any day to request the use of funds (subject to certain restrictions) standing to the credit of: (in the case of the Direct Loan Servicing Agreement) the Issuer Revenue Account; (in the case of Signac Loan Servicing Agreement) the Signac Compartment Collection Accounts; to enable it to make payment of certain expenses incurred in connection with the servicing of the relevant Loans (other than the Sunrise II Loan) in the Loan Pool. In respect of the Direct Loan Servicing Agreement, the Cash Manager on behalf of the Issuer will be required (using funds standing to the credit of the Issuer Revenue Account) to put the Master Servicer and/or the Special Servicer in funds on any Business Day to enable the Master Servicer and/or the Special Servicer, as the case may be, to make payment of certain expenses incurred in connection with the servicing of the Direct Loans (other than the Sunrise II Loan). The Issuer and the Master Servicer and/or the Special Servicer may agree, from time to time, that any such expenses are to be funded out of the Expenses Account, in which case the Expenses Account will be credited with amounts from the Issuer Revenue Account, as necessary. In respect of the Signac Loan Servicing Agreement, the FCC Management Company will be required (using funds standing to the credit of the Signac Compartment Collection) to put the Master Servicer and/or the Special Servicer in funds on any Business Day to enable

the Master Servicer and/or the Special Servicer, as the case may be, to make payment of certain expenses incurred in connection with the Signac Loan.

Protection Advances

If a payment to a third party by a Borrower is due but unpaid, the Master Servicer or the Special Servicer, as applicable, may (in their discretion) incur such expenses and in respect of the Direct Loans the Issuer may incur such expense (a "**Protection Advance**"). Such amounts may be in respect of costs and expenses that a Prudent Mortgage Lender would make to protect the value of the Loan, including the maintenance of any Property and payments due under any Loan Hedging Arrangements will be repayable as costs and expenses of the Master Servicer or the Special Servicer, as applicable.

Servicing Fees and Other Payments to the Master Servicer and the Special Servicer

The Relevant Servicer Principal will pay or procure payment to the Master Servicer in relation to the relevant Servicing Agreement a servicing fee (the "**Servicing Fee**") of 0.07 per cent. (exclusive of value added tax) per annum of the weighted average aggregate outstanding principal balance of the relevant Loans (other than the relevant Specially Serviced Loans) during each Calculation Period, which fee will be payable quarterly in arrear on each Interest Payment Date. A higher fee at a rate agreed by the Trustee (but which does not exceed the rate then commonly charged by providers of mortgage servicing and administration services) may be payable to any substitute servicer appointed following termination of the Master Servicer's appointment.

The Master Servicer or the Special Servicer, as the case may be, will be entitled to receive for its own account any commissions due to it from insurers out of premiums paid by the Borrowers as a result of the Relevant Servicer having placed buildings insurance in relation to the Loans with such insurers.

The Relevant Servicer Principal will also be required to reimburse the Master Servicer, on each Interest Payment Date, for any out-of-pocket costs and expenses incurred by the Master Servicer in performance of its duties under the relevant Servicing Agreement in respect of Loans it owns (the "**Servicing Expenses**").

Pursuant to the Servicing Agreements, if the Special Servicer is appointed in respect of any Loan, the Issuer will be required to pay or procure payment to the Special Servicer a fee (the "**Special Servicing Fee**") up to 0.25 per cent. per annum plus value added tax, if applicable, of the then principal balance outstanding of that Specially Serviced Loan, subject to the relevant Priority of Payments (see further "**Cashflows**") for a period commencing on the date the relevant Loan (other than the Sunrise II Loan) becomes a Specially Serviced Loan and ending on the date on which the properties are sold on enforcement or, if earlier, the date on which that Loan is deemed to be corrected.

A Loan (other than the Sunrise II Loan) will be deemed to be corrected and the servicing in respect of such Loan will pass to the Master Servicer and it will cease to be a Specially Serviced Loan if any of the following occurs with respect to the circumstances identified (and provided that no other Special Servicing Event then exists with respect to that Loan):

(i) with respect to the circumstances described in item (ii) in the definition of Special Servicing Event, the relevant Borrower has made one timely quarterly payment in full;

(ii) with respect to the circumstances described in item (iii) in the definition of Special Servicing Event, such proceedings are terminated;

(iii) with respect to the circumstances described in item (iv) in the definition of Special Servicing Event, such circumstances cease to exist in the good faith and reasonable judgement of the Special Servicer;

(iv) with respect to the circumstances described in item (v) in the definition of Special Servicing Event, the relevant Borrower ceases to claim an inability to pay its debts or suspend the payment of obligations or the termination of any assignment for the benefit of its creditors; or

(v) with respect to the circumstances described in item (vi) in the definition of Special Servicing Event, such default is cured.

The Special Servicing Fee will accrue on a daily basis over such period and will be payable on each Interest Payment Date commencing with the Interest Payment Date following the date on which such period begins and ending on the Interest Payment Date following the end of such period.

In addition to the Special Servicing Fee, the Special Servicer will be entitled to a fee (the "**Liquidation Fee**") in respect of the Loans (other than the Sunrise II Loan) equal to an amount of up to a maximum

of 1.00 per cent. (exclusive of value added tax) of the proceeds (net of all costs and expenses incurred as a result of the default of the Loan, enforcement and sale), if any, arising on the sale of any Property or Properties while the relevant Loan was a Specially Serviced Loan.

In addition to the Special Servicing Fee and the Liquidation Fee (if any) in respect of the Loans (other than the Sunrise II Loan), the Special Servicer will be entitled to receive a fee (the "**Restructuring Fee**") in consideration of providing services in relation to any Specially Serviced Loan to be payable at such time as the Loan is deemed to be corrected. When a Loan is deemed to be corrected, the Restructuring Fee will be equal to an amount up to a maximum of 1.00 per cent. (exclusive of value added tax) of each collection of principal and interest received on the relevant Loan (but only, in relation to collections of principal, if and to the extent that such principal received reduces the amount of principal outstanding under the relevant Loan to below the amount of principal outstanding under the relevant Loan at the date it was first deemed to be corrected) for so long as it continues to be deemed corrected. The Restructuring Fee with respect to the relevant Loan will cease to be payable if the relevant Loan is no longer deemed to be corrected, but will again become payable if and when the relevant Loan is again deemed to be corrected to the Special Servicer appointed in respect of that Loan at the date on which it is deemed to be corrected again. Non-payment of the Restructuring Fee will not entitle the Special Servicer to terminate the arrangements under the Servicing Agreement.

The Special Servicer, to the extent permitted by the relevant Credit Agreement (including any amendments to such Credit Agreements), may seek to recover any Restructuring Fees and Liquidation Fees from the relevant Borrower.

The Liquidation Fee and the Restructuring Fee will only be payable to the extent that the Issuer has sufficient funds to pay such amount as provided in the relevant Priority of Payments (see further "**Cashflows**").

Redemption

Under the Servicing Agreements, the Master Servicer and the Special Servicer will be responsible for handling the procedures connected with the redemption of the Loans (other than the Sunrise II Loan).

In order to enable the Master Servicer and the Special Servicer in respect of the Direct Loans (other than the Sunrise II Loan) to do this, the Issuer will be required to execute a power of attorney in favour of each of the Master Servicer and the Special Servicer in respect of the Direct Loans (other than the Sunrise II Loan).

Removal or Resignation of the Master Servicer or the Special Servicer

The appointment of the Master Servicer or the Special Servicer, as applicable, in each case as agent for the Relevant Servicer Principal may be terminated by the Relevant Servicer Principal (with, in the case of the Direct Loan Servicing Agreement, the consent of the Trustee) upon written notice to the Master Servicer or the Special Servicer, as the case may be, on the occurrence of certain events (each a "**Servicer Termination Event**"), including if:

(i) the Master Servicer or the Special Servicer, as applicable, fails to pay or to procure the payment of any amount due and payable by it and either (a) such payment is not made within five Business Days of such time or (b) if the Master Servicer's or the Special Servicer's, as applicable, failure to make such payment was due to inadvertent error, such failure is not remedied for a period of 10 Business Days after the Master Servicer or the Special Servicer, as applicable, becomes aware of the error;

(ii) subject as provided further in the Transaction Documents, the Master Servicer or the Special Servicer, as applicable, fails to comply with any of its covenants and obligations under the relevant Servicing Agreement which, in the opinion of the Trustee, is materially prejudicial to the interests of the holders of the Notes and such failure either is not remediable or is not remedied for a period of 30 Business Days after the earlier of the Master Servicer or the Special Servicer, as the case may be, becoming aware of such default and delivery of a written notice of such default being served on the Master Servicer or the Special Servicer, as applicable, by the Relevant Servicer Principal or the Trustee (in the case of the Direct Loan Servicing Agreement);

(iii) at any time the Master Servicer or the Special Servicer, as applicable, fails to obtain or maintain the necessary licences or regulatory approvals enabling it to continue servicing any Loan (other than the Sunrise II Loan); or

(iv) the occurrence of an insolvency event in relation to the Master Servicer or the Special Servicer.

In addition, in relation to the Direct Loan Servicing Agreements and the Signac Loan Servicing Agreement, if the Issuer or the FCC Management Company, as the case may be, is so instructed by the relevant Controlling Creditor, the Issuer or the FCC Management Company, as the case may be, will terminate the appointment of the person then acting as special servicer of a Loan (other than the Sunrise II Loan) and, subject to certain conditions, appoint a qualified successor thereto (such successor to pay any costs incurred by the Issuer or the FCC Management Company, as the case may be, in replacement of the existing special servicer). There may be different special servicers appointed in respect of the Loans. However, at any one time, there will only be one Special Servicer and one Controlling Creditor in respect of each Loan (other than the Sunrise II Loan).

"**Controlling Creditor**" means:

(i) with respect to any Direct Loan for which there is no Subordinated Lender:

  (a) the holders of the most junior class of Rated Notes then outstanding having a Principal Amount Outstanding greater than 25 per cent. of such junior class of Rated Notes' original aggregate Principal Amount Outstanding on the Issue Date; or

  (b) if no class of Rated Notes then outstanding has a Principal Amount Outstanding greater than 25 per cent. of such class of Rated Notes' original aggregate Principal Amount Outstanding on the Issue Date, the holders of the then most junior class of Rated Notes,

  (the "**Controlling Class Representative**");

(ii) with respect to the Sunrise II Loan, the Controlling Class Representative, but only in relation to the Citibank Sunrise II Loan;

(iii) with respect to any Whole Loan to which there is a Subordinated Lender for which a Subordinated Lender Control Valuation Event (as defined below) is not continuing, the Subordinated Lender(s) in respect of such Whole Loan;

(iv) with respect to any Whole Loan to which there is a Subordinated Lender for which a Subordinated Lender Control Valuation Event is continuing, the Controlling Class Representative; and

(v) with respect to the Signac Loan, if a Subordinated Lender Control Valuation Event is not continuing, the holder (or representative of the holders) of the FCC Junior Notes; and, if a Subordinated Lender Control Valuation Event is continuing, the Issuer.

The Trustee will determine the Controlling Creditor with respect to each Direct Loan (in reliance on information regarding the Direct Loans provided to the Trustee by the Issuer and/or the Master Servicer and/or the Special Servicer (each on the Issuer's behalf) pursuant to the Direct Loan Servicing Agreements), other than in relation to the Sunrise II Loan, and the FCC Management Company will determine the Controlling Creditor with respect to the Signac Loan, and will inform the Master Servicer and Special Servicer of the same. The Master Servicer and the Special Servicer will be entitled to rely on the Trustee's or the FCC Management Company's (as the case may be) determination and will have no liability to the Issuer, the Noteholders, the FCC or the Subordinated Lenders for any action taken or for refraining from taking any action in good faith in reliance thereon.

A "**Subordinated Lender Control Valuation Event**" will occur with respect to a Whole Loan or the Signac Loan (as the case may be) if (a) (1) the then outstanding principal balance of the Subordinated Loan (or FCC Junior Notes in the case of the Signac Loan) related to the relevant Whole Loan or the Signac Loan (as the case may be); minus (2) the applicable Valuation Reduction Amount with respect to the relevant Whole Loan or Signac Loan (as the case may be) is less than (b) 25 per cent. of the then outstanding principal balance of the related Subordinated Loan (or FCC Junior Notes in the case of the Signac Loan).

Upon the occurrence of a Valuation Event (as defined below), a Valuation Reduction Amount will be calculated by the Special Servicer based upon a valuation or an update of a valuation (a "**Subordinated Lender Control Valuation**") in respect of the related Property as described below. Upon the Special Servicer receiving notice or otherwise becoming aware of the Valuation Event, the Special Servicer must use reasonable endeavours to require a reputable independent valuer to prepare and deliver an updated valuation, within 30 days of such event, if and for so long as there exists a valuation of the Property which is more than 12 months old or the current valuation is based on materially different net cash flow assumptions in the reasonable opinion of the Special Servicer acting in accordance with the Servicing Standard. Notwithstanding that the value of a Property may have reduced since the last valuation, the Special Servicer will not be authorised to obtain a new valuation for the purposes of determining whether

a Subordinated Lender Control Valuation Event has occurred except in the circumstances described above. The cost of such an updated valuation shall be paid by the Special Servicer and reimbursed by the Relevant Servicer Principal (only from the proceeds of the Loan related to the Property in respect of which the valuation is undertaken). The related Subordinated Lender may, at its discretion, instruct the Special Servicer to obtain another valuation, at the cost and expense of such Subordinated Lender, from another reputable independent valuer. If so instructed, the Special Servicer will use all reasonable endeavours to procure that such additional valuation is obtained within 30 days of the date of receipt of the instruction from the relevant Subordinated Lender. In the event that a subsequent valuation is so obtained, the Special Servicer shall be entitled to use either of the valuations obtained (provided that it must determine which valuation to use within 15 days of receipt of the second such valuation) to determine the Valuation Reduction Amount. On the first Loan Interest Payment Date occurring on or after the delivery of the later relevant updated valuation, the Special Servicer will adjust the Valuation Reduction Amount to take into account the relevant valuation and will promptly provide the Special Servicer and the related Subordinated Lenders with such calculations.

A "**Valuation Event**" means in respect of any Whole Loan or the Signac Loan: (i) the date on which an amendment or modification is entered into which adversely affects in the reasonable opinion of the Special Servicer any material economic term; (ii) the 40th day following the occurrence of any uncured failure to make a scheduled payment; (iii) upon the occurrence of any payment default at its Loan Maturity Date; or (iv) receipt of notice that the related Borrower has become subject to any insolvency proceedings or the date on which a receiver is appointed and continues in such capacity in respect of such related Borrower or Property or 60 days after such Borrower becomes the subject of involuntary insolvency proceedings and such proceedings are not dismissed.

A "**Valuation Reduction Amount**" with respect to a Whole Loan or the Signac Loan means the amount by which the outstanding principal balance in respect of the Whole Loan or the Signac Loan (as the case may be) exceeds x-y, where:

(a) x = 90 per cent. of the sum of the values set forth in the respective valuations for each related Property; and

(b) y = the sum of:

  (I) all unpaid interest on the Whole Loan in respect of the Whole Loan or the Signac Loan (as the case may be);

  (II) all unreimbursed Protection Advances that are related to the Whole Loan in respect of the Whole Loan or the Signac Loan (as the case may be);

  (III) any other unpaid fees, expenses and other amounts of any party that are payable prior to the Notes or the FCC Notes issued in respect of the Signac Compartment (as the case may be) and are related to the Whole Loan in respect of the Whole Loan or Signac Loan (as the case may be); and

  (IV) all currently due and unpaid ground rents and insurance premium (net of any amounts held in transaction accounts for such purpose) and all other amounts due and unpaid with respect to the Whole Loan in respect of the Whole Loan or Signac Loan (as the case may be),

provided that y shall not include any amount referred to in (b) above if such amount has been paid to the required recipient by way of a cure payment by a Subordinated Lender.

With respect to a Whole Loan or the Signac Loan (as the case may be), the Master Servicer or Special Servicer, as applicable, will promptly notify the related Subordinated Lender if it becomes aware of the occurrence of a Subordinated Lender Control Valuation Event.

"**Whole Loan**" means each of the Bonn Loan and the Gutperle Loan.

"**Subordinated Lender**" means:

(i) in respect of the Signac, the holder of the FCC Junior Notes;

(ii) in respect of the Bonn Loan, the purchaser of the Subordinated Loan;

(iii) in respect of the Gutperle Loan, the purchaser of the Subordinated Loan,

and "**Subordinated Lenders**" means all of them.

Prior to or contemporaneously with any termination of the appointment of the Master Servicer or the Special Servicer, as the case may be, it would first be necessary for the Relevant Servicer Principal to appoint a substitute master servicer or substitute special servicer, as the case may be, approved by the Trustee (in respect of appointment by the Issuer).

In addition, subject to the fulfilment of certain conditions including, without limitation, that a substitute master servicer or substitute special servicer, as the case may be, has been appointed, the Master Servicer or Special Servicer, as the case may be, as agent of the Relevant Servicer Principal may voluntarily resign by giving not less than three months' notice of termination to the Relevant Servicer Principal (and the Trustee in respect of the Direct Loan Servicing Agreement).

Any such substitute master servicer or substitute special servicer (whether appointed upon a termination of the appointment of, or the resignation of, the Master Servicer or Special Servicer, as the case may be) will be required to have experience servicing loans secured on commercial mortgage properties in the relevant jurisdiction and will enter into an agreement on substantially the same terms in all material aspects as the relevant Servicing Agreement, taking into account also what is market standard for such agreements in similar transactions at the time. Any such substitute master servicer or substitute special servicer will be bound by the specified and limited discretions listed in the relevant Servicing Agreement. Under the terms of the relevant Servicing Agreement, the appointment of a substitute master servicer or substitute special servicer, as the case may be, will be subject to the Rating Agencies confirming that the appointment will not adversely affect the then current ratings (if any) of any class of Notes unless otherwise agreed by Extraordinary Resolutions of each class of Noteholders. Any costs incurred by the Relevant Servicer Principal as a result of appointing any such substitute master servicer or substitute special servicer shall, save as specified above, be paid by the Master Servicer or Special Servicer (as the case may be) whose appointment is being terminated. The fee payable to any such substitute master servicer or substitute special servicer in each case acting as agent for the Relevant Servicer Principal should not (without the prior written consent of the Trustee in the case of the Direct Loan Servicing Agreement) exceed the amount payable to the Master Servicer or Special Servicer, as applicable, pursuant to the relevant Servicing Agreement and in any event should not exceed the rate then customarily payable to providers of commercial mortgage loan servicing services.

Forthwith upon termination of the appointment of, or the resignation of, the Master Servicer or Special Servicer, the Master Servicer or Special Servicer (as the case may be) must deliver any documents and all books of account and other records maintained by the Master Servicer or Special Servicer relating to the Loans (other than the Sunrise II Loan) and/or the Related Security to, or at the direction of, the substitute master servicer or substitute special servicer and shall take such further action as the substitute master servicer or substitute special servicer, as the case may be, shall reasonably request to enable the substitute master servicer or the substitute special servicer, as the case may be, to perform the services due to be performed by the Master Servicer or the Special Servicer under the relevant Servicing Agreement.

Appointment of the Operating Adviser

In relation to the Direct Loan Servicing Agreement and the Signac Loan Servicing Agreement, the Controlling Creditor may elect to appoint a representative (an "**Operating Adviser**") to represent its interests. The Special Servicer must, save as specified below, notify such Operating Adviser prior to doing any of the following in relation to a Specially Serviced Loan (other than the Sunrise II Loan):

(i) the appointment of a receiver or administrator or similar actions to be taken in relation to any such Loan;

(ii) the amendment, waiver or modification of any term of any Finance Documents which affects the amount payable by the relevant Borrower or the time at which any amounts are payable, or any other material term of the relevant Finance Documents; and

(iii) the release of any part of any Related Security, or the acceptance of substitute or additional Related Security other than in accordance with the terms of the relevant Credit Agreement.

Before taking any action in connection with the matters referred to in paragraphs (i) to (iii) above, the Special Servicer must take due account of the advice and representations of the Operating Adviser, although if the Special Servicer determines that immediate action is necessary to fulfil its other obligations in the Servicing Agreement, the Special Servicer may take whatever action it considers necessary without waiting for the Operating Adviser's response. If the Special Servicer does take such action and any Operating Adviser objects in writing to the actions so taken within 10 Business Days after being notified

of the action and after being provided with all reasonably requested information, the Special Servicer must take due account of the advice and representations of the Operating Adviser regarding any further steps the Operating Adviser considers should be taken in the interests of the Controlling Creditor (but, again, without prejudice to the Special Servicer's obligation to act in accordance with the other provisions of the Servicing Agreement (including the Servicing Standard)). The Special Servicer will not be obliged to take account of the advice of the Operating Adviser if the Special Servicer has notified the Operating Adviser in writing of the actions that the Special Servicer proposes to take with respect to the Loan (other than the Sunrise II Loan) and, for 30 days following the first such notice, the Operating Adviser has objected to all of those proposed actions and has failed to suggest any alternative actions that the Special Servicer considers to be in accordance with the Servicing Agreement (including the Servicing Standard).

The Special Servicer will provide the Operating Adviser with any additional information as the Operating Adviser may reasonably require. If the Operating Adviser objects in writing to any action taken by the Special Servicer within 10 Business Days after being notified of the action and after it has been provided with all reasonably requested information by the Special Servicer, the Special Servicer will, subject to the Servicing Standard, take due account of the advice and representations of the Operating Adviser regarding any further steps the Operating Adviser considers should be taken in the interests of the Controlling Creditor and must promptly send a revised proposed course of action to the Operating Adviser. If the proposal of the Operating Adviser requires the Special Servicer to incur additional expenses which it would not be required to incur in respect of any action proposed by the Special Servicer, the Special Servicer is not required to incur any additional expenses unless the Operating Adviser agrees to reimburse it. If there is, in the reasonable opinion of the Special Servicer, any conflict between any action which the Special Servicer would be required to take in order to comply with the advice and/or representations of the Operating Adviser and the Servicing Standard, the Servicing Standard shall prevail.

Only one Operating Adviser at any one time may be appointed by the Controlling Creditor in respect of each Loan (other than in relation to the Sunrise II Loan). An Operating Adviser appointed by a party which is the Controlling Creditor will only be an Operating Adviser for so long as such party remains the Controlling Creditor.

Intercreditor and Servicing in respect of the Whole Loans

The Bonn Loan and the Gutperle Loan will each comprise the senior part of the relevant Whole Loans made to the relevant Borrowers. Third party lenders will hold interests in the remaining balance of the relevant Whole Loan not transferred to the Issuer. Certain third party lenders in respect of the Whole Loans (each being a "**Direct Loan Junior Lender**") will have rights under the Direct Loan Servicing Agreement and intercreditor agreements entered into with each of them (each a "**Whole Loan Intercreditor Agreement**") which will allow them to appoint an Operating Adviser (as described above) for so long as a Subordinated Lender Control Valuation Event is not continuing. As set out above, the Controlling Creditor will, in respect of the Whole Loans, have rights to instruct the Issuer to remove and replace the Special Servicer, subject to an appropriate replacement being appointed, and certain notification rights. If a Subordinated Lender Control Valuation Event has occurred, the rights otherwise vested in the Direct Loan Junior Lender will be vested in the Controlling Creditor as defined in Condition 3.3.

Provided no material event of default is continuing under the relevant Whole Loan, the Direct Loan Junior Lender's payment rights will rank *pari passu* with the Issuer. However, following such event, rights to receive interest and principal as between lenders will be paid first to the Issuer. Upon the occurrence of a payment default, the Direct Loan Junior Lender may make cure payments to the Issuer so as to avoid the Issuer or Trustee taking enforcement action or accelerating the relevant Whole Loan. If such cure payments are not made, any amount otherwise available for distribution to the Direct Loan Junior Lender will be retained by the Direct Loan Master Servicer until the relevant default is remedied or the relevant Borrower makes cure payments to remedy such default and will only be distributed to the Direct Loan Junior Lender on the immediately following Loan Interest Payment Date.

If the Whole Loan is being specially serviced by the Special Servicer under the terms of the Direct Loan Servicing Agreement, the Direct Loan Junior Lender may elect to acquire the Issuer's interest in the relevant Direct Loan for the principal amount outstanding plus accrued interest and costs.

Gutperle Intercreditor Issues

Pursuant to the intercreditor deed for the Gutperle Loan, the Second Seller may, prior to the earlier of (i) 90 days after the transfer of the Subordinated Loan and (ii) the Issue Date, elect to acquire all or part of the Subordinated Loan up to an amount equal to 20 per cent. of the initial principal amount of the Subordinated Loan at par, plus accrued interest due but unpaid excluding any further amounts the Gutperle Borrowers have to pay under or in connection with the Gutperle Loan, including but not limited to default interest and prepayment fees under the Gutperle Loan.

Signac (France): FCC Intercreditor Issues

The FCC Notes issued by the Signac Compartment have been structured so that the third party noteholder will have similar economic rights as that referred to above, though applicable to the Signac Loan. Such a third party noteholder will, as holder of the FCC Junior Note, have rights to subscribe for further FCC Junior Notes in shortfall amounts due on the FCC Senior Notes in an amount equal to such shortfall and to acquire the Signac Loan in circumstances where there has been a material event of default on the Signac Loan in consideration for payment of principal and all other amounts due in respect of the FCC Senior Note including costs and expenses for winding up or otherwise terminating the FCC Compartment arrangements relating to the FCC Senior Notes and FCC Junior Notes.

SERVICING OF THE SUNRISE II LOAN

Introduction

The Sunrise II Loan was jointly originated by the Second Seller and the DB Lender in equal parts ranking *pari passu* with each other, and servicing in respect of the Sunrise II Loan has been organised jointly with the DB Lender.

Pursuant to the Sunrise II Loan Servicing Agreement:

(a) CIP will be appointed as the servicer to act as the agent of the Issuer (the "**Master Servicer**") and to exercise all its rights, powers and discretions as a lender in relation to the Citibank Sunrise II Loan and its Related Security;

(b) Deutsche Bank AG, London Branch has been appointed as the servicer to act as the DB Issuer's agent ("**DB Master Servicer**") and to exercise all its rights, powers and discretions as a lender in relation to the DB Sunrise II Loan and its related security;

(c) Deutsche Bank AG, London Branch has been appointed as agent by the Second Seller (which appointment will be accepted by the Issuer) and DB Issuer to facilitate the implementation of the servicing decisions taken by the Master Servicer and the DB Master Servicer in relation to the Sunrise II Loan and, in the event, to reconcile any differences that may arise between the Master Servicer and DB Master Servicer in relation to the servicing of, or the determination of an alternative course of action in relation to, the Sunrise II Loan but only for so long as such Loan is not a Specially Serviced Loan (in such capacity, the "**Sunrise II Facility Agent**"); and

(d) CIP has been appointed by the DB Issuer and the Second Seller (which appointment will be accepted by the Issuer), jointly, to act as their respective agent and to exercise all their rights, powers and discretions as Sunrise II Lenders in relation to the Sunrise II Loan for as long as such Loan is a Specially Serviced Loan but only for so long as such Loan is not a Specially Serviced Loan (in such capacity, the "**Special Servicer**").

Sunrise II Loan Servicing Standard

Each of the Master Servicer, the DB Master Servicer and the Special Servicer must act in accordance with the following requirements at all times (the "**Sunrise II Servicing Standard**"), and in the event that the Master Servicer, DB Master Servicer or Special Servicer considers there to be a conflict between them, in the following priority:

(a) all applicable laws and regulations;

(b) the provisions of the Sunrise II Loan Agreement and the documents entered into in connection therewith;

(c) any direction that may be given by the Trustee (in respect of the Citibank Sunrise II Loan) or the trustee (in respect of the DB Sunrise II Loan) (the "**DB Trustee**") in the event that the security interests granted in favour of the Trustee or the DB Trustee, as the case may be, have become enforceable; and

(d) the higher of:

  (i) the same manner and with the same skill, care and diligence it applies in servicing similar loans for other third parties; and

  (ii) the standard of care, skill and diligence which it applies in servicing commercial mortgage loans in its own portfolio,

  in each case giving due consideration to (A) customary and usual standards of practice of reasonably prudent commercial mortgage servicers servicing commercial mortgage loans which are similar to the Sunrise II Loan and its Related Security, (B) the timely collection of all scheduled payments of principal, interest and other amounts due under the Sunrise II Loan, (C) the maximisation of recoveries, if the Sunrise II Loan comes into and continues in default (taking into account, without limitation, the timing and costs of recovery), and (D) the interest of the Issuer and/or the DB Issuer, as applicable.

In performing its duties in relation to the Sunrise II Loan, the Special Servicer must do so on behalf of the Issuer and the DB Issuer as a collective whole. Any action taken by the Sunrise II Facility Agent or the Special Servicer under the Sunrise II Loan documents shall apply equally to the Issuer and the DB Issuer.

Servicing standard of the Sunrise II Facility Agent

The Sunrise II Facility Agent must act in accordance with the following requirements at all times (the "**Sunrise II Facility Agent Servicing Standard**"), being the course of action which in the sole opinion of the Sunrise II Facility Agent is in the best interest of the Issuer and DB Issuer but which is also consistent with the following, and in the event that the Sunrise II Facility Agent considers there to be a conflict between them, in the following priority:

(a) all applicable laws and regulations;

(b) the Sunrise II Loan Agreement and the documents entered into in connection therewith;

(c) any direction that may be given by the Trustee or the DB Trustee in the event that the security interests granted in favour of the Trustee or the DB Trustee have become enforceable; and

(d) the higher of:

(i) the same manner and with the same skill, care and diligence it applies in servicing similar loans for other third parties; and

(ii) the standard of care, skill and diligence which it applies in servicing commercial mortgage loans in its own portfolio,

in each case giving due consideration to (A) customary and usual standards of practice of reasonably prudent commercial mortgage servicers servicing commercial mortgage loans which are similar to the Sunrise II Loan and its Related Security, (B) the timely collection of all scheduled payments of principal, interest and other amounts due under the Sunrise II Loan, (C) the maximisation of recoveries, if the Sunrise II Loan comes into and continues in default (taking into account, without limitation, the timing and costs of recovery) on the Sunrise II Loan, and (D) the interests of the Issuer and/or the DB Issuer, as applicable.

Appointment of the Special Servicer

The Master Servicer will service and administer the Sunrise II Loan until the occurrence of a Special Servicer Transfer Event in relation to the Sunrise II Loan.

A "**Special Servicer Transfer Event**" in respect of the Sunrise II Loan will be the occurrence of any of the following:

(a) payment defaults of more than 45 days;

(b) a payment default at maturity of the Sunrise II Loan;

(c) insolvency of the Sunrise II Borrowers or other Sunrise II obligors providing security over the relevant Sunrise II Properties;

(d) the Sunrise II Facility Agent receiving a notice of the enforcement of any other security on the real estate assets constituting security for the Sunrise II Loan;

(e) in the Sunrise II Facility Agent's opinion, a material breach of covenant occurring, or to the knowledge of the Sunrise II Facility Agent, being likely to occur and, in its opinion, such breach or likely breach is not likely to be cured within 30 days of its occurrence;

(f) the Sunrise II Borrowers notifying the Sunrise II Facility Agent in writing of its inability to pay its debts generally as they become due, its entering into an assignment for the benefit of creditors or its voluntary supervision of payment obligations; or

(g) any other event of default in respect of the Sunrise II Loan occurring that, in the good faith and reasonable judgement of the Sunrise II Facility Agent materially impairs or could materially impair or jeopardise the Related Security or the value thereof and the ability of the Sunrise II Borrowers to satisfy their obligations in respect of the Sunrise II Loan.

Upon the Sunrise II Loan becoming a Specially Serviced Loan, actions in respect of the Sunrise II Loan will be undertaken by the Special Servicer except where otherwise provided. Full servicing responsibility for the Sunrise II Loan will be transferred to the Master Servicer (in respect of the Citibank Sunrise II Loan), the DB Master Servicer (in respect of the DB Sunrise II Loan) and the Sunrise II Facility Agent, and the Sunrise II Loan will become a "**Corrected Loan**" when no monetary Special Servicer Transfer Event has occurred for two consecutive interest periods and the facts giving rise to any other Special

Servicer Transfer Event have ceased to exist and no other matter exists which would give rise to the Sunrise II Loan becoming a Specially Serviced Loan.

Appointment of Sunrise II Facility Agent

None of the Issuer, the DB Issuer, the Master Servicer or the DB Master Servicer shall conduct any communications or dealings directly with any Sunrise II Borrower or other Sunrise II obligors in respect of Sunrise II Loan. Any such communications and dealings will be conducted through or by the Sunrise II Facility Agent only or, while the Sunrise II Loan is a Specially Serviced Loan, through or by the Special Servicer only.

Prior to undertaking any communications or dealings with a Sunrise II Borrower and the other Sunrise II obligors in relation to all matters concerning the Sunrise II Loan and its Related Security, including, without limitation, the giving of any notices, consents or approvals on behalf of the Issuer or the DB Issuer under or in relation to the Sunrise II Loan documents or taking any enforcement action, the Sunrise II Facility Agent will consult with each of the Master Servicer and the DB Master Servicer in order to determine the views of each (the "**Facility Agent Consultation Process**"). For the avoidance of doubt, while the Sunrise II Loan is a Specially Serviced Loan, the Special Servicer shall have no obligation to consult with the Master Servicer and the DB Master Servicer in a manner equivalent to the Facility Agent Consultation Process or otherwise.

In undertaking the Facility Agent Consultation Process, the Sunrise II Facility Agent must:

(a) in relation to any matter that requires the consent of a requisite majority of the lenders under the Sunrise II Loan Agreement (the "**Required Majority**"), adhere to such Required Majority;

(b) in relation to the following matters which require the unanimous consent of the lenders under the Sunrise II Loan Agreement:

  (i) an extension to the date of payment of any amount under the finance documents;

  (ii) a reduction in the margin or a reduction in the amount or currency of any payment of principal, interest, fees or commission payable;

  (iii) an increase in or an extension of any commitment;

  (iv) a change to a Sunrise II Borrower;

  (each requiring an "**Unanimous Decision**"), adhere to such Unanimous Decision; and

(c) where there is no Required Majority, seek to establish a course of dealing which is acceptable to the Master Servicer and the DB Master Servicer (provided a Control Valuation Event is not continuing) (the "**Consensus Position**") and, if such a Consensus Position is reached, to follow the course of dealing represented by that Consensus Position.

If the Sunrise II Facility Agent cannot:

(a) obtain the Required Majority in respect of a non-fundamental amendment to the Sunrise II Loan Agreement because a deadlock situation has occurred due to the Master Servicer and the DB Master Servicer taking opposite views; or

(b) establish the Consensus Position in due time or at all,

then it may undertake such course of dealings with any Sunrise II Borrower and the other Sunrise II obligors in respect of the Sunrise II Loan as it considers appropriate in accordance with the Sunrise II Facility Agent Servicing Standard (the "**Facility Agent Override**"). In the event that the Sunrise II Facility Agent takes such action in accordance with the Sunrise II Facility Agent Servicing Standard it will not be liable to the Issuer or the DB Issuer for any loss which that lender may suffer provided that at all times it acts in accordance with the Sunrise II Facility Agent Servicing Standard.

For the avoidance of doubt, the Sunrise II Facility Agent cannot exercise the Facility Agent Override in respect of an amendment to a fundamental term of the Sunrise II Loan Agreement that requires the Unanimous Decision of all lenders thereunder.

Appointment of the Sunrise II Operating Advisers

The Controlling Creditor for the purposes of the Citibank Sunrise II Loan and the DB Controlling Class, will each have the right to appoint its own representative (each a "**Sunrise II Operating Adviser**" and

together the "**Sunrise II Operating Advisers**" and, in the case of the Controlling Creditor only, an "**Operating Adviser**") to represent its interests when the Sunrise II Facility Agent or, while the Sunrise II Loan is a Specially Serviced Loan, the Special Servicer is making decisions regarding the loan.

Without prejudice to the requirement of the Sunrise II Facility Agent to follow the Facility Agent Consultation Process and, if applicable, the Facility Agent Override, and the Special Servicer to act in accordance with the Sunrise II Servicing Standard, the Sunrise II Facility Agent or the Special Servicer, as applicable, will not, for at least 10 business days or, in the case of the matters refers to in (a) to (e) below, five business days after notifying the Sunrise II Operating Adviser or Sunrise II Operating Advisers, as the case may be, (if any have been appointed in respect of the Sunrise II Loan) give prior notice to the Sunrise II Operating Adviser or Sunrise II Operating Advisers, if applicable (if any has been appointed), of its intention to do so, agree to waive or amend any relevant Sunrise II Loan document if the effect of such waiver or amendment would be to:

(a) make an amendment to the Sunrise II Loan Agreement which would result in the extension or shortening of the Loan Maturity Date;

(b) modify the interest rate on all or any part thereof;

(c) modify the amount or timing of any payment of interest or principal;

(d) forgive any interest or principal;

(e) make any further advance;

(f) agree to the release of any Sunrise II Property from the security created by the Related Security and/or to the substitution of any Sunrise II Property that secures the Sunrise II Loan with another property (other than in circumstances which are contemplated by the Sunrise II Loan Agreement);

(g) release any relevant Sunrise II Borrower (or any other relevant Sunrise II obligor) obligated to provide security or make payment under the Sunrise II Loan Agreement) from its obligations;

(h) agree to the further encumbrance of any assets which secure the Sunrise II Loan;

(i) waive or reduce any prepayment fee, late payment charge or default interest;

(j) cross-default the Sunrise II Loan to any other indebtedness of any relevant Sunrise II Borrower;

(k) approve any material capital expenditure;

(l) consent to the creation of any mezzanine debt of any direct or indirect owner of any relevant Sunrise II Borrower that would be paid from distributions of net cash flows from any relevant Sunrise II Property;

(m) consent to the grant of any new occupational lease or the modification or termination of any existing occupational lease unless in accordance with the relevant Sunrise II Loan documents or, as the circumstances require, as determined by the Sunrise II Facility Agent acting in accordance with the Facility Agent Consultation Process or, if applicable, the Facility Agent Override, consent cannot be unreasonably withheld or delayed;

(n) commence formal enforcement proceedings in respect of any relevant Related Security for the repayment of the Sunrise II Loan, including the appointment of a receiver or administrator or similar or analogous proceedings;

(o) waive any Sunrise II Loan event of default;

(p) approve a restructuring plan in insolvency of any relevant Sunrise Borrower;

(q) defer interest on all or any part of the Sunrise II Loan for more than 10 business days;

(r) modify any provision of the Sunrise II Loan Agreement relating to the rights of the Issuer, the DB Issuer or the Sunrise II subordinated lender to assign its interest therein; or

(s) modify any provision of the relevant Sunrise II Loan documents relating to any of the following:

  (i) reserve requirements;

  (ii) rent collection;

  (iii) cash management;

  (iv) financial covenants;

(v) hedging requirements;

(vi) insurance requirements;

(vii) the basis on which all or any part of the security for the Sunrise II Loan may be released or substituted;

(viii) obligations under the relevant Sunrise II Loan documents; and

(ix) the basis on which further encumbrances over any relevant Sunrise II Property may be created.

At the same time as notifying the Sunrise II Operating Adviser or Sunrise II Operating Advisers of its intention to take any action referred to in items (a) to (s) above, the Sunrise II Facility Agent shall also consult with the Master Servicer and the DB Master Servicer in accordance with the Facility Agent Consultation Process.

If, within 10 Business Days or, in the case of matters referred to in items (a) to (e) above, five Business Days of having been notified of any action proposed to be taken by the Sunrise II Facility Agent or the Special Servicer, as applicable, in relation to any matter referred to in items (a) to (s) above, the Sunrise II Operating Adviser or Sunrise II Operating Advisers has or have, as applicable, not confirmed in writing to the Sunrise II Facility Agent or the Special Servicer, as applicable, whether it or they agree or disagree with the proposed course of action, the Sunrise II Operating Adviser or Sunrise II Operating Advisers who did not respond will be deemed to have agreed to such proposal.

If, during the 10 business day period or, as the case may be, five business day period referred to in the preceding paragraph, the Sunrise II Operating Adviser or, if there are two Sunrise II Operating Advisers, one or both such Operating Advisers notifies the Sunrise II Facility Agent or the Special Servicer, as applicable, that it or they, as applicable, disagree with the proposed course of action it or they, as applicable, shall also suggest to the Sunrise II Facility Agent or the Special Servicer, as applicable, alternative courses of action (a "**Suggestion**") and, pending receipt of such Suggestion or Suggestions, as the case may be, the Sunrise II Facility Agent or the Special Servicer, as applicable, shall not take the relevant action. In the event that there are two Sunrise II Operating Advisers, then upon their receipt of a Suggestion or Suggestions, as the case may be, the Sunrise II Facility Agent or the Special Servicer, as applicable, shall ensure that each Sunrise II Operating Adviser is notified of any Suggestion submitted by the other Sunrise II Operating Adviser during the applicable period. Within 10 business days or, as the case may be, five business days thereafter, the Sunrise II Facility Agent or the Special Servicer, as applicable, shall submit to the Sunrise II Operating Adviser or the Sunrise II Operating Advisers, as applicable, a revised proposal which shall, to the extent that the same is not inconsistent with the Sunrise II Facility Agent Servicing Standard or the Sunrise II Servicing Standard, as applicable, incorporate the Suggestion or Suggestions.

The Sunrise II Facility Agent or the Special Servicer, as applicable, shall continue to revise its proposals in the manner described in the preceding paragraph until the earliest of:

(a) the delivery by the Sunrise II Operating Adviser or Sunrise II Operating Advisers, as applicable, of an approval in writing of such revised proposal;

(b) failure of the Sunrise II Operating Adviser or Sunrise II Operating Advisers, as applicable, to disapprove of such revised proposal in writing within 10 or, as the case may be, five business days of its delivery to the Sunrise II Operating Adviser or Sunrise II Operating Advisers, as applicable; and

(c) the passage of 30 days from the date of preparation of the first version of the proposal submitted by the Sunrise II Facility Agent or the Special Servicer, as applicable.

After the expiry of the periods in (b) and (c) above, the Sunrise II Facility Agent or the Special Servicer, as the case may be, shall decide on the course of action which shall be taken in accordance with the Sunrise II Facility Agent Servicing Standard or the Sunrise II Servicing Standard, as applicable.

In no event shall the Sunrise II Facility Agent or the Special Servicer:

(i) take any action which, in the good faith and reasonable judgement of the Sunrise II Facility Agent or the Special Servicer, as applicable, would cause it to violate the Sunrise II Facility Agent Servicing Standard or the Sunrise II Servicing Standard, as applicable; or

(ii) refrain from taking any action pending receipt of any proposals from the Sunrise II Operating Adviser or Sunrise II Operating Advisers if the Sunrise II Facility Agent or the Special Servicer, as applicable, in its good faith and reasonable judgement, determines that immediate action is necessary to comply with the Sunrise II Facility Agent Servicing Standard or the Sunrise II Servicing Standard, as applicable,

and the taking of any action prior to the receipt of the Sunrise II Operating Adviser's or Sunrise II Operating Advisers', as applicable, approval thereof or in a manner which is contrary to the directions of, or disapproved by, the Sunrise II Operating Adviser or Sunrise II Operating Advisers, as applicable, shall not constitute a breach by the Sunrise II Facility Agent or the Special Servicer, as applicable, of the Sunrise II Loan Servicing Agreement so long as, in the Sunrise II Facility Agent's or the Special Servicer's, as applicable, good faith and reasonable judgement, such action was required by the Sunrise II Facility Agent Servicing Standard or the Sunrise II Servicing Standard, as applicable. If, in order to comply with the requirements described in this paragraph, the Sunrise II Facility Agent or the Special Servicer takes action prior to receiving a response from the Operating Adviser or Operating Advisers, as applicable, and the Sunrise II Operating Adviser or Sunrise II Operating Advisers, as applicable, object to such actions within five business days after being notified of such action and being provided with all reasonably requested information, the Sunrise II Facility Agent or the Special Servicer, as applicable, must (subject always to the foregoing requirements described in this paragraph) take due account of the advice and representations made by the Sunrise II Operating Adviser or Sunrise II Operating Advisers, as applicable, regarding any further steps that should be taken.

Restrictions on Loan Variations and Consents

The Sunrise II Facility Agent will be responsible for responding to requests by a Sunrise II Borrower or any other Sunrise II obligor for consents, modifications or waivers relating to the Sunrise II Loan Agreement unless the Sunrise II Loan is a Specially Serviced Loan in which case the Special Servicer will be responsible for responding to such requests.

Upon receipt of a request by the Sunrise II Borrowers or any other Sunrise II obligor for consents, modifications or waivers relating to the Sunrise II Loan Agreement, the Sunrise II Facility Agent will provide the details of such request to the Master Servicer and the DB Master Servicer in accordance with the Facility Agent Consultation Process and, if applicable, the Facility Agent Override, before reverting to the relevant Sunrise II Borrower to advise whether the requisite consent of the lenders sanctioned or refused such request. The requisite consent of lenders required to sanction any such request will be determined by the Sunrise II Facility Agent by reference to the terms of the Sunrise II Loan Agreement.

Upon receipt of a request by the Sunrise II Borrowers or any other Sunrise II obligor for consents, modifications or waivers relating to the Sunrise II Loan Agreement while the Sunrise II Loan is a Specially Serviced Loan, the Special Servicer will provide the details of such request to the Sunrise II Operating Adviser.

In no circumstances shall the Sunrise II Facility Agent or the Special Servicer provide the consent or approve the waiver, modification or amendment relating to the Sunrise II Loan Agreement if to do so would contradict the Sunrise II Facility Agent Servicing Standard or the Sunrise II Servicing Standard, as applicable.

For further information on the rights of a Sunrise II Operating Adviser in relation to waivers, modifications, amendments and consents in respect of the Sunrise II Loan, see "**Sunrise II Operating Advisers**" above.

Arrears and Enforcement

On the occurrence of a Loan Event of Default, the Sunrise II Facility Agent or, if the Sunrise II Loan is a Specially Serviced Loan, the Special Servicer (as agent for the Issuer or the DB Issuer and for the Trustee or the DB Trustee, as applicable) will implement enforcement procedures which meet the requirements of the Servicing Agreement, with the discretion to determine the best strategy for exercising the rights, powers and discretions of the Issuer and the DB Issuer following the occurrence of a Loan Event of Default. In such circumstances, the Sunrise II Facility Agent or the Special Servicer (as applicable) will not be able to sell the Sunrise II Loan without the consent of each of the Sunrise II Security Trustee and the Trustee, or to take other material action save in accordance with the Facility Agent Consultation Process (and, if applicable the Facility Agent Override) or the Servicing Standard, as applicable.

Delegation by the Master Servicer and the Special Servicer

The Master Servicer, the Sunrise II Facility Agent and the Special Servicer may, without the consent of any other person (including without limitation the Issuer or the Trustee), sub-contract or delegate their respective obligations under the Sunrise II Loan Servicing Agreement. Notwithstanding any sub-contracting or delegation of the performance of any of its obligations under the Sunrise II Loan Servicing Agreement, the Master Servicer, the Sunrise II Facility Agent or the Special Servicer, as the case may be, shall not be released or discharged from any liability thereunder and shall remain responsible for the performance of its obligations under the Sunrise II Loan Servicing Agreement by any sub-contractor or delegate.

With effect from the Issue Date, the Master Servicer will delegate the performance of many of its day-to-day servicing activities in respect of the Citibank Sunrise II Loan to Capmark Services Ireland Limited (formerly known as GMAC Commercial Mortgage Servicing (Ireland) Limited) although the Master Servicer will remain responsible for the performance of such delegated activities.

Expenses

Each of the Sunrise II Facility Agent and the Special Servicer will be entitled to be reimbursed (with interest thereon) by, among others, the Issuer in respect of out-of-pocket costs, expenses and charges properly incurred by each of them in the performance of their respective obligations under the Sunrise II Loan Servicing Agreement. Any such costs and expenses incurred will be payable by the Issuer on a *pro rata* basis by reference to the principal amount outstanding of the Citibank Sunrise II Loan relative to the Sunrise II Loan as a collective whole.

Protection Advances

If, in the discretion of the Sunrise II Facility Agent or the Special Servicer, as applicable, the making of a Sunrise II Protection Payment would be necessary or desirable, the Sunrise II Facility Agent or the Special Servicer, as applicable, may incur such expense. Such amounts attributable to the Citibank Sunrise II Loan will be repayable by the Issuer in accordance with the priority of payments relating to the Sunrise II Loan together with interest. If such protection advances are made by one Sunrise II Lender and not the other, such Sunrise II Lender will have a senior claim to recover amounts equal to such protection advances from proceeds received from the Sunrise II Borrowers on subsequent interest payment dates and will be paid ahead of the Sunrise II Lender who did not make an equal contribution to such payments.

Servicing Fees and Other Payments to the Master Servicer and the Special Servicer

The Sunrise II Facility Agent will receive a nominal compensation for performing its obligations under the Sunrise II Loan Servicing Agreement.

The Master Servicer will be entitled to be paid a fee (the "**Sunrise II Servicing Fee**") equal to 0.07 per cent. per annum (exclusive of value added tax) of the weighted average aggregate outstanding principal balance of the Citibank Sunrise II Loan (other than in circumstances where the Sunrise II Loan is a Specially Serviced Loan) per annum during each Calculation Period which fee will be payable quarterly in arrear on each Interest Payment Date. A higher fee at a rate agreed by the Trustee (but which does not exceed the rate then commonly charged by providers of mortgage servicing and administration services) may be payable to any substitute servicer appointed following termination of the Master Servicer's appointment.

On each Interest Payment Date, in circumstances where the Sunrise II Loan is a Specially Serviced Loan, the Special Servicer will be entitled to be paid by the Issuer a special servicing fee (the "**Sunrise II Special Servicing Fee**") equal to 0.25 per cent. per annum (plus VAT, if applicable) of the outstanding principal balance of the Citibank Sunrise II Loan as at the first day of the relevant Calculation Period to which such Interest Payment Date relates.

On each Interest Payment Date, in circumstances where the Sunrise II Loan is a Specially Serviced Loan, the Special Servicer will be entitled to be paid by the Issuer on a *pro rata* basis by reference to the principal amount outstanding of the Citibank Sunrise II Loan relative to the DB Sunrise II Loan as a collective whole:

(a) a liquidation fee (the "**Sunrise II Liquidation Fee**") equal to one per cent. (plus VAT, if applicable) of all amounts collected in connection with the liquidation of the Sunrise II Loan or any relevant

Sunrise II Property, the pay-off or discounted pay-off of the Sunrise II Loan or any relevant Sunrise II Property in connection with the enforcement of the security, in each case net of costs and expenses (such proceeds, "**Sunrise II Liquidation Proceeds**"), provided that no Sunrise II Liquidation Fee will be payable in respect of Sunrise II Liquidation Proceeds in certain circumstances including, under certain conditions, where the Sunrise II Loan or any part of a Sunrise II Property is sold to an affiliate of the Special Servicer. To the extent that any Sunrise II Liquidation Fee is payable by the Issuer, it will be payable in priority to the Notes on the Interest Payment Date following the receipt of the Sunrise II Liquidation Proceeds. Although the Sunrise II Liquidation Fee is intended to provide the Special Servicer with an incentive to better perform its duties, the payment of any Sunrise II Liquidation Fee by the Issuer may, under certain circumstances, reduce amounts payable to the Noteholders; and

(b) a workout fee (the "**Sunrise II Workout Fee**"), if the Sunrise II Loan which was a Specially Serviced Loan subsequently becomes a Corrected Loan. The Sunrise II Workout Fee will be an amount equal to one per cent. (plus VAT, if applicable) of each collection of interest and principal received on the Sunrise II Loan for so long as it remains a Corrected Loan. However, no Sunrise II Workout Fee will be payable if the Special Servicer Transfer Event which gave rise to the Sunrise II Loan becoming a Specially Serviced Loan, ceased to exist within two weeks of it becoming a Specially Serviced Loan and no other Special Servicer Transfer Event occurred while the Sunrise II Loan remained a Specially Serviced Loan.

The Sunrise II Special Servicing Fee will cease to be payable by, among others, the Issuer in relation to the Citibank Sunrise II Loan if any of the following events (each, a "**Liquidation Event**") occurs in relation to the Citibank Sunrise II Loan:

(a) the Citibank Sunrise II Loan is repaid in full;

(b) a Final Recovery Determination is made with respect to the Citibank Sunrise II Loan; or

(c) the Citibank Sunrise II Loan is repurchased under the relevant Mortgage Sale Agreement or purchased by the Master Servicer pursuant to the issuer servicing agreement.

"**Final Recovery Determination**" means, in relation to the Sunrise II Loan, a determination by the Special Servicer acting in accordance with the Sunrise II Servicing Standard that there has been a recovery of all principal as a result of enforcement procedures undertaken in respect of the Sunrise II Loan and other payments or recoveries that, in the Special Servicer's judgment, will ultimately be recoverable with respect to the Sunrise II Loan, such judgment to be exercised in accordance with the Sunrise II Servicing Standard.

On each Interest Payment Date, the Sunrise II Facility Agent and the Special Servicer will be entitled to be reimbursed (with interest thereon) by, among others, the Issuer in respect of out-of-pocket costs, expenses and charges properly incurred by each of them in the performance of their respective obligations under the Sunrise II Loan Servicing Agreement. Any such costs and expenses incurred will be payable by the Issuer on a *pro rata* basis by reference to the principal amount outstanding of the Citibank Sunrise II Loan relative to the DB Sunrise II Loan as a collective whole.

CASH MANAGEMENT

Cash Manager

On or before the Issue Date, the Issuer will enter into the Cash Management Agreement, pursuant to which each of the Issuer and the Trustee will appoint Citibank, N.A., London Branch (in its capacity as the Cash Manager) to be its agent to provide certain cash management services (the "**Cash Management Services**"). The Cash Manager will undertake with the Issuer and the Trustee that, in performing the Cash Management Services, the Cash Manager will comply with any directions, orders and instructions which the Issuer or the Trustee may from time to time give to the Cash Manager in accordance with the provisions of the Cash Management Agreement.

Calculation of Amounts and Payments

Under the Servicing Agreements, the Master Servicer is required to identify funds paid under the Credit Agreements and any Related Security, as principal, interest and other amounts on the relevant ledgers. The Master Servicer will advise the Cash Manager of these determinations and the Cash Manager will allocate funds accordingly. The Cash Manager is required to apply funds in the Issuer Accounts in accordance with the Deed of Charge and the Cash Management Agreement. See "**Cashflows**" above.

The Cash Manager will be authorised to invest any available funds standing to the credit of the Issuer Accounts in Eligible Investments in accordance with the provisions of the Cash Management Agreement. All amounts earned on such investments of amounts held in the relevant Issuer Account will be included in Revenue Funds.

On each Determination Date, the Cash Manager is required to determine, from information provided by the Master Servicer, the various amounts required to pay interest and principal due on the Notes on the forthcoming Interest Payment Date and all other amounts then payable by the Issuer and the amounts available to make such payments. In addition, the Cash Manager will calculate the Principal Amount Outstanding and the Pool Factor for each class of Notes for the Interest Period commencing on the next following Interest Payment Date and the amount of each principal payment (if any) due on each class of Notes on the next following Interest Payment Date, in each case pursuant to Conditions 7.2 and 7.3. The Cash Manager will make all payments required to carry out an optional redemption of Notes pursuant to Condition 7, in each case according to the provisions of the relevant Condition. See further "**Terms and Conditions of the Notes**" below. In the event that the Cash Manager determines, on or prior to a Determination Date, that there is a shortfall between amounts available in the Issuer Revenue Account and the amount of scheduled interest due on the Notes in respect of the immediately following Interest Payment Date the Cash Manager will withdraw available funds (if any) from the Expenses Account, which funds will thereafter be deemed to form part of Revenue Funds and will be applied in accordance with the Pre-Enforcement Revenue Priority of Payments. See "**Cashflows**" above.

Further, the Cash Manager will make requests for Revenue Priority Amount Drawings under the Liquidity Facility on behalf of the Issuer in accordance with the terms of the Liquidity Facility Agreement and the Cash Manager will procure the transfer of such drawings to the Issuer Revenue Account. See further "Transaction Documents – Liquidity Facility Agreement" above.

The Cash Manager may also use funds standing to the credit of the Expenses Account to meet certain expenses due to third parties which fall due on a date other than an Interest Payment Date and cannot be met by the application of other funds available for the purpose.

If a Liquidity Event (as defined in the Liquidity Facility Agreement) occurs and is outstanding in relation to the Liquidity Facility Provider and the Issuer has not entered into a replacement liquidity facility with a Qualifying Bank with the Liquidity Requisite Ratings, the Cash Manager shall within 30 days, in the case of a ratings downgrade, and in the case of a failure to renew, five Business Days of the Cash Manager being notified of the occurrence of the Liquidity Event request on behalf of the Issuer a Liquidity Stand-by Drawing in amount equal to the undrawn portion of the Liquidity Facility Commitment (as defined in the Liquidity Facility Agreement) at that time. In the event that the Cash Manager makes a Liquidity Stand-by Drawing on behalf of the Issuer, the Cash Manager shall procure that the Liquidity Stand-by Drawing is credited to the Liquidity Stand-by Account opened with the Issuer Account Bank or the Liquidity Facility Provider, if it has the Liquidity Requisite Ratings.

"**Qualifying Bank**" means a bank or financial institution which is:

(a) a legal entity; and

(b) beneficially entitled to the interest paid or to be paid to it (as a Liquidity Facility Provider) under Liquidity Facility Agreement.

Cash Management Quarterly Investor Report and CMSA Investor Reporting Package

The Cash Manager will, in respect of each Determination Date, prepare certain standard Commercial Mortgage Securities Association ("**CMSA**") reports that, together, make up the CMSA investor reporting package (the "**CMSA Investor Reporting Package**") in respect of the Loans. Pursuant to the Cash Management Agreement the Cash Manager will, in respect of each Determination Date, use, amongst other things, the information provided in the Master Servicer Cash Reports and the Master Servicer Loan Pool Reports to produce the CMSA Investor Reporting Package. The Cash Manager will deliver such CMSA Investor Reporting Package to the Issuer and the Trustee by the 10th Business Day after each Determination Date.

The reports contained in the CMSA Investor Reporting Package will be in the form prescribed in the standard CMSA investor reporting package (or as modified to take into account any changes for properties being located in France or Germany, as the case may be) and will be available for inspection at the offices of the Cash Manager located at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. In addition, once a European standard for CMSA reporting has been adopted, the Master Servicer may report using the new format as soon as reasonably practicable.

The Cash Manager will use its reasonable efforts to provide to the Issuer, the Trustee, the Swap Counterparty and the Rating Agencies a completed report (the "**Investor Report**") by the 10th Business Day after each Determination Date in respect of the preceding Loan Interest Period. Each Investor Report will include (i) the information contained in the relevant Loan Pool Report and (ii) details of payments made by the Issuer in respect of the Calculation Period and Interest Period then ended.

The Cash Manager will publish each Investor Report on its website (http://sf.citidirect.com).

Delegation by the Cash Manager

The Cash Manager may, in certain circumstances, without the consent of the Issuer or the Trustee, sub-contract or delegate its obligations under the Cash Management Agreement but will not thereby be released or discharged from any liability under the Cash Management Agreement and will remain responsible for the performance of its obligations under the Cash Management Agreement by any sub-contractor or delegate.

Cash Management Fee

The Issuer will pay to the Cash Manager on each Interest Payment Date a cash management fee as agreed in writing between the Cash Manager and the Issuer and will reimburse the Cash Manager for all out-of-pocket costs and expenses properly incurred by the Cash Manager in the performance of its services. Any successor cash manager will receive remuneration on the same basis.

Termination of Appointment of the Cash Manager

The Issuer or the Trustee may terminate the Cash Manager's appointment upon not less than three months' written notice to each of the Cash Manager and the Rating Agencies or immediately upon the occurrence of a termination event, including, among other things:

(i) a failure by the Cash Manager to make when due a payment required to be made by the Cash Manager on behalf of the Issuer which continues unremedied for 10 Business Days;

(ii) a default in the performance of any of its other duties under the Cash Management Agreement which continues unremedied for 30 Business Days;

(iii) a petition is presented or an effective resolution passed for its winding up or the appointment of an administrator or similar official; or

(iv) both (a) an Acceleration Notice is given by the Trustee pursuant to Condition 10 and (b) the Trustee determines that termination of the Cash Manager's appointment under the Cash Management Agreement is prudent to protect the interests of the Noteholders.

On the termination of the Cash Manager by the Issuer or the Trustee, the Issuer or the Trustee may, subject to certain conditions, appoint a successor cash manager.

In addition, the Cash Manager may resign as Cash Manager upon not less than three months' written notice of resignation to each of the other parties to the Cash Management Agreement and to the Rating Agencies provided that a suitably qualified successor Cash Manager shall have been appointed.

CREDIT STRUCTURE

The Notes will not be obligations or responsibilities of, or guaranteed by, the Trustee, the Swap Counterparty, the Managers, the Paying Agents, the Registrar, the Agent Bank, the Liquidity Facility Provider, the Master Servicer, the Special Servicer, the Cash Manager, the Issuer Account Bank, the Sellers, the Corporate Services Provider or any other company in the same group of companies as, or affiliated to, any of such entities (other than the Issuer). No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes will be accepted by any of the Managers, the Paying Agents, the Registrar, the Agent Bank, the Liquidity Facility Provider, the Master Servicer, the Special Servicer, the Cash Manager, the Issuer Account Bank, the Sellers, the Trustee, the Swap Counterparty, the Corporate Services Provider or by any other company in the same group of companies as, or affiliated to, any of such entities (other than the Issuer).

The ability of the Issuer to meet its obligations to pay the principal of, and interest on, the Notes and its operating and administration expenses will be dependent on the receipt by it of funds under, *inter alia*, the Loans, the FCC Senior Notes, the FCC Residual Notes, the Issuer Bank Agreement, the Eligible Investments and the Swap Agreement. The structure of the credit arrangements may be summarised as follows:

Credit Support for the Rated Notes Provided by Revenue Funds
It is anticipated that, on and after the Issue Date, (i) the interest payable by relevant Borrowers on the Direct Loans and, (ii) the interest payable by the FCC on the FCC Senior Notes and the FCC Residual Notes will, assuming that all of the Loans are fully performing with no prepayments, be sufficient to pay the amounts payable under paragraphs (i) to (xviii) of the Pre-Enforcement Revenue Priority of Payments. Although the actual amount of such interest payable by relevant Borrowers and the FCC (and the interest payable on the Rated Notes) will vary during the life of the Rated Notes, the Issuer will enter into the Swap Agreement for the purpose of, *inter alia*, hedging certain of such risks (as to which, see the section "**Transaction Documents – The Swap Agreement**" above).

To the extent there is any debit balance on any Principal Deficiency Ledger, Revenue Funds will be applied (after making payments or provisions ranking higher in the Pre-Enforcement Revenue Priority of Payments) on each Interest Payment Date towards reducing any such debit balance, provided that all interest due and owing on a class of Notes (other than the Class R Notes) is satisfied in full before reducing any debit balance on the Principal Deficiency Ledger relating to that class of Notes in accordance with the Pre-Enforcement Revenue Priority of Payments (see the section "– Principal Deficiency Ledgers" below).

Use of Expenses Account and Available Redemption Funds to Pay Senior Expenses Shortfall
On each Determination Date, the Cash Manager will determine whether Revenue Funds are sufficient to pay or provide for payment of paragraphs (i) to (vi) (inclusive) of the Pre-Enforcement Revenue Priority of Payments on the immediately following Interest Payment Date. To the extent that Revenue Funds are insufficient for this purpose (the amount of any deficit being the Senior Expenses Shortfall), the Issuer will utilise amounts standing to the credit of the Expenses Account and then the Available Redemption Funds as Revenue Funds in accordance with the Pre-Enforcement Principal Priority of Payments.

Principal Deficiency Ledgers
The Principal Deficiency Ledgers will be comprised of the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger, the Class D Principal Deficiency Ledger, the Class E Principal Deficiency Ledger and the Class F Principal Deficiency Ledger which will be established on the Issue Date in order to record any use of Available Redemption Funds to meet Senior Expenses Shortfall, Loss, Writebacks or use of Revenue Funds to reduce any debit balance (see the section "Transaction Summary – Principal Features of the Notes – Principal Deficiency Ledgers" above).

Subordination of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class R Notes
The holders of the Class B Notes will not be entitled to receive any payment of interest due or overdue in respect of the Class B Notes unless and until (i) all amounts of interest then due or overdue to the holders of the Class A Notes, (ii) any debit balance on the Class A Principal Deficiency Ledger, and (iii) certain other expenses of the Issuer payable in priority to the Class B Notes have been paid or otherwise satisfied in full. Upon enforcement of the Issuer Security all payments in respect of the Class B Notes are subordinated to payments in respect of the Class A Notes.

The holders of the Class C Notes will not be entitled to receive any payment of interest due or overdue in respect of the Class C Notes unless and until (i) all amounts of interest then due or overdue to the holders of the Class A Notes and the Class B Notes, (ii) any debit balance on the Class A Principal Deficiency Ledger and the Class B Principal Deficiency Ledger, and (iii) certain other expenses of the Issuer payable in priority to the Class C Notes have been paid or otherwise satisfied in full. Upon enforcement of the Issuer Security all payments in respect of the Class C Notes are subordinated to payments in respect of the Class A Notes and the Class B Notes.

The holders of the Class D Notes will not be entitled to receive any payment of interest due or overdue in respect of the Class D Notes unless and until (i) all amounts of interest then due or overdue to the holders of the Class A Notes, the Class B Notes and the Class C Notes, (ii) any debit balance on the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger and the Class D Principal Deficiency Ledger, and (iii) certain other expenses of the Issuer payable in priority to the Class D Notes have been paid or otherwise satisfied in full. Upon enforcement of the Issuer Security all payments in respect of the Class D Notes are subordinated to payments in respect of the Class A Notes, the Class B Notes and the Class C Notes, other than with respect to any Excess Class D Interest Amount. Any Excess Class D Interest Amount will not be due and will only become payable by the Issuer if there are sufficient Revenue Funds available in accordance with the relevant Priority of Payments on any subsequent Interest Payment Date and will not bear interest. Non-payment of the Excess Class D Interest Amount at any time does not constitute an Event of Default even if the Class D Notes are the Most Senior Class of Notes outstanding.

The holders of the Class E Notes will not be entitled to receive any payment of interest due or overdue in respect of the Class E Notes unless and until (i) all amounts of interest then due or overdue to the holders of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, (ii) any debit balance on the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger and the Class D Principal Deficiency Ledger, respectively, and (iii) certain other expenses of the Issuer payable in priority to the Class E Notes have been paid or otherwise satisfied in full, and upon enforcement of the Issuer Security all payments in respect of the Class E Notes are subordinated to payments in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, other than with respect to any Excess Class E Interest Amount. Any Excess Class E Interest Amount will not be due and will only become payable by the Issuer if there are sufficient Revenue Funds available in accordance with the relevant Priority of Payments on any following Interest Payment Date and will not bear interest. Non-payment of the Excess Class E Interest Amount at any time does not constitute an Event of Default even if the Class E Notes are the Most Senior Class of Notes outstanding.

The holders of the Class F Notes will not be entitled to receive any payment of interest due or overdue in respect of the Class F Notes unless and until (i) all amounts of interest then due or overdue to the holders of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, (ii) any debit balance on the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger, the Class D Principal Deficiency Ledger and the Class E Principal Deficiency Ledger, respectively, and (iii) certain other expenses of the Issuer payable in priority to the Class F Notes have been paid or otherwise satisfied in full, and upon enforcement of the Issuer Security all payments in respect of the Class F Notes are subordinated to payments in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, other than with respect to any Excess Class F Interest Amount. Any Excess Class F Interest Amount will not be due and will only become payable by the Issuer if there are sufficient Revenue Funds available in accordance with the relevant Priority of Payments on any following Interest Payment Date and will not bear interest. Non-payment of the Excess Class F Interest Amount at any time does not constitute an Event of Default even if the Class F Notes are the Most Senior Class of Notes outstanding.

The holders of the Class R Notes will not be entitled to receive any payment of interest due or overdue in respect of the Class R Notes unless and until (i) all amounts of interest then due or overdue to the holders of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, (ii) any debit balance on the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger, the Class D Principal Deficiency Ledger, the Class E Principal Deficiency Ledger and the Class F Principal Deficiency Ledger, respectively, and (iii) certain other expenses of the Issuer payable in priority to the Class R Notes have been paid or otherwise satisfied in full. Upon enforcement of the Issuer Security all payments in respect of the Class R Notes are subordinated to payments in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

USE OF PROCEEDS

The gross proceeds of the issue of the Notes of approximately €489,775,000 will be applied by the Issuer on the Issue Date as follows:

(i) in an amount of approximately €437,416,385, to purchase the Direct Loan Pool, the Direct Loan Pool Security and the rights of the Sellers as lender under the finance documents in respect of each Direct Loan from the Sellers and the rights and obligations under the Swap Transactions from the Swap Counterparty;

(ii) in an amount of approximately €48,400,000, to purchase the FCC Senior Notes and the FCC Residual Notes from the FCC; and

(iii) in an amount of approximately €3,900,000, to make a deposit into the Expenses Account.

The expenses of the issue of the Notes will be met by the Issuer and will be paid by the Issuer out of the Expenses Account.

ESTIMATED AVERAGE LIFE OF THE RATED NOTES AND ASSUMPTIONS

The average life of the Rated Notes cannot be predicted, as the actual rate at which Loans will be prepaid and a number of other relevant factors are unknown.

Calculations of the possible average life of each class of the Rated Notes can be made based on certain assumptions. Such assumptions include, without limitation, the following assumptions:

(i) the Issue Date is 26 June 2007;

(ii) Interest Payment Dates are 30 January, 30 April, 30 July and 30 October, with the first Interest Payment Date being in July 2007;

(iii) no Loans are sold by the Issuer or the FCC;

(iv) the Loans do not default, are not prepaid (in whole or in part) except for the portion determined by the assumed constant prepayment rate ("**CPR**"), nor are they enforced and no loss arises;

(v) the Issuer exercises its option to redeem the Notes in accordance with Condition 7.4 as soon as it is exercisable;

(vi) the Swap Transactions are not terminated;

(vii) the Loans prepay at the rate of zero per cent. annual CPR as set out in the table below;

(viii) all principal payments on the Loans are, directly or indirectly, allocated sequentially or on a *pro rata* basis to the Rated Notes; and

(ix) the average lives of the Rated Notes are calculated on an actual/360 basis.

The average lives of the Rated Notes will be subject to factors outside the control of the Issuer and consequently no assurance can be given that these estimates will in fact be realised and must therefore be viewed with considerable caution.

The following table shows the percentage of Principal Amount Outstanding (ignoring any adjustments for Principal Deficiencies) and subordination of the Notes assuming a zero per cent. (0%) annual CPR.

Principal Amount Outstanding (end of period) (%)						
Payment Date	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes
Closing	100.0	100.0	100.0	100.0	100.0	100.0
Jul-07	99.7	100.0	100.0	100.0	100.0	100.0
Oct-07	99.4	100.0	100.0	100.0	100.0	100.0
Jan-08	99.2	100.0	100.0	100.0	100.0	100.0
Apr-08	98.9	100.0	100.0	100.0	100.0	100.0
Jul-08	98.6	100.0	100.0	100.0	100.0	100.0
Oct-08	98.3	100.0	100.0	100.0	100.0	100.0
Jan-09	98.0	100.0	100.0	100.0	100.0	100.0
Apr-09	97.7	100.0	100.0	100.0	100.0	100.0
Jul-09	97.4	100.0	100.0	100.0	100.0	100.0
Oct-09	97.0	100.0	100.0	100.0	100.0	100.0
Jan-10	96.7	100.0	100.0	100.0	100.0	100.0
Apr-10	96.4	100.0	100.0	100.0	100.0	100.0
Jul-10	96.0	100.0	100.0	100.0	100.0	100.0
Oct-10	95.7	100.0	100.0	100.0	100.0	100.0
Jan-11	95.4	100.0	100.0	100.0	100.0	100.0
Apr-11	95.0	100.0	100.0	100.0	100.0	100.0
Jul-11	58.0	83.0	83.0	83.0	83.0	100.0
Oct-11	46.0	73.4	73.4	73.4	73.4	94.9
Jan-12	32.1	64.3	64.3	64.3	64.3	94.9
Apr-12	29.0	58.2	58.2	58.2	58.2	85.9
Jul-12	28.9	58.2	58.2	58.2	58.2	85.9
Oct-12	28.9	58.2	58.2	58.2	58.2	85.9
Jan-13	18.6	48.4	48.4	48.4	48.4	81.8
Apr-13	6.5	27.7	27.7	27.7	27.7	57.3
Jul-13	—	—	—	—	—	—
Average Life	4.7	5.4	5.4	5.4	5.4	5.9

Percentage of Notes Subordination (end of period)						
Payment Date	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes
Closing	21.7	15.6	8.4	2.2	1.4	—
Jul-07	21.8	15.6	8.4	2.2	1.4	—
Oct-07	21.8	15.6	8.4	2.2	1.4	—
Jan-08	21.9	15.7	8.4	2.2	1.4	—
Apr-08	21.9	15.7	8.4	2.2	1.4	—
Jul-08	22.0	15.7	8.5	2.2	1.4	—
Oct-08	22.0	15.8	8.5	2.2	1.4	—
Jan-09	22.1	15.8	8.5	2.2	1.4	—
Apr-09	22.1	15.8	8.5	2.2	1.4	—
Jul-09	22.2	15.9	8.5	2.2	1.4	—
Oct-09	22.2	15.9	8.6	2.2	1.4	—
Jan-10	22.3	16.0	8.6	2.2	1.4	—
Apr-10	22.4	16.0	8.6	2.2	1.4	—
Jul-10	22.4	16.1	8.6	2.3	1.4	—
Oct-10	22.5	16.1	8.6	2.3	1.4	—
Jan-11	22.6	16.1	8.7	2.3	1.4	—
Apr-11	22.6	16.2	8.7	2.3	1.4	—
Jul-11	28.7	20.6	11.3	3.2	2.1	—
Oct-11	31.1	22.4	12.3	3.6	2.5	—
Jan-12	36.4	26.4	14.6	4.6	3.3	—
Apr-12	36.5	26.4	14.7	4.6	3.3	—
Jul-12	36.5	26.4	14.7	4.6	3.3	—
Oct-12	36.6	26.5	14.7	4.6	3.3	—
Jan-13	43.0	31.3	17.6	5.9	4.4	—
Apr-13	55.8	40.9	23.6	8.7	6.8	—
Jul-13	—	—	—	—	—	—

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes (the "Conditions" and any reference to a Condition shall be construed accordingly) which will (subject to modification) be endorsed or attached on each Note in bearer or registered form and (subject to the provisions thereof) will apply to each such Note.

EuroProp (EMC VI) S.A. (the "**Issuer**") is a limited liability company (société anonyme) incorporated under the Luxembourg law of 22 March 2004 on securitisation (the "**Securitisation Law**").

The €380,250,000 Class A Mortgage Backed Floating Rate Notes due 2017 (the "**Class A Notes**"), the €30,000,000 Class B Mortgage Backed Floating Rate Notes due 2017 (the "**Class B Notes**"), the €35,000,000 Class C Mortgage Backed Floating Rate Notes due 2017 (the "**Class C Notes**"), the €30,000,000 Class D Mortgage Backed Floating Rate Notes due 2017 (the "**Class D Notes**"), the €4,000,000 Class E Mortgage Backed Floating Rate Notes due 2017 (the "**Class E Notes**"), the €6,625,000 Class F Mortgage Backed Floating Rate Notes due 2017 (the "**Class F Notes**" and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Rated Notes**") and the €3,900,000 Class R Floating Rate Notes due 2017 (the "**Class R Notes**" and, together with the Rated Notes, the "**Notes**") in each case of the Issuer) are constituted by a trust deed (the "**Trust Deed**") dated 26 June 2007 (the "**Issue Date**") and made between the Issuer and Capita Trust Company Limited as trustee for the Noteholders (as defined below) and as security trustee under the Deed of Charge and the French Pledge Agreements for the Secured Creditors (each as defined below) (in such capacities, the "**Trustee**"). Any reference in these terms and conditions ("**Conditions**") to a class of Notes or of Noteholders shall be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Class R Notes, as the case may be, or to the respective holders thereof.

The security for the Notes is constituted by a deed of charge and assignment (the "**Deed of Charge**") dated the Issue Date and made between, *inter alios*, the Issuer and the Trustee.

Pursuant to an agency agreement (the "**Agency Agreement**") dated the Issue Date, as amended or supplemented from time to time, and made between the Issuer, Citibank International plc as Irish paying agent (the "**Irish Paying Agent**"), Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**" and, together with such additional or other paying agents, if any, appointed from time to time pursuant to the Agency Agreement, the "**Paying Agents**"), Citibank, N.A., London Branch as agent bank (the "**Agent Bank**") and the Trustee, provision is made for the payment of principal and interest in respect of each class of Rated Notes. In respect of the Class R Notes, Structured Finance Management (Luxembourg) S.A. has been appointed as the registrar (the "**Registrar**") pursuant to the Registrar Agreement.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge and the master definitions schedule (the "**Master Definitions Schedule**") signed by the parties to the Transaction Documents for the purpose of identification on or about the Issue Date.

Copies of the Trust Deed, the Deed of Charge, the Agency Agreement, the Master Definitions Schedule and the other Transaction Documents are available for inspection during normal business hours at the specified office for the time being of each of the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

Capitalised terms not otherwise defined in these Conditions shall bear the meanings given to them in the Master Definitions Schedule available as described above. These Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions Schedule.

1 Form, Denomination and Title

1.1 Temporary Global Notes

Each class of the Rated Notes, subject to *pro rata* redemption of Notes of the same class, is initially represented by a temporary global note (each a "**Temporary Global Note**") in bearer form in the aggregate principal amount on issue of €380,250,000 for the Class A Notes, €30,000,000 for the Class B Notes, €35,000,000 for the Class C Notes, €30,000,000 for the Class D Notes, €4,000,000 for the Class E Notes and €6,625,000 for the Class F Notes. Each Temporary Global Note relating

to the Class A Notes will be issued in new global note ("**NGN**") form (hereafter also referred to as "**NGNs**") and has been deposited on the Issue Date to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), and the nominal amount of the Notes shall be the aggregate amount entered in the records of Euroclear or Clearstream, Luxembourg. Each Temporary Global Note relating to the Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes which are issued in classic global note ("**CGN**") form (hereafter also referred to as "**CGNs**") has been deposited on behalf of the subscribers of the relevant class of Rated Notes with a common depositary (the "**Common Depositary**") for Clearstream, Luxembourg and Euroclear on the Issue Date. Upon deposit of the Temporary Global Notes issued as CGNs, Clearstream, Luxembourg and Euroclear credited each subscriber of Rated Notes with the principal amount of Rated Notes of the relevant class equal to the aggregate principal amount thereof for which it had subscribed and paid.

1.2 Permanent Global Notes

Interests in each Temporary Global Note are exchangeable on and after the date which is 40 days after the Issue Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder, for interests in a permanent global note (each a "**Permanent Global Note**") representing the same class of Notes (the expressions "**Global Notes**" and "**Global Note**" meaning, respectively, (i) all the Temporary Global Notes and the Permanent Global Notes or the Temporary Global Note and the Permanent Global Note of a particular class, or (ii) any of the Temporary Global Notes or Permanent Global Notes, as the context may require). The Permanent Global Notes issued in CGN form have also been deposited with the Common Depositary for Clearstream, Luxembourg and Euroclear. The Permanent Global Notes issued in NGN form have also been deposited with the Common Safekeeper.

1.3 Registered Notes

The Class R Notes will be in registered form. Certificates for the Class R Notes will be issued in definitive registered form and delivered to the subscribers thereof on the Issue Date upon certification as to non-U.S. beneficial ownership.

1.4 Definitive Notes

If, while any of the Rated Notes are represented by a Permanent Global Note (i) either Clearstream, Luxembourg or Euroclear is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Trustee is then in existence or (ii) as a result of any amendment to, or change in, the laws or regulations of Luxembourg (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the Issue Date, the Issuer or any Paying Agent is or will on the next Interest Payment Date (as defined below) be required to make any deduction or withholding from any payment in respect of such Rated Notes which would not be required were such Rated Notes in definitive form, then the Issuer will issue Rated Notes of the relevant class in definitive form ("**Definitive Notes**") in exchange for such Permanent Global Note (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event. These Conditions and the Transaction Documents will be amended in such manner as the Trustee requires to take account of the issue of Definitive Notes.

1.5 Form and title

(i) Global Notes

Each Global Note shall be issued in bearer form without coupons or talons attached. The Global Notes in respect of the Class A Notes will be issued as NGNs and will be delivered on or prior to the Issue Date to the Common Safekeeper for Euroclear and Clearstream, Luxembourg. For the Global Notes issued as CGNs, upon the initial deposit of the Global Notes with the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the

Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Title to the Global Notes will pass by delivery. Interests in a Global Note will be transferable in accordance with the rules and procedures for the time being of Clearstream, Luxembourg or Euroclear, as the case may be.

"**Noteholders**" means each person (other than Clearstream, Luxembourg or Euroclear themselves) who is for the time being shown in the records of Clearstream, Luxembourg or Euroclear as the holder of a particular Principal Amount Outstanding (as defined in Condition 7.3) of the Notes of any class (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of the Notes standing to the account of any person shall be conclusive and binding for all purposes) and such person shall be treated by the Issuer, the Trustee and all other persons as the holder of such Principal Amount Outstanding of such Notes for all purposes, other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Issuer, the Trustee and all other persons, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and for which purpose Noteholders means the bearer of the relevant Global Note; and related expressions shall be construed accordingly.

(ii) Definitive Notes

Definitive Notes will be serially numbered and will be issued in bearer form with (at the date of issue) interest coupons, principal coupons and, if necessary, talons attached.

(iii) Registered Notes

Each Class R Note shall be issued in a minimum denomination of €100,000 and integral multiples of €50,000 in excess thereof without coupons or talons attached. Title to the Class R Notes will pass by transfer and registration as described in Condition 4.2. The person in whose name any Class R Note is registered will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or its theft or loss) and no person will be liable for so treating such person.

1.6 Noteholders

(i) "**Class A Noteholders**" means Noteholders in respect of the Class A Notes;

(ii) "**Class B Noteholders**" means Noteholders in respect of the Class B Notes;

(iii) "**Class C Noteholders**" means Noteholders in respect of the Class C Notes;

(iv) "**Class D Noteholders**" means Noteholders in respect of the Class D Notes;

(v) "**Class E Noteholders**" means Noteholders in respect of the Class E Notes;

(vi) "**Class F Noteholders**" means Noteholders in respect of the Class F Notes; and

(vii) "**Class R Noteholders**" means Noteholders in respect of the Class R Notes.

1.7 Trading in differing nominal amounts

(i) For so long as the Rated Notes of any class are represented by a Global Note, and the rules of Euroclear and Clearstream, Luxembourg so permit, the Rated Notes of that class will be tradeable in minimum nominal amounts of €125,000 (the "**Minimum Denomination**") and integral multiples of €1,000 in excess thereof.

(ii) If Definitive Notes for that class of Rated Notes are required to be issued and printed, such Rated Notes will be in the denomination of €125,000 and every denomination between €126,000 and €249,000 that is a multiple of €1,000. Under no circumstances will Definitive Notes be issued in respect of a principal amount of Rated Notes which is less than the Minimum Denomination and any Noteholder holding Rated Notes having a nominal amount which cannot be represented by a

Definitive Note in the Minimum Denomination will not be entitled to receive a Definitive Note in respect of such Rated Notes and will not therefore be able to receive principal or interest in respect of such Rated Notes. The absence of any obligation on the Issuer to issue a Definitive Note in respect of a holder of Rated Notes which in aggregate principal amount is less than the Minimum Denomination shall not limit the rights of the relevant Noteholder against the Issuer under the Trust Deed and/or any of the other Transaction Documents in respect of such holding of Rated Notes.

(iii) At any meeting of Noteholders of any class:

(a) any vote cast will be valid only if it is in respect of not less than €125,000 (or €100,000 in case of the Class R Notes) in nominal amount; and

(b) any such holding will be counted for the purposes of determining whether or not a meeting is quorate only to the extent that it is in respect of not less than €125,000 (or €100,000 in case of the Class R Notes) in nominal amount.

2 Status and Relationship between the Notes and Security

2.1 Status and relationship between the Notes

(i) The Class A Notes constitute direct, secured and unconditional obligations of the Issuer. The Class A Notes rank *pari passu* without preference or priority among themselves.

(ii) The Class B Notes constitute direct, secured and, subject as provided in Conditions 2.3 and 5.6, unconditional obligations of the Issuer. The Class B Notes rank *pari passu* without preference or priority among themselves but junior to the Class A Notes as provided in these Conditions and the Transaction Documents.

(iii) The Class C Notes constitute direct, secured and, subject as provided in Conditions 2.3 and 5.6, unconditional obligations of the Issuer. The Class C Notes rank *pari passu* without preference or priority among themselves but junior to the Class A Notes and the Class B Notes as provided in these Conditions and the Transaction Documents.

(iv) The Class D Notes constitute direct, secured and, subject as provided in Conditions 2.3 and 5.6, unconditional obligations of the Issuer. The Class D Notes rank *pari passu* without preference or priority among themselves but junior to the Class A Notes, the Class B Notes and the Class C Notes as provided in these Conditions and the Transaction Documents.

(v) The Class E Notes constitute direct, secured and, subject as provided in Conditions 2.3 and 5.6, unconditional obligations of the Issuer. The Class E Notes rank *pari passu* without preference or priority among themselves but junior to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as provided in these Conditions and the Transaction Documents.

(vi) The Class F Notes constitute direct, secured and, subject as provided in Conditions 2.3 and 5.6, unconditional obligations of the Issuer. The Class F Notes rank *pari passu* without preference or priority among themselves but junior to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes as provided in these Conditions and the Transaction Documents.

(vii) The Class R Notes constitute direct, secured and, subject as provided in Conditions 2.3 and 5.6, unconditional obligations of the Issuer. The Class R Notes rank *pari passu* without preference or priority among themselves but junior to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as provided in these Conditions and the Transaction Documents.

2.2 Issuer Security

(i) The security constituted by the Deed of Charge and the French Pledge Agreements is granted to the Trustee, on trust for the Noteholders and certain other creditors of the Issuer, upon and subject to the terms and conditions of the same.

(ii) The Noteholders will share in the benefit of the security constituted by the Deed of Charge and the French Pledge Agreements, upon and subject to the terms and conditions of the same.

2.3 Shortfall after application of proceeds

If the net proceeds of the enforcement and/or realisation of the security under the Deed of Charge or from assets otherwise forming part of the Issuer (the "**Net Proceeds**") are not sufficient to make

all payments which, but for the effect of this provision, would then be due to the Secured Creditors, then the obligations of the Issuer in respect of them will be limited to such Net Proceeds and not to any other assets of the Issuer, which shall not be available for payment of any Shortfall arising therefrom. Any such Shortfall shall be borne by the Noteholders in inverse order of priority as set out in Condition 2.1 above.

The Issuer will not be obliged to make any further payment in excess of the Net Proceeds and accordingly no debt shall be owed by the Issuer in respect of any Shortfall remaining after realisation of the security under Condition 2.2 and application of the Net Proceeds in accordance with the Deed of Charge and the French Pledge Agreements. The Trustee, the Principal Paying Agent, the Irish Paying Agent, the Agent Bank and the Registrar, any Noteholder and any other Secured Creditor may not take any further action to recover such Shortfall. Failure to make any payment in respect of any Shortfall shall in no circumstances constitute an Event of Default under Condition 10.

In this Condition, "**Shortfall**" means the difference between the amount of the Net Proceeds and the amount which would but for this Condition 2.3 have been due to the Secured Creditors.

3 Covenants

3.1 Issuer

(A) Save with the prior written consent of the Trustee or unless otherwise permitted under any of the Trust Deed, the Deed of Charge, the Agency Agreement, the Registrar Agreement, the Servicing Agreements, the Sunrise II Loan Servicing Agreement, the Cash Management Agreement, the Issuer Bank Agreement, the Mortgage Sale Agreements, the Signac Mortgage Sale Agreement, the Liquidity Facility Agreement, the Swap Agreement, the Corporate Services Agreement (together with the Master Definitions Schedule and any other document designated as such by the Issuer and the Trustee, the "**Transaction Documents**") or any of the Permitted Transaction Documents, the Issuer shall not, so long as any Note remains outstanding (as defined in the Trust Deed):

(i) Negative pledge:

create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertaking;

(ii) Restrictions on activities:

(a) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents and such other Permitted Transaction Documents provide or envisage that the Issuer will engage;

(b) have any subsidiaries or any employees;

(c) act as director of any company; or

(d) own or lease any premises;

(iii) Disposal of assets:

transfer, sell, lend, part with, convey, assign or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertakings or any interest, estate, right, title or benefit therein;

(iv) Dividends or distributions:

pay any dividend or make any other distribution to its shareholders or issue any further shares;

(v) Indebtedness:

incur any financial indebtedness (other than indebtedness permitted to be incurred pursuant to, or as contemplated in, any of the Transaction Documents or any other Permitted Transaction Documents) or give any guarantee in respect of any financial indebtedness or of any other obligation of any person;

(vi) Merger:

consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;

(vii) No modification or waiver:

permit any of the Transaction Documents or any other Permitted Transaction Document to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents or any other Permitted Transaction Document to which it is a party or permit any party to any of the Transaction Documents or any other Permitted Transaction Document to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents or any other Permitted Transaction Document to which it is a party.

(viii) Bank accounts:

have an interest in any bank account other than the Issuer Accounts, an account into which subscription monies in respect of the shares in the Issuer are paid, and the accounts of the Issuer established in connection with any other Permitted Note Issue, unless such account or interest therein is charged to the Trustee on terms acceptable to it.

In giving any consent to the foregoing, the Trustee may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents or any other Permitted Transaction Document or may impose such other conditions or requirements as the Trustee may deem expedient in the interests of the Noteholders.

(B) For so long as the Notes remain outstanding, the Issuer will not be permitted to issue securities except in relation to the issue of the Notes.

3.2 Master Servicer

(i) So long as any of the Notes remain outstanding, the Issuer will procure that there will at all times be a master servicer (the "**Master Servicer**") for the servicing of the Loans and the performance of the other administrative duties set out in the Servicing Agreement.

(ii) The Servicing Agreement will provide that (a) the Master Servicer will not be permitted to terminate its appointment unless a replacement master servicer acceptable to the Issuer and the Trustee has been appointed and (b) the appointment of the Master Servicer may be terminated by the Trustee if, among other things, the Master Servicer defaults in any material respect in the observance and performance of any obligation imposed on it under the Servicing Agreement, which default is not remedied within 30 Business Days after written notice of such default shall have been served on the Master Servicer by the Issuer or the Trustee.

3.3 Special Servicer and Operating Adviser

(i) If any class of Noteholders is the Controlling Creditor (as defined in the relevant Direct Loan Servicing Agreement), then the Issuer, upon being so instructed by an Extraordinary Resolution of that class of Noteholders, will exercise its rights under such Direct Loan Servicing Agreement to appoint a substitute or successor special servicer ("**Special Servicer**") in respect of the relevant Loan subject to the conditions of such Direct Loan Servicing Agreement.

(ii) If any class of Noteholders is the Controlling Creditor, it may, by an Extraordinary Resolution passed by that class of Noteholders, appoint an adviser (the "**Operating Adviser**") with whom the Special Servicer will be required to liaise in accordance with the terms of the relevant Servicing Agreement.

4 Registration and Transfer of the Class R Notes

4.1 Registration

The Issuer will cause to be kept at the specified office of the Registrar a register (the "**Register**") on which shall be entered the name and address of the holders of the Class R Notes and the

particulars of the Class R Notes and of all transfers of the Class R Notes. Upon transfer of any Class R Note, the Registrar shall deliver to the Issuer an up-to-date copy of the Register after each transfer and the subsequent entry in the Register of the new Class R Noteholder.

4.2 Transfer of Class R Notes

(i) The Class R Notes may, subject to the terms of the Registrar Agreement and to Condition 4.2(iii) below, be transferred in whole or in part (in the principal amount of €100,000 or any integral multiple of €50,000 in excess thereof above such amount) by registering the transfer of the Class R Note in a register maintained at the specified office of the Registrar. No transfer of any Class R Note will be valid unless and until entered on the Register. A Class R Note may be registered only in the name of, and transferred only to, a named person.

The Registrar will, within seven Business Days of the date of registering the transfer of a Class R Note, deliver a certificate to the transferee at the specified office of the Registrar, or (at the risk and, if mailed at the request of the transferee otherwise than by ordinary mail, at the expense of the transferee) mail the certificate by uninsured mail to such address, other than an address in the United States, as the transferee may request. In the case of the transfer of part only of a Class R Note, a certificate in respect of the balance of the Class R Note not transferred will be delivered or (at the risk of the transferor) sent to the transferor.

(ii) Any such transfer as aforesaid will be effected without charge subject to (a) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges payable in connection therewith, (b) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (c) such reasonable regulations as the Issuer may from time to time agree with the Registrar and the Trustee. A copy of the regulations will be mailed by the Registrar (free of charge) to any Class R Noteholder who so requests.

(iii) Neither the Issuer nor the Registrar, as appropriate, will be required to register the transfer of a Class R Note during the period of 10 days immediately prior to an Interest Payment Date or the Final Maturity Date.

5 Interest

5.1 Interest accrual

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest from and including the due date for redemption unless, upon due presentation in accordance with Condition 6, payment of the principal in respect of the Note is improperly withheld or refused or default is otherwise made in respect of the payment, in which event interest shall continue to accrue as provided in the Trust Deed.

5.2 Interest Payment Dates

The Notes bear interest on their respective Principal Amounts Outstanding from and including the Issue Date payable quarterly in arrear on 30 January, 30 April, 30 July and 30 October in each year (each an "**Interest Payment Date**") in respect of the Interest Period (as defined below) ended immediately prior thereto. If any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day, unless it will then fall into the next calendar month, in which event it shall be brought forward to the immediately preceding Business Day. The first payment shall be due on the Interest Payment Date falling in July 2007. The period from and including the Issue Date to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

5.3 Rate of Interest

For the purposes of determining the rate of interest payable from time to time in respect of each class of the Notes (other than the Class R Notes for the Interest Period) (each a "**Rate of Interest**"), Note EURIBOR will be determined by the Agent Bank on the basis of the following provisions:

(i) on each Interest Determination Date (as defined below) the Agent Bank will determine the Screen Rate (as defined below) as of 11.00 a.m. (Brussels time) on that Interest Determination Date. If the Screen Rate is unavailable, the Agent Bank will request the principal London office of each of the Reference Banks (as defined below) to provide the Agent Bank with the rate at which deposits in Euros are offered by it to prime banks in the Eurozone interbank market for three months (or, in the case of the first Interest Period, a linear interpolation of the interest rates for 1 month deposits in Euros and 2 months deposits in Euros) at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question and for a Representative Amount (as defined below);

(ii) the Rate of Interest for the Interest Period in respect of each class of the Notes (other than the Class R Notes) shall be the Screen Rate plus the Margin (as defined below) applicable to the relevant class of Notes or, if the Screen Rate is unavailable, and at least two of the Reference Banks provide such rates, the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) as established by the Agent Bank of such rates, plus the applicable Margin;

(iii) if fewer than two rates are provided as requested, the Rate of Interest for that Interest Period will be the arithmetic mean of the rates quoted by major banks in the Eurozone selected by the Agent Bank, at approximately 11.00 a.m. (Brussels time) on the first day of such Interest Period for loans in Euros to leading European banks for a period of three months (or in the case of the first Interest Period, a linear interpolation of the interest rates for 1 month deposits in Euros and 2 months deposits in Euros) commencing on the first day of such Interest Period and for a Representative Amount, plus the applicable Margin. If the Rate of Interest cannot be determined in accordance with the above provisions, the Rate of Interest shall be determined as at the last preceding Interest Determination Date;

(iv) in these Conditions (except where otherwise defined), the expression:

(a) "**Interest Determination Date**" means two Business Days prior to each Interest Payment Date or, in the case of the first Interest Period, the Issue Date;

(b) "**Margin**" for any Interest Period means:

(I) in respect of the Class A Notes, 0.17 per cent. per annum;

(II) in respect of the Class B Notes, 0.27 per cent. per annum;

(III) in respect of the Class C Notes, 0.48 per cent. per annum;

(IV) in respect of the Class D Notes, 0.85 per cent. per annum;

(V) in respect of the Class E Notes, 1.00 per cent. per annum; and

(VI) in respect of the Class F Notes, 3.25 per cent. per annum;

(c) "**Reference Banks**" means each of five major banks engaged in the Eurozone interbank market as may be selected by the Agent Bank;

(d) "**Representative Amount**" means, in relation to any quotation of a rate for which a Representative Amount is relevant, an amount that is representative for a single transaction in the relevant market at the relevant time; and

(e) "**Screen Rate**" means the rate for three months deposits in Euros in the Eurozone (or, in the case of the first Interest Period, a linear interpolation of the interest rates for 1 month deposits in Euros and 2 months deposits in Euros) which appears on the Moneyline/Telerate Screen Page No. 248 (or such replacement page on that service which displays the information or, if that service ceases to display such information, such page as displays such information on such equivalent service (or, if more than one, that one which is approved by the Trustee) as may replace the Moneyline/Telerate Monitor).

The interest payable on the Class R Notes (the "**Class R Interest Amount**") for any Interest Period (save for the Interest Period ending immediately prior to the Final Maturity Date) is an amount equal to all Revenue Funds received by the Issuer during the relevant Interest Period less all amounts payable by the Issuer on the relevant Interest Payment Date in respect of paragraphs (i) to (xxv) of the Pre-Enforcement Revenue Priority of Payments. No Class R Interest Amount

will be payable on the Final Maturity Date and only the Principal Amount Outstanding in respect of the Class R Notes will be payable on such date in accordance with Condition 7.3. The interest payable on each Class R Note is an amount equal to the product of the Class R Interest Amount and the Principal Amount Outstanding of such Class R Note on the Interest Determination Date immediately preceding the relevant Interest Payment Date, divided by the aggregate Principal Amount Outstanding of all the Class R Notes existing on the Interest Determination Date immediately preceding the relevant Interest Payment Date.

5.4 Determination of rates and amounts of interest

The Agent Bank shall, as soon as practicable after 11.00 a.m. (Brussels time) on each Interest Determination Date, but in no event later than the third Business Day thereafter, determine the respective Euros amounts (the "**Interest Amounts**" payable in respect of interest on the Principal Amount Outstanding of each class of the Notes (other than the Class R Notes) (after deducting, in respect of each class of Notes, the amount of Principal Deficiency (if any) which has been recorded, by way of debit entry, to the Principal Deficiency Ledger of that class of Notes) for the relevant Interest Period. The Interest Amounts (other than those of the Class R Notes) shall be determined by applying the relevant Rate of Interest to such Principal Amount Outstanding, multiplying the product by the actual number of days in the Interest Period concerned divided by 360 and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

For the purposes of this Condition 5.4, "**Principal Deficiency**" means any amount debited to the Principal Deficiency Ledgers by the Cash Manager from time to time.

5.5 Publication of rates and amounts of interest

The Agent Bank shall cause the Rates of Interest and the Interest Amounts, and the Cash Manager shall cause the Class R Interest Amounts for each Interest Period and the relative Interest Payment Date, to be notified to the Issuer, the Trustee and to any stock exchange or other relevant authority on which the Notes are at the relevant time listed and to be published in accordance with Condition 15 as soon as possible after their determination and in no event later than the second Business Day thereafter. The Interest Amounts and Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

5.6 Deferral of interest

Interest on the Notes shall be payable in accordance with this Condition 5 and Condition 6 subject to the following terms of this paragraph:

(i) in the event that, whilst there are Class A Notes outstanding, the aggregate funds (if any) calculated in accordance with the Pre-Enforcement Revenue Priority of Payments as being available to the Issuer on any Interest Payment Date for application in or towards the payment of interest which is, subject to this Condition 5.6, due on the Class B Notes on such Interest Payment Date (such aggregate available funds being referred to in this Condition 5.6 as the "**Class B Residual Amount**") are not sufficient to satisfy in full the aggregate amount of interest which is, subject to this Condition 5.6, due on the Class B Notes on such Interest Payment Date, there shall be payable on such Interest Payment Date, by way of interest on each Class B Note, a *pro rata* share of the Class B Residual Amount;

(ii) in the event that, whilst there are Class A Notes and/or Class B Notes outstanding, the aggregate funds (if any) calculated in accordance with the Pre-Enforcement Revenue Priority of Payments as being available to the Issuer on any Interest Payment Date for application in or towards the payment of interest which is, subject to this Condition 5.6, due on the Class C Notes on such Interest Payment Date (such aggregate available funds being referred to in this Condition 5.6 as the "**Class C Residual Amount**") are not sufficient to satisfy in full the aggregate amount of interest which is, subject to this Condition 5.6, due on the Class C Notes on such Interest Payment Date, there shall be payable on such Interest Payment Date, by way of interest on each Class C Note, a *pro rata* share of the Class C Residual Amount;

(iii) in the event that, whilst there are Class A Notes, Class B Notes and/or Class C Notes outstanding, the aggregate funds (if any) calculated in accordance with the Pre-Enforcement Revenue Priority of Payments as being available to the Issuer on any Interest Payment Date for application in or towards the payment of interest (other than the Excess Class D Interest Amount) which is, subject to this Condition 5.6, due on the Class D Notes on such Interest Payment Date (such aggregate available funds being referred to in this Condition 5.6 as the "**Class D Residual Amount**") are not sufficient to satisfy in full the aggregate amount of interest which is, subject to this Condition 5.6, due on the Class D Notes on such Interest Payment Date, there shall be payable on such Interest Payment Date, by way of interest on each Class D Note, a *pro rata* share of the Class D Residual Amount;

(iv) in the event that, whilst there are Class A Notes, Class B Notes, Class C Notes and/or Class D Notes outstanding, the aggregate funds (if any) calculated in accordance with the Pre-Enforcement Revenue Priority of Payments as being available to the Issuer on any Interest Payment Date for application in or towards the payment of interest (other than the Excess Class E Interest Amount) which is, subject to this Condition 5.6, due on the Class E Notes on such Interest Payment Date (such aggregate available funds being referred to in this Condition 5.6 as the "**Class E Residual Amount**") are not sufficient to satisfy in full the aggregate amount of interest which is, subject to this Condition 5.6, due on the Class E Notes on such Interest Payment Date, there shall be payable on such Interest Payment Date, by way of interest on each Class E Note, a *pro rata* share of the Class E Residual Amount;

(v) in the event that, whilst there are Class A Notes, Class B Notes, Class C Notes, Class D Notes and/or Class E Notes outstanding, the aggregate funds (if any) calculated in accordance with the Pre-Enforcement Revenue Priority of Payments as being available to the Issuer on any Interest Payment Date for application in or towards the payment of interest (other than the Excess Class F Interest Amount) which is, subject to this Condition 5.6, due on the Class F Notes on such Interest Payment Date (such aggregate available funds being referred to in this Condition 5.6 as the "**Class F Residual Amount**") are not sufficient to satisfy in full the aggregate amount of interest which is, subject to this Condition 5.6, due on the Class F Notes on such Interest Payment Date, there shall be payable on such Interest Payment Date, by way of interest on each Class F Note, a *pro rata* share of the Class F Residual Amount; and

(vi) in the event that, whilst there are Class A Notes, Class B Notes, the Class C Notes, Class D Notes, Class E Notes and/or Class F Note outstanding, the aggregate funds (if any) calculated in accordance with the Pre-Enforcement Revenue Priority of Payments as being available to the Issuer on any Interest Payment Date for application in or towards the payment of interest which is, subject to this Condition 5.6, due on the Class R Notes on such Interest Payment Date (such aggregate available funds being referred to in this Condition 5.6 as the "**Class R Residual Amount**") are not sufficient to satisfy in full the aggregate amount of interest which is, subject to this Condition 5.6, due on the Class R Notes on such Interest Payment Date, there shall be payable on such Interest Payment Date, by way of interest on each Class R Note, a *pro rata* share of the Class R Residual Amount.

In the event that, by virtue of the provisions of paragraphs (i) to (v) above, a *pro rata* share of the Class B Residual Amount, the Class C Residual Amount, the Class D Residual Amount, the Class E Residual Amount or the Class F Residual Amount is paid to Noteholders of the relevant class in accordance with such provisions, the Issuer shall create provisions in its accounts for the shortfall equal to the amount by which the aggregate amount of interest paid on the Class B Notes or, as the case may be, the Class C Notes or, as the case may be, the Class D Notes or, as the case may be, the Class E Notes or, as the case may be, the Class F Notes on any Interest Payment Date in accordance with this Condition 5.6 falls short of the aggregate amount of interest payable on the relevant class of Notes on that date pursuant to the other provisions of this Condition 5. Such shortfall shall accrue interest, in the case of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (other than any Excess Interest Amount), at a rate for each Interest Period during which it is outstanding equal to Note EURIBOR plus the Margin for the relevant class of Notes for such Interest Period. A *pro rata* share of such shortfall (other than any shortfall which is an Excess Interest Amount) plus any interest accrued thereon shall be

aggregated with the amount of, and treated for the purpose of this Condition as if it were, interest due, subject to this Condition 5.6, on each Class B Note, Class C Note, Class D Note, Class E Note or Class F Note on the next succeeding Interest Payment Date. This provision shall cease to apply on the Interest Payment Date referred to in Condition 7.1 at which time all accrued interest shall become due and payable. The foregoing provisions of this Condition 5.6 will not apply to any Excess Interest Amounts in respect of the Class D Notes, the Class E Notes and the Class F Notes as to which Condition 5.7 will apply.

As soon as practicable after becoming aware that any interest will be deferred, the Issuer or the Cash Manager acting on its behalf will give notice thereof to the Trustee and the relevant Noteholders in accordance with Condition 15.

5.7 Interest on the Class D Notes, the Class E Notes and the Class F Notes

Notwithstanding Condition 5.6, if on any Interest Payment Date or any other date following the service of an Acceleration Notice or the Notes otherwise becoming due and payable:

(i) the amount of interest that would otherwise be due and payable in respect of the Class D Notes and/or the Class E Notes and/or the Class F Notes would not be paid in full out of the Revenue Funds available to the Issuer;

(ii) there has been a prepayment in respect of any Loan; and

(iii) all interest has been paid when due under each Loan,

then the amount of interest remaining unpaid in respect of the Class D Notes and/or the Class E Notes and/or the Class F Notes after application of the Revenue Funds (the aggregate of amounts being the "**Excess Class D Interest Amount**", "**Excess Class E Interest Amount**" and "**Excess Class F Interest Amount**", respectively, and together the "**Excess Interest Amounts**") will not be due and will only become payable by the Issuer if there are sufficient Revenue Funds available in accordance with the relevant Priority of Payments on any subsequent Interest Payment Date. Notwithstanding any other provision in these Conditions, no Excess Interest Amount will accrue interest.

As soon as practicable after becoming aware that there will be any Excess Class D Interest Amount and/or Excess Class E Interest Amount and/or Excess Class F Interest Amount, the Issuer or the Cash Manager acting on its behalf will give notice thereof to the Trustee and the Class D Noteholders and/or the Class E Noteholders and/or the Class F Noteholders, as the case may be, in accordance with Condition 15.

5.8 Determination or calculation by the Trustee

The Trustee (or the Cash Manager on behalf of the Trustee) shall, if the Agent Bank defaults at any time in its obligation to determine the Rates of Interest and Interest Amounts in accordance with the above provisions, determine the Rates of Interest and Interest Amounts, the former at such rates as the Trustee shall, in its absolute discretion, think fit (having such regard as it shall think fit to the procedure described above) and the determinations shall be deemed to be determinations by the Agent Bank.

5.9 Notifications, etc. to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, whether by the Reference Banks (or any of them), the Agent Bank or the Trustee, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Trustee, the Agent Bank, the Paying Agents and all Noteholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer or the Noteholders shall attach to the Reference Banks (or any of them), the Agent Bank or, if applicable, the Trustee in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition 5.

5.10 Agent Bank

The Issuer shall procure that, so long as any of the Rated Notes remains outstanding, there is at all times an Agent Bank for the purposes of the Rated Notes and the Issuer may, subject to the

prior written approval of the Trustee, terminate the appointment of the Agent Bank. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Agent Bank or failing duly to determine the Rates of Interest and the Interest Amounts for any Interest Period, the Issuer shall, subject to the prior written approval of the Trustee, appoint the London office of another major bank engaged in the London interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed.

5.11 Registrar

The Issuer shall ensure that, so long as any of the Class R Notes remains outstanding, there shall at all times be a Registrar. The initial Registrar shall be Structured Finance Management (Luxembourg) S.A.. In the event of the Registrar being unwilling to act as the Registrar, the Issuer shall appoint such other registrar as may be approved by the Trustee to act as such in its place. The Registrar may not resign until a successor approved by the Trustee has been appointed.

6 Payments

6.1 Payments in respect of Notes

Payments in respect of principal and interest in respect of any Global Note or Definitive Note will be made only against presentation of such Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders in accordance with Condition 15 for such purpose, subject, in the case of any Temporary Global Note, to certification of non-U.S. beneficial ownership as provided in such Temporary Global Note. If the Global Note is a CGN, a record of each payment of principal or interest made in respect of a Global Note will be made on the relevant Global Note by or on behalf of the Principal Paying Agent or such other Paying Agent as aforesaid and such record shall be prima facie evidence that the payment in question has been made. No person appearing from time to time in the records of Clearstream, Luxembourg or of Euroclear as the holder of a Note shall have any claim directly against the Issuer in respect of payments due on such Note while such Note is represented by a Global Note and the Issuer shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note. If the Global Note is an NGN, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

6.2 Method of payment

Payments will be made by credit or transfer to an account in Euros maintained by the payee with, or, at the option of the payee, by a cheque in Euros drawn on an account maintained with, a bank in London.

6.3 Payments subject to applicable laws

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

6.4 Payment only on a Presentation Date

A holder shall be entitled to present a Global Note for payment only on a Presentation Date and shall not, except as provided in Condition 5, be entitled to any further interest or other payment if a Presentation Date is after the due date.

"**Presentation Date**" means a day which (subject to Condition 9):

(i) is or falls after the relevant due date;

(ii) is a Business Day in the place of the specified office of the Paying Agent at which the Global Note is presented for payment; and

(iii) in the case of payment by credit or transfer to a Euros account in London (as referred to above), is a Business Day in London.

In this Condition 6.4, "**Business Day**" means, in relation to any place, a day on which (i) commercial banks are open for business and settle payments in Euros in London and (ii) the Trans-European Automated Real-Time Gross Settlement Expenses Transfer (TARGET) System is open.

6.5 Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

(i) there will at all times be a person appointed to perform the obligations of the Principal Paying Agent;

(ii) there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having its specified office in a European city which, so long as the Notes are admitted to the Official List of the Irish Stock Exchange, shall be Dublin; and

(iii) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 15.

7 Redemption

7.1 Redemption at maturity

Unless previously redeemed as provided in this Condition 7, the Issuer will redeem the Notes at their respective Principal Amount Outstanding (as defined in Condition 7.3 below) on the Interest Payment Date falling in April 2017 (the "**Final Maturity Date**").

This is without prejudice to Condition 10.

7.2 Mandatory redemption from Available Redemption Funds

On each Interest Payment Date, other than the Interest Payment Date on which the Notes are to be redeemed under Condition 7.1 above or Condition 7.4 or 7.5 below, the Issuer shall apply an amount equal to the Available Redemption Funds determined in respect of that Interest Payment Date in making the following redemptions in the following priority, subject to the Pre-Enforcement Principal Priority of Payments (as set out in the Cash Management Agreement):

(i) in relation to Available Redemption Funds attributable to Scheduled Principal Receipts (excluding receipts on final repayment on the Loan Maturity Date in respect of the Loans), in or towards redeeming the Rated Notes in the following order of priority:

(a) the Class A Notes until the Principal Amount Outstanding thereof is reduced to zero;

(b) the Class B Notes until the Principal Amount Outstanding thereof is reduced to zero;

(c) the Class C Notes until the Principal Amount Outstanding thereof is reduced to zero;

(d) the Class D Notes until the Principal Amount Outstanding thereof is reduced to zero;

(e) the Class E Notes until the Principal Amount Outstanding thereof is reduced to zero; and

(f) the Class F Notes until the Principal Amount Outstanding thereof is reduced to zero.

(ii) (A) prior to the occurrence of a Sequential Payment Trigger and in relation to Available Redemption Funds attributable to Prepayment Receipts and receipts on final repayments on the Loan Maturity Date in each case in respect of the Pool A Loans (excluding the Signac Loan) and FCC Note Principal (in respect of each of the FCC Senior Notes and the FCC Residual Notes) which derives from Prepayment Receipts and receipts on final repayment on the Loan Maturity Date in each case in respect of the Signac Loan, such amounts will be applied in the following order:

(I) subject to (ii) (A) (III) below, an amount equal to any Pro rata Amount will be applied in or towards redeeming, *pro rata* and *pari passu*, according to the respective Principal Amounts Outstanding thereof:

(a) the Class A Notes;

(b) the Class B Notes;

(c) the Class C Notes;

(d) the Class D Notes; and

(e) the Class E Notes,

in each case until the same have been redeemed in full;

(II) subject to (ii) (A) (III) below, an amount equal to any Sequential Amount will be applied in or towards redeeming the Rated Notes in the following order of priority:

(a) the Class A Notes until the Principal Amount Outstanding thereof is reduced to zero;

(b) the Class B Notes until the Principal Amount Outstanding thereof is reduced to zero;

(c) the Class C Notes until the Principal Amount Outstanding thereof is reduced to zero;

(d) the Class D Notes until the Principal Amount Outstanding thereof is reduced to zero;

(e) the Class E Notes until the Principal Amount Outstanding thereof is reduced to zero; and

(f) the Class F Notes until the Principal Amount Outstanding thereof is reduced to zero;

(III) in the event that (x) all of the Pool B Loans have been repaid in full and applied in accordance with (i) and/or (ii) (B) below and (y) the Principal Amount Outstanding of the Class F Notes in greater than zero, an amount will be applied in or towards reducing the Class F Notes until the Principal Amount Outstanding thereof is reduced to zero

(B) (I) prior to the occurrence of a Sequential Payment Trigger, subject to (ii)(B)(II) below and in relation to Available Redemption Funds attributable to Prepayment Receipts and receipts on final repayments on the Loan Maturity Date in each case in respect of the Pool B Loans, such amounts will be applied in or towards redeeming, *pro rata* and *pari passu*, according to the respective Principal Amounts Outstanding thereof:

(a) the Class A Notes;

(b) the Class B Notes;

(c) the Class C Notes;

(d) the Class D Notes;

(e) the Class E Notes;

(f) the Class F Notes,

in each case until the same have been redeemed in full;

(II) prior to the occurrence of a Sequential Payment Trigger and in relation to Available Redemption Funds attributable to Prepayment Receipts and receipts on final repayments on the Loan Maturity Date in each case in respect of the Pool B Loans, if all but one Pool B Loan has been repaid in full and applied in accordance with (i) and/or (ii) (B) (I) above, all Pool B Loan receipts will thereafter be applied in or towards reducing the Class F Notes until the Principal Amount Outstanding thereof is reduced to zero and thereafter in accordance with (ii) (B) (I) above;

(iii) on and following the occurrence of a Sequential Payment Trigger and in relation to Available Redemption Funds attributable to Prepayment Receipts and receipts on final repayments on the Loan Maturity Date in each case in respect of the Pool A Loans (excluding the Signac Loan), the Pool B Loans and FCC Note Principal (in respect of each of the FCC Senior Notes and the FCC Residual Notes) which derives from Prepayment Receipts and receipts on final repayment on the Loan Maturity Date in each case in respect of the Signac Loan, in or towards redeeming the Rated Notes in the following order of priority:

(a) the Class A Notes until the Principal Amount Outstanding thereof is reduce to zero;

(b) the Class B Notes until the Principal Amount Outstanding thereof is reduce to zero;

(c) the Class C Notes until the Principal Amount Outstanding thereof is reduce to zero;

(d) the Class D Notes until the Principal Amount Outstanding thereof is reduce to zero;

(e) the Class E Notes until the Principal Amount Outstanding thereof is reduce to zero; and

(f) the Class F Notes until the Principal Amount Outstanding thereof is reduce to zero.

"**Pool A Loan**" means the Citibank Sunrise II Loan, the Bonn Loan, the Gutperle Loan, the Epic Horse Loan, the Henderson 2 (Weiterstadt) Loan, the Henderson 3 (Staples) Loan, the Henderson 6 (Lüneburg) Loan, the Henderson 8 (Flensburg) Loan, the Henderson 10 (Cluster 2) Loan and the Signac Loan.

"**Pool B Loan**" means the Epic Rhino Loan, the Ash Loan, the Tshuva Loan, the Henderson 1 (Oberursel) Loan, the Henderson 4 (Bergen) Loan, the Henderson 5 (Bardowick) Loan, the Henderson 7 (Cluster 4 and 5) Loan and the Henderson 9 (Cluster 1) Loan.

"**Pro rata Amount**" for any Interest Payment Date will be equal to 50% of the Available Redemption Funds attributable to Prepayment Receipts and receipts on final repayments on the Loan Maturity Date, all of which have been received during the related Calculation Period.

"**Sequential Amount**" for any Interest Payment Date will be equal to 50% Available Redemption Funds attributable to Prepayment Receipts and receipts on final repayments on the Loan Maturity Date, all of which have been received during the related Calculation Period.

For the purposes of applying the Available Redemption Funds in accordance with the Pre-Enforcement Principal Priority of Payments, the Cash Manager will, based on information provided by the Master Servicer, identify the source of each constituent of the Principal Receipts, including the nature of receipts in respect of the Signac Loan which are received by the Issuer as FCC Note Principal.

"**Sequential Payment Trigger**" for any Determination Date means any of the following circumstances:

(i) there is a Loan Event of Default subsisting in respect of any of the Loans, based on the original loan terms of such Loan as at the Issue Date, on such Determination Date; or

(ii) the cumulative percentage of the Loans which have defaulted since the Issue Date is greater than 10 per cent. of the aggregate principal amount outstanding of the Loans as of the Issue Date, provided that, in determining whether a Loan has defaulted for the purposes of this paragraph (ii):

(a) such determination shall be made solely on the basis of the terms of the relevant Credit Agreement as at the Issue Date and without regard to any subsequent amendments to the relevant Credit Agreement or waivers granted in respect thereof; and

(b) a Loan Event of Default (if so determined in the Investor Report for the immediately preceding Interest Period) shall not be deemed to have occurred if (I) the default is with respect to payment and such default has been remedied or cured within five Business Days of such default, and/or (II) the default is other than with respect to payment, the default is capable of being remedied or cured and such default has been remedied or cured by the Borrower within 30 days of such default being notified in accordance with the terms of the relevant Credit Agreement, and/or (III) enforcement procedures have been completed and the principal amount outstanding of all amounts of interest, fees, expenses and any other amounts payable by the relevant Borrower in respect of such defaulted Loan have been received in full or the relevant Borrower has prepaid the defaulted Loan in full (including, for the avoidance of doubt, all amounts of interest, fees, expenses and other amounts payable by the relevant Borrower in respect of such defaulted Loan);

(iii) the aggregate Principal Amount Outstanding of the Rated Notes is less than 10 per cent. of the initial aggregate Principal Amount Outstanding of the Rated Notes; or

(iv) there has been a failure to make any payment due and payable in respect of the Notes (and, for the avoidance of doubt, no amount of interest shall be due any payable in respect of the Notes for the purposes of this definition where it is deferred in accordance with the Conditions).

7.3 Note Principal Payments, Principal Amount Outstanding and Pool Factor

The principal amount redeemable in respect of each Note of each class (the "**Note Principal Payment**") on any Interest Payment Date under Condition 7.2 above shall be (in respect of the Rated Notes) the amount of the Available Redemption Funds and (in respect of the Class R Notes) the amount of Revenue Funds calculated on the Determination Date immediately preceding Final Maturity Date to be applied in accordance with the Pre-Enforcement Principal Priority of Payments and the Pre-Enforcement Revenue Priority of Payments, respectively, in redemption of Notes of that class divided by the number of Notes of that class outstanding on the relevant Interest Payment Date (rounded down to the nearest cent); provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

With respect to each of the Notes on (or as soon as practicable after) each Determination Date, the Issuer shall determine (or cause the Cash Manager to determine) (i) the amount of any Note Principal Payment due on the Interest Payment Date next following such Determination Date, (ii) the principal amount outstanding of each such Note of such class on the Interest Payment Date next following such Determination Date after deducting (a) any Note Principal Payment due to be made on that Interest Payment Date, except if and to the extent that any such repayment has been improperly withheld or refused, and (b) the amount of Principal Deficiency (if any) in respect of such Notes that have arisen on or prior to such time (the "**Principal Amount Outstanding**") and (iii) the fraction expressed as a decimal to the sixth point (the "**Pool Factor**"), of which the numerator is the Principal Amount Outstanding of a Note of that class (as referred to in (ii) above) and the denominator is 125,000 (in respect of the Rated Notes) or 100,000 (in respect of the Class R Notes). Each determination by or on behalf of the Issuer of any Note Principal Payment, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

With respect to each of the classes of Notes, the Issuer will cause each determination of a Note Principal Payment, Principal Amount Outstanding and Pool Factor (in relation to every Interest Payment Date) to be notified forthwith to the Trustee, the Paying Agents, the Agent Bank, the Registrar, the Swap Counterparty and (for so long as the Notes are listed on one or more stock exchanges or admitted to listing by any other relevant authority) the relevant stock exchanges or such other authority, and will immediately cause notice of each such determination to be given to

the Noteholders in accordance with Condition 15 by not later than two Business Days prior to the relevant Interest Payment Date. If no Note Principal Payment is due to be made on the Notes on any Interest Payment Date, a notice to this effect will be given to the Noteholders.

If the Issuer does not at any time for any reason determine (or cause the Cash Manager to determine) with respect to each of the classes of Notes, a Note Principal Payment, the Principal Amount Outstanding or the Pool Factor, in accordance with the preceding provisions of this paragraph, such determination may be made by the Trustee (without any liability accruing to the Trustee as a result) in accordance with this paragraph and on the basis of information supplied to the Trustee by the Issuer or the Master Servicer and each such determination or calculation shall be deemed to have been made by the Issuer.

7.4 Optional redemption

The Issuer may, having given not more than 60 nor less than 30 days' notice to the Trustee, the Rating Agencies, the Registrar, the Swap Counterparty and the Noteholders of the Rated Notes in accordance with Condition 15, redeem all (but not some only) of the Rated Notes at their Principal Amount Outstanding together with any accrued interest (other than Excess Interest Amounts, which only become payable by the Issuer if there are sufficient Revenue Funds available in accordance with the relevant Priority of Payments) on any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Rated Notes is less than 10 per cent. of the aggregate initial Principal Amount Outstanding of the Rated Notes on the Issue Date, provided that prior to the giving of any such notice, the Issuer shall have provided to the Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds, not subject to any interest of any other person, required to redeem the Rated Notes as aforesaid and any amounts required to be paid in priority to or *pari passu* with the Rated Notes outstanding in accordance with the Cash Management Agreement, the Deed of Charge and the relevant Priority of Payments.

7.5 Optional redemption for taxation or other reasons

If:

(i) by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Issue Date, on the next Interest Payment Date, the Issuer or the Paying Agents would be required to deduct or withhold from any payment of principal or interest on any class of the Notes (other than because the relevant holder has some connection with Luxembourg other than the holding of Notes of such class) any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Luxembourg or any political sub-division thereof or any authority thereof or therein; or

(ii) by reason of a change in law (or the application or official interpretation thereof), which change becomes effective on or after the Issue Date, on the next Interest Payment Date, the Issuer or the Swap Counterparty would be required to deduct or withhold from any payment under the Swap Transaction any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; or

(iii) by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Issue Date, on the next Interest Payment Date, any Borrower under the Loans would be required to deduct or withhold from any payment of principal, interest or other sum due and payable thereunder any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever,

then the Issuer shall, if the same would avoid the effect of the relevant event described in sub-paragraph (i), (ii) or (iii) above, appoint a Paying Agent in another jurisdiction or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction approved in writing by the Trustee as principal debtor under the Notes, provided that the Trustee is satisfied that such substitution will not be materially prejudicial to the interests of the Noteholders of any class.

If the Issuer satisfies the Trustee immediately before giving the notice referred to below that one or more of the events described in sub-paragraph (i), (ii) or (iii) above is continuing and that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect

of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such a substitution, then the Issuer may, on any Interest Payment Date and having given not more than 60 nor less than 30 days' notice to the Noteholders in accordance with Condition 15, the Registrar, the Swap Counterparty and the Trustee and having certified to the Trustee that it will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Interest Payment Date and to discharge all other amounts required to be paid by it on the relevant Interest Payment Date in priority to or *pari passu* with the Rates Notes, redeem all, but not some only, of the Notes at their respective Principal Amounts Outstanding together with accrued but unpaid interest (other than Excess Interest Amounts, which only become payable by the Issuer if there are sufficient Revenue Funds available in accordance with the relevant Priority of Payments) up to but excluding the date of redemption.

7.6 Notice of redemption

Any such notice as is referred to in Condition 7.4 and Condition 7.5 above shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified above.

7.7 No purchase by the Issuer

The Issuer will not be permitted to purchase any of the Notes.

7.8 Cancellation

All Notes redeemed in full will be cancelled upon redemption and may not be resold or re-issued.

7.9 NGN nominal amount

Where the Global Note is an NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, shall be entered in the records of the relevant clearing systems and upon any such entry being made, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

8 Taxation

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**"), unless the withholding or deduction of the Taxes is required by applicable law. In that event, the Issuer or, as the case may be, the relevant Paying Agent or Registrar (as the case may be) shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor any Paying Agent nor the Registrar shall be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

9 Prescription

Claims in respect of principal and interest on the Notes will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the relevant date in respect of the relevant payment.

10 Events of Default

10.1 The Trustee in its absolute discretion may, and if so requested in writing by the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes outstanding or if so directed by or pursuant to an Extraordinary Resolution of the holders of the Most Senior Class of Notes outstanding shall, (subject in each case to the Trustee being indemnified to its satisfaction) give notice (an "**Acceleration Notice**") to the Issuer via the Paying Agent declaring the Notes to be due and repayable at any time after the happening of any of the following events (each an "**Event of Default**"):

(i) default being made for a period of 10 Business Days in the payment of the principal of or any interest on any Note of the Most Senior Class of Notes then outstanding when and as the same ought to be paid in accordance with these Conditions provided that a deferral of interest in accordance with Condition 5.6 and a failure to make any payment in respect of any shortfall in accordance with Condition 2.3 shall not constitute a default in the payment of such interest for the purposes of this Condition 10; or

(ii) the Issuer failing duly to perform or observe any other obligation binding upon it under the Notes or the Trust Deed or the Issuer failing duly to perform or observe any obligation binding on it under the Transaction Documents and, in any such case (except where the Trustee certifies that, in its opinion, such failure is incapable of remedy when no such continuation or notice as hereafter provided will be required) such failure is continuing for a period of 30 days following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

(iii) the Issuer, other than for the purposes of such amalgamation, merger or reorganisation as is referred to in paragraph (iv) below, ceasing or, through an official action of the board of directors of the Issuer, threatening to cease to carry on business or being unable to pay its debts as and when they fall due; or

(iv) an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to a merger, amalgamation or reorganisation the terms of which have previously been approved by the Trustee in writing or by an Extraordinary Resolution of the holders of the Most Senior Class of Notes outstanding; or

(v) proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for the appointment of an administrator or liquidator, the filing of documents with the court for administration or the service of a notice of intention to appoint an administrator) and such proceedings are not, in the opinion of the Trustee, being disputed in good faith with a reasonable prospect of success, or an administrator being appointed or the appointment of an administrator takes effect or a receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or, in the sole opinion of the Trustee, any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or, in the sole opinion of the Trustee, any substantial part of the undertaking or assets of the Issuer, or a distress, execution, diligence or other process being levied or enforced upon or sued out against the whole or, in the sole opinion of the Trustee, any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to judicial proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of its indebtedness,

provided that, in the case of each of the events described in paragraph (ii) above, the Trustee shall have certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders of the Most Senior Class of Notes then outstanding.

"**Most Senior Class**" means, in respect of the Notes, the Class A Notes or, if there are no Class A Notes then outstanding, the Class B Notes or, if there are no Class A Notes or Class B Notes then outstanding, the Class C Notes or, if there are no Class A Notes or Class B Notes or Class C Notes then outstanding, the Class D Notes or, if there are no Class A Notes or Class B Notes or Class C Notes or Class D Notes then outstanding, the Class E Notes or, if there are no Class A Notes or Class B Notes or Class C Notes or Class D Notes or Class E Notes then outstanding, the Class F Notes or, if there are no Class A Notes or Class B Notes or Class C Notes or Class D Notes or Class E Notes or Class F Notes then outstanding, the Class R Notes.

10.2 General

Upon the service of an Acceleration Notice by the Trustee in accordance with Condition 10.1 above, all classes of the Notes then outstanding shall thereby immediately become due and

repayable at their respective Principal Amounts Outstanding, together with accrued interest as provided in the Trust Deed. The Issuer Security constituted by the Deed of Charge will become enforceable upon the occurrence of an Event of Default.

11 Enforcement of Notes

The Trustee may, at any time, at its discretion and without notice, take such proceedings against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of the Notes or the Trust Deed (including these Conditions) or the Deed of Charge or any of the other Transaction Documents to which it is a party and, at any time after the occurrence of an Event of Default, the Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce the security constituted by the Deed of Charge or the French Pledge Agreements, but the Trustee shall not be bound to take any such proceedings or steps unless:

(i) (subject in all cases to restrictions contained in the Trust Deed or, as the case may be, the Deed of Charge to protect the interests of any higher ranking class or classes of Noteholders) it shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or so requested in writing by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes then outstanding; and

(ii) in all cases, it shall have been indemnified to its satisfaction.

No Noteholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents or to enforce the security constituted by the Deed of Charge or the French Pledge Agreements unless the Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing.

12 Meetings of Noteholders, Modification and Waiver

12.1 The Trust Deed and the Deed of Charge contain provisions for convening meetings of the Noteholders of each class to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions or the provisions of any of the Transaction Documents.

12.2 An Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class R Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of these Conditions or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or certain other matters specified in the Trust Deed or, as the case may be, the Deed of Charge will not take effect unless the Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class R Noteholders or it shall have been sanctioned by an Extraordinary Resolution of each of the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class R Noteholders (as defined below).

12.3 An Extraordinary Resolution (other than an Extraordinary Resolution referred to in Condition 12.2 above) passed at any meeting of the Class B Noteholders shall not be effective for any purpose unless the Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class A Noteholders or it is sanctioned by an Extraordinary Resolution of the Class A Noteholders.

12.4 An Extraordinary Resolution passed at any meeting of the Class B Noteholders shall be binding on the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class R Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of these Conditions or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or certain other matters specified in the Trust Deed or, as the case may be, the Deed of Charge will not take effect unless the Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class R Noteholders or it shall have been sanctioned by an Extraordinary Resolution of each of the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class R Noteholders.

12.5 An Extraordinary Resolution (other than an Extraordinary Resolution referred to in Condition 12.2 or Condition 12.4 above) passed at any meeting of the Class C Noteholders shall not be effective for any purpose unless the Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders and the Class B Noteholders or it is sanctioned by an Extraordinary Resolution of each of the Class A Noteholders and the Class B Noteholders.

12.6 An Extraordinary Resolution passed at any meeting of the Class C Noteholders shall be binding on the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class R Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of these Conditions or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or certain other matters specified in the Trust Deed or, as the case may be, the Deed of Charge will not take effect unless the Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class R Noteholders or it shall have been sanctioned by an Extraordinary Resolution of each of the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class R Noteholders.

12.7 An Extraordinary Resolution (other than an Extraordinary Resolution referred to in Condition 12.2 or Condition 12.4 or Condition 12.6 above) passed at any meeting of the Class D Noteholders shall not be effective for any purpose unless the Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders or it is sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders.

12.8 An Extraordinary Resolution passed at any meeting of the Class D Noteholders shall be binding on the Class E Noteholders, the Class F Noteholders and the Class R Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of these Conditions or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or certain other matters specified in the Trust Deed or, as the case may be, the Deed of Charge will not take effect unless the Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class E Noteholders, the Class F Noteholders and the Class R Noteholders or it shall have been sanctioned by an Extraordinary Resolution of each of the Class E Noteholders, the Class F Noteholders and the Class R Noteholders.

12.9 An Extraordinary Resolution (other than an Extraordinary Resolution referred to in Condition 12.2 or Condition 12.4 or Condition 12.6 or Condition 12.8 above) passed at any meeting of the Class E Noteholders shall not be effective for any purpose unless the Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders or it is sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders.

12.10 An Extraordinary Resolution passed at any meeting of the Class E Noteholders shall be binding on the Class F Noteholders and the Class R Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of these Conditions or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or certain other matters specified in the Trust Deed or, as the case may be, the Deed of Charge will not take effect unless the Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class F Noteholders and the Class R Noteholders or it shall have been sanctioned by an Extraordinary Resolution of each of the Class F Noteholders and the Class R Noteholders.

12.11 An Extraordinary Resolution (other than an Extraordinary Resolution referred to in Condition 12.2 or Condition 12.4 or Condition 12.6 or Condition 12.8 or Condition 12.10 above) passed at any meeting of the Class F Noteholders shall not be effective for any purpose unless the Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders or it is sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders.

12.12 An Extraordinary Resolution passed at any meeting of the Class F Noteholders shall be binding on the Class R Noteholders irrespective of the effect upon them, except that an Extraordinary Resolution to sanction a modification of these Conditions or the provisions of any of the Transaction Documents or a waiver or authorisation of any breach or proposed breach thereof or certain other matters specified in the Trust Deed or, as the case may be, the Deed of Charge will not take effect unless the Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class R Noteholders or it shall have been sanctioned by an Extraordinary Resolution of the Class R Noteholders.

12.13 An Extraordinary Resolution (other than an Extraordinary Resolution referred to in Condition 12.2 or Condition 12.4 or Condition 12.6 or Condition 12.8 or Condition 12.10 or Condition 12.12 above) passed at any meeting of the Class R Noteholders shall not be effective for any purpose unless the Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders or it is sanctioned by an Extraordinary Resolution of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders.

12.14 Subject as provided below, the quorum at any meeting of Noteholders of any class for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such class of Notes, or, at any adjourned meeting, one or more persons holding or representing Notes of the relevant class, whatever the aggregate Principal Amount Outstanding of the Notes of such class held or represented by it or them.

12.15 The quorum at any meeting of Noteholders of any class for passing an Extraordinary Resolution to sanction a modification which would have the effect of changing any day for payment of principal or interest in respect of such Notes, increasing, reducing or cancelling the amount of principal or the rate of interest payable in respect of such Notes, altering the currency of payment of such Notes, altering the quorum or majority required in relation to this exception, altering the order of payment provided for in the Priority of Payments (subject to the terms of the Cash Management Agreement and/or the Deed of Charge, as applicable) or altering this definition (each a "**Basic Terms Modification**") shall be one or more persons holding or representing not less than 75 per cent. or, at any adjourned meeting, not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes of such class.

12.16 The Trustee may agree with the Issuer (subject to the consent of the Secured Creditors, to the extent that such modification could prejudice the rights of such Secured Creditor), without the consent of the Noteholders:

(i) to any modification (including any Basic Terms Modification), or to any waiver or authorisation of any breach or proposed breach, of these Conditions or any of the Transaction Documents which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders of any class; or

(ii) to any modification (including any Basic Terms Modification) which, in the opinion of the Trustee, is to correct a manifest or proven error or is of a formal, minor or technical nature.

12.17 The Trustee may also, without the consent of the Noteholders or any other Secured Creditors, determine that an Event of Default shall not, or shall not subject to specified conditions, be treated as such provided that, in its opinion, such determination is not materially prejudicial to the interests of the Noteholders of any class.

12.18 Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 15.

12.19 In connection with any such substitution of principal debtor referred to in Condition 7.5, the Trustee may also agree, without the consent of the Noteholders, to a change of the laws governing the Notes, these Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders of any class.

12.20 The Trustee shall be entitled to take into account, for the purpose of exercising or performing any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents in respect of a particular class of Notes, among other things, including determining that such exercise or performance will not be materially prejudicial to the interests of the Noteholders, a confirmation from the Rating Agencies (if available) that the then current ratings of such class of Notes would not be adversely affected by such exercise or performance and, if the original rating of such class of Notes has been downgraded previously, that such exercise or performance would not prevent the restoration of the original ratings.

12.21 Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including, without limitation, in relation to any modification, waiver, authorisation, determination or substitution as referred to above), the Trustee is required to have regard to the interests of the Noteholders of any class, it shall have regard to the general interests of the Noteholders of such class as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim from the Issuer, from the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.

13 Indemnification and Exoneration of the Trustee

The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Trustee and providing for its indemnification in certain circumstances, including provisions relieving it from taking action or enforcing the Issuer Security constituted by the Deed of Charge unless indemnified to its satisfaction.

The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or any other Secured Creditor and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

14 Replacement of Notes

If any Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of any Paying Agent (in respect of the Rated Notes) or the Registrar (in respect of the Class R Notes). Replacement of any mutilated, defaced, lost, stolen or destroyed Note will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Note must be surrendered before a new one will be issued.

15 Notice to Noteholders

Any notice to a holder of a Class R Note will be valid if mailed to the holder at the address in the Register and will be deemed to have been given on the fourth weekday after the date of mailing, provided that, if at any time by reason of the suspension or curtailment (or expected suspension or curtailment) of postal services within Luxembourg or elsewhere the Issuer is unable effectively to give notice to a holder of the Class R Note through the post, notices to a holder of the Class R Note will be valid if given in the same manner as notices to the holders of the Rated Notes set out below.

For so long as the Rated Notes are represented by Global Notes and such Global Notes are held on behalf of Clearstream, Luxembourg and Euroclear, any notice shall be deemed to have been

duly given to the relevant Noteholders if sent to Clearstream, Luxembourg and Euroclear and shall be deemed to be given on the date on which it was so sent and (so long as the relevant Rated Notes are listed on the Irish Stock Exchange and the rules of that exchange so require) shall also be published in a daily newspaper published in Dublin (which is expected to be *The Irish Times*).

For so long as the Rated Notes are listed on the Irish Stock Exchange, the Issuer shall give a copy of each notice in accordance with this Condition 15 to the Irish Stock Exchange.

The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the relevant Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

16 Governing Law

The Trust Deed, the Global Notes and these Conditions are governed by, and shall be construed in accordance with, English law.

The provisions of Articles 86 to 94.8 of the Luxembourg law of 10 August 1915 (as amended) on commercial companies are excluded.

17 Rights of Third Parties

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes or these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

TAXATION

General

Purchasers of Notes may be required to pay stamp taxes and other charges, in accordance with the laws and practices of the country of purchase, in addition to the issue price of each Note.

Potential purchasers who are in any doubt about their tax position on purchase, ownership, transfer or exercise of any Note should consult their own tax advisers. In particular, no representation is made as to the manner in which payments under the Notes would be characterised by any relevant taxing authority.

The following does not purport to be a comprehensive description of all tax considerations that may be relevant in relation to purchasing, owning or selling a Note.

Luxembourg Taxation

The following statements regarding Luxembourg taxation are based on laws in force in the Grand Duchy of Luxembourg and are subject to any changes in law occurring after such date.

The Issuer has been advised that, under the existing laws of Luxembourg:

(i) under Luxembourg tax law currently in effect and with the possible exception of interest paid to an individual Noteholder, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) made by the Issuer. There is also no Luxembourg withholding tax, with the possible exception of payments made to individuals Noteholders, upon repayment of principal in case of (where applicable) reimbursement, redemption, repurchase or exchange of the Notes;

(ii) under the Luxembourg laws dated 21 June 2005 implementing the European Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") and several agreements concluded between Luxembourg and certain dependent territories of the European Union, a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State, unless the beneficiary of the interest payments elect for the procedure of exchange of information or for the tax certificate procedure. The same regime applies to payments to individuals resident in certain EU dependent territories. The withholding tax rate is initially 15 per cent., increasing steadily to 20 per cent. and to 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries;

(iii) a 10 per cent. withholding tax has been introduced, as from 1 January 2006, on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents;

(iv) a holder of a Note who derives income from a Note or who realises a gain on the disposal or redemption of a Note will not be subject to Luxembourg taxation on income or capital gains unless:

  (a) the holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions; or

  (b) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a fixed base of business in Luxembourg;

(v) Luxembourg net worth tax will not be levied on a holder of a Note unless:

  (a) the holder is, or is deemed to be, a fully taxable company resident in Luxembourg for the purpose of the relevant provisions; or

  (b) such Note is attributable to an enterprise or part thereof which is carried on by a non-resident company in Luxembourg through a permanent establishment;

(vi) Luxembourg gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder unless:

  (a) the holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions at the time of the transfer; or

  (b) the gift is registered in Luxembourg;

(vii) there is no Luxembourg registration tax, capital tax, stamp duty or any other similar tax or duty payable in Luxembourg in respect of or in connection with the issue of the Notes or in respect of the payment of principal or interest under the Notes or the transfer of the Notes. If any documents in respect of the Notes are required to be registered in Luxembourg, they will be subject to registration duties depending on the nature of the documents;

(viii) there is no Luxembourg value added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of a Note; and

(ix) a holder of a Note will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of a Note or the execution, performance, delivery and/or enforcement of the Notes.

French Taxation Relating to the FCC Notes

Pursuant to Article 125 A III of the French *Code Général des impôts*, a 16 per cent. withholding tax is levied on interest payments made by a French debtor to a non-French tax resident.

However, Article 131 quarter of the French *Code Général des impôts (*as amended by the 2006 Finance Act) provides for a withholding tax exemption with respect to interest payments deriving from loans (and obligations) contracted from abroad by an FCC. Notes denominated in Euros are deemed to be issued outside France (Administrative circular dated 30 September 1998).

All payments in respect of the FCC Notes to the Issuer are therefore made without withholding or deduction for or account of French tax provided that the aforementioned conditions are satisfied.

An FCC Noteholder is not subject to French income taxes (other than withholding taxes) in respect of any payments under the FCC Notes, provided that such holder is neither domiciled in the Republic of France nor deemed to be resident, established or carrying on an activity in the Republic of France for French tax purposes.

For non-resident FCC Noteholders, interest from the FCC Notes is exempted from French withholding tax provided the FCC Noteholders prove they have their tax residence or registered office in a country other than France (Article 125 A III of the French *Code général des impôts*).

German Taxation

1 Tax Residents

Speculative securities

There are good and valid arguments that the Notes held by Private Investors resident in Germany as non-business assets qualify as speculative securities (*Sec. 23 German Income Tax Act, Einkommensteuergesetz*), because they neither guarantee or grant at the date of issuance (i) a repayment of principal in total or in part (ii) nor any remuneration (especially no interest). If Notes, qualifying as such securities, are sold within one year after the purchase of the Notes the capital gains are taxed as speculative income, if the capital gains from all such private disposals during a calendar year equal or exceed 512 Euros (per individual and year). The amount of the capital gain or loss will be equal to the difference between the sales proceeds or the redemption value paid by the Issuer and the acquisition costs for the Note. The capital gains are taxable at the personal progressive income tax rate of the Investor plus a 5.5 per cent solidarity surcharge thereon.

Consequently, if the Notes are (i) sold within one year after the purchase of the Notes and the capital gains from all such private disposals during a calendar year fall short of 512 Euros (per individual and year) or (ii) sold after one year of the purchase of the Notes, capital gains and losses should be tax exempt.

The offset of potential losses is restricted.

Income from the Notes held as business assets is subject to German income tax or the German corporate income tax (in both cases plus solidarity surcharge) and, in addition, trade tax. The offset of losses might be restricted.

Financial innovations

Should, however, the Notes be classified as financial innovations (*Finanzinnovationen*) capital gains deriving from the disposal, transfer or redemption of the Notes received by persons who are tax liable in the Federal Republic of Germany will qualify as interest income and will be subject to German personal or corporate income tax (in both cases plus solidarity surcharge) and additionally subject to trade tax if the Notes are held as business assets. Tax base is generally the issue yield calculated in advance.

If the Notes are held as business assets, capital gains that exceed the issue yield are fully taxable. If the factually realised capital gain falls short of the issue yield or even a loss is suffered, this amount can be deducted from the tax base.

If the Notes are held as private assets capital gains which exceed the issue yield are not taxable, provided that the investor held the notes for more than one year and provides evidence for the issue yield. Generally, it is not possible to determine the tax base by a capital gain that falls short of the issue yield or even a capital loss.

If the Notes are held as business assets, capital gains that exceed the issue yield are fully taxable. If the factually realised capital gain falls short of the issue yield or even a loss is suffered, this amount can be deducted from the tax base.

If the Notes are held as private assets capital gains which exceed the issue yield are not taxable, provided that the investor held the notes for more than one year and provides evidence for the issue yield. Generally, it is not possible to determine the tax base by a capital gain that falls short of the issue yield or even a capital loss.

If the Notes are held as private assets, such interest income is subject to personal income tax rates plus solidarity surcharge thereon. Since 2007 a personal annual exemption (*Sparer-Freibetrag*) of 750 Euros (1.500 Euros for married couples filing their tax return jointly) is available for the aggregated dividends and savings income including interest income from the Notes. In addition, an individual is entitled to a standard deduction of 51 Euros annually (102 Euros for married couples filing their tax return jointly) in computing the overall investment income unless the expenses involved are demonstrated to have actually exceeded that amount.

Withholding tax arises as follows:

If the Notes are kept or administered in a domestic securities deposit account by a German credit institution or financial services institution (or by a German branch of a foreign institution), a 30 per cent. capital yield tax ("**Kapitalertragsteuerabzug**"), plus a 5.5 per cent. solidarity surcharge on such tax, will be levied on the positive difference between the purchase price paid by the Noteholder and the selling price or redemption amount, as the case may be, resulting in a total withholding tax charge of 31.65 per cent. However, if such criteria are not fulfilled, if e.g. the Notes are sold or redeemed after a transfer from another securities deposit account, the price difference as the taxable base for the *Kapitalertragsteuerabzug* and the solidarity surcharge will be substituted by a flat amount of 30 per cent. of the selling price or the redemption price.

If Notes are presented for payment or for credit to an account at the office of a German credit or financial services institution (or to a German branch of a foreign institution), the tax rate for the *Kapitalertragsteuerabzug* is 35 per cent. plus solidarity surcharge, resulting in a total tax charge of 36.925 per cent. If the Notes are repaid at maturity or sold prior to maturity under such circumstances, the *Kapitalertragsteuerabzug* of 35 per cent. plus solidarity surcharge is calculated on 30 per cent. of the selling price or the redemption amount. The *Kapitalertragsteuerabzug* and the solidarity surcharge are generally not final but will be included in the relevant tax assessment for personal or corporate income tax purposes. The *Kapitalertragsteuerabzug* and the solidarity surcharge will be credited against the final German tax liability or refunded in excess of the final tax liability.

2 Non-Tax Residents

Speculative securities

Persons who are not tax resident in Germany, are generally not subject to German taxation. However, if the Notes are held as part of a domestic business or with a permanent representative in Germany, the Investor will be taxed the same as German residents subject to a minimum tax rate for individual investors.

Financial innovations

Should the Notes be classified as financial innovations, in general no German *Kapitalertragsteuerabzug* plus solidarity surcharge will be levied. In the case of over-the-counter-transactions (payment or credit upon presentation of Notes or Coupons at the office of a German credit or financial services institution or at a German branch of a foreign institution), with the exception of transactions entered into by foreign credit or financial services institutions, the 35 per cent. *Kapitalertragsteuerabzug* plus solidarity surcharge, in total 36.925 per cent. applies. Under certain circumstances a refund might be available.

If according to German tax law the interest income received from the Notes kept or administered by a German credit or financial services institution (or by a German branch of a foreign institution) is effectively connected with a German trade or business of a non-resident, the 30 per cent. *Kapitalertragsteuerabzug* plus solidarity surcharge are applicable and can be set off against the German personal or corporate income tax liability of the non-resident in a subsequent assessment procedure.

3 Intended Changes by reform of business taxation

In the course of the intended reform of business taxation, the Federal Government plans to establish a final flat-rate tax on investment income.

According to these plans, from 1 January 2009 a 25 per cent. withholding tax plus solidarity surcharge, in total 26,375 per cent., shall be deducted from the gross income from capital investment. This withholding tax shall generally be final and only be included in the relevant tax assessment upon application, especially if the personal income tax rate lies below 25 per cent.

Capital gains from private disposals shall also be income from capital investment within the above meaning. The one-year holding period shall cease to exist, i.e. capital gains from private disposals shall be taxable income, independent of the period between purchase and disposal or redemption of the Notes. This rule shall apply to capital investments purchased on 1 January 2009 or later.

The exact taxation of capital income from 1 January 2009 is still unclear. Up to now, only a draft bill from the Federal Ministry of Finance is available.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), member states are required, from 1 July 2005, to provide to the tax authorities of another member state details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other member state. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless the beneficiary of the interest payments elects for an exchange of information) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

SUBSCRIPTION AND SALE

Citigroup Global Markets Limited, HBOS Treasury Services plc and Banco Bilbao Vizcaya Argentaria, S.A., each c/o Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (together, the "**Managers**") have agreed, pursuant to a subscription agreement dated on or about 21 June 2007 (the "**Subscription Agreement**"), among the Managers, the Sellers and the Issuer, jointly and severally, subject to certain conditions, with the Issuer to subscribe or procure subscription for the Class A Notes at 100 per cent. of the initial principal amount of such Notes and Citigroup Global Markets Limited has agreed, subject to certain conditions, to subscribe and pay for the Class B Notes at 100 per cent. of the initial principal amount of such Notes, the Class C Notes at 100 per cent. of the initial principal amount of such Notes, the Class D Notes at 100 per cent. of the initial principal amount of such Notes, the Class E Notes at 100 per cent. of the initial principal amount of such Notes and the Class F Notes at 100 per cent. of the initial principal amount of such Notes.

Each Seller has agreed to reimburse the Managers for certain of their expenses in connection with the issue of the Notes. The Subscription Agreement is subject to a number of conditions and may be terminated by the Managers in certain circumstances prior to payment to the Issuer. Each of the Issuer and each Seller have agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Rated Notes.

United States of America

Each of the Managers has represented and agreed with the Issuer that the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities laws, and may not be offered or sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws. Each of the Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Notes and the Issue Date (for the purposes only of this section, the "**Distribution Compliance Period**") within the United States or to, or for the account or benefit of, U.S. Persons and that it will have sent to each distributor, dealer or other person to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. Persons. Terms used in this paragraph have the meanings given to them by Regulation S of the Securities Act.

In addition, until 40 days after the later of the date of the commencement of the offering of the Notes and the Issue Date, an offer or sale of the Notes within the United States by a dealer, whether or not participating in the offering, may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

The Notes are in bearer form and are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

United Kingdom

Each of the Managers has represented and agreed that:

(i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 ("**FSMA**"), with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

Ireland

Each Manager represents and agrees that:

(a) it has not offered and will not offer or sell any Notes other than in compliance with the provisions of the Market Abuse Directive (Directive 2003/6/EC) Regulations 2005 of Ireland, the Prospectus Directive and implementing measures in Ireland and the Companies Acts 1963 to 2006 of Ireland and every other enactment which is to be read together with any of those Acts;

(b) either (i) it has complied and will comply with all applicable provisions of the Investment Intermediaries Acts 1995 to 2000 of Ireland (as amended) including, without limitation, Sections 9 and 23 (including advertising restrictions made thereunder) thereof and the codes of conduct made under Section 37 thereof, or (ii) it is acting under the terms of an authorisation granted to it for the purposes of EU Council Directive 2000/12/EC of 20 March 2000 and it has complied with any codes of conduct or practice made under Section 117(1) of the Central Bank Act, 1989 of Ireland (as amended), in each case with respect to anything done by it in relation to the Notes if operating in, or otherwise involving, Ireland; and

in connection with offers or sales of Notes it has only issued or passed on, and will only issue or pass on, in Ireland, any document received by it in connection with the issue of such Notes to persons who are persons to whom the documents may otherwise lawfully be issued or passed on.

Republic of France

Each of the Managers has represented and agreed that, in connection with the initial distribution of the Notes, (i) it has not offered or sold or caused to be offered or sold and will not offer or sell or cause to be offered or sold, directly or indirectly, any Notes to the public (*appel public à l'épargne*) in the Republic of France and (ii) offers and sales of Notes in the Republic of France will be made to (a) providers of investment services relating to portfolio management for the account of third parties and/or (b) qualified investors (*investisseurs qualifiés*), to the exclusion of any individual, all as defined in, and in accordance with, Articles L. 411-1, L. 411-2 and D. 411-1 of the French Monetary and Financial Code.

This Prospectus has not been admitted to the clearance procedures of the French Financial Market Authority.

In addition, each of the Managers has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France this Prospectus or any other offering material relating to the Notes other than to those investors (if any) to whom offers and sales of the Notes in the Republic of France may be made as described above.

Germany

The Managers have agreed not to offer or sell Notes in the Federal Republic of Germany other than in compliance with the Securities Prospectus Act (*Wertpapierprospektgesetz*) as of 22 June 2005 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, and the German Securities Sales Prospectus Act (*Wertpapier Verkaufsprospektgesetz*), or any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of Securities.

General

Other than the approval by the IFSRA of this document as a prospectus in accordance with the requirements of the Prospectus Directive and relevant implementing measures in Ireland, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes, or the possession, circulation or distribution of this Prospectus or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. This Prospectus does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Notes may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Each Manager has undertaken that it will not, directly or indirectly, offer or sell any Rated Notes or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement

or other document or information in respect of the Rated Notes in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Rated Notes by it will be made on the same terms.

Each Manager has also agreed that it will obtain any consent, approval or permission which is, to the best of its knowledge and belief, required for the offer, purchase or sale by it of the Rated Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers, purchases or sales and it will, to the best of its knowledge and belief, comply with all such laws and regulations.

Investor Compliance

Persons into whose hands this Prospectus comes are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Rated Notes or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Rated Notes, in all cases at their own expense.

GENERAL INFORMATION

1. The issue of the Notes was authorised by resolution of the board of directors of the Issuer passed on or about 20 June 2007.

2. It is expected that listing of the Rated Notes on the Official List of the Irish Stock Exchange will be granted on or about 26 June 2007, subject only to the issue of the Global Notes. Prior to official listing, however, dealings in the Rated Notes will be permitted in accordance with the rules of the Irish Stock Exchange. This listing will be cancelled if the Global Notes and the Class R Notes are not issued. The estimated cost of the application for admission to the Official List and admission to trading on the Irish Stock Exchange's market for listed securities is €6,000.

3. Euroclear and Clearstream, Luxembourg have accepted the Rated Notes for clearance under the following securities codes:

	ISIN	Common Code
Class A Notes	XS0301901657	030190165
Class B Notes	XS0301902622	030190262
Class C Notes	XS0301903356	030190335
Class D Notes	XS0301903513	030190351
Class E Notes	XS0301903943	030190394
Class F Notes	XS0301904248	030190424

4. The financial year end of the Issuer is 31 December. The first audited accounts of the Issuer will be prepared for the period ended 31 December 2007.

5. The Issuer is not nor has it been involved in any legal, governmental or arbitration proceedings which may have, or have had, since the date of its incorporation, a significant effect on its financial position nor is the Issuer aware that any such proceedings are pending or threatened.

6. In relation to this transaction the Issuer has entered into the Subscription Agreement referred to under "**Subscription and Sale**" above which is or may be material.

7. Since 23 April 2007 (being the date of incorporation of the Issuer) there has been (i) no significant change in the financial or trading position of the Issuer and (ii) no material adverse change in the financial position or prospects of the Issuer.

8. Copies of the following documents may be physically inspected during usual business hours at the registered office of the Issuer and at the offices of the Irish Paying Agent for the duration of the life of the Notes:

   (i) the articles of incorporation of the Issuer;

   (ii) the contract referred to in paragraph 6 above;

   (iii) the valuation reports in respect of each Loan prepared by the valuers referred to in paragraph 9 below;

   (iv) drafts (subject to modification) of the following documents:

      (a) the Trust Deed;

      (b) the Agency Agreement;

      (c) the Deed of Charge;

      (d) the Swap Agreement (including the confirmations thereunder);

      (e) the Issuer Bank Agreement;

      (f) the Liquidity Facility Agreement;

      (g) the Corporate Services Agreement;

      (h) the Mortgage Sale Agreements;

      (i) the Signac Mortgage Sale Agreement;

      (j) the Servicing Agreements;

      (k) the Sunrise II Loan Servicing Agreement;

(l) the Signac Loan Servicing Agreement;

(m) the Cash Management Agreement;

(n) the Master Definitions Schedule; and

(o) the Registrar Agreement.

9. Each of CB Richard Ellis, DTZ Debenham Tie Leung, Cushman & Wakefield Healey & Baker, AAAcon GmbH and Atisreal Consult GmbH has given and not withdrawn its written consent to the issue of this Prospectus with the inclusion of certain information supplied by each of them and references to each of their views, opinions and names in the form and context in which they are included and has authorised the content of that part of this Prospectus for the purposes of Section 46 of the Irish Companies Act, 1963 (as amended). Each of CB Richard Ellis, DTZ Debenham Tie Leung, Cushman & Wakefield Healey & Baker, AAAcon GmbH and Atisreal Consult GmbH has no material interest in the Issuer or any of the Borrowers. The information supplied by each of them in this Prospectus has been accurately reproduced and, so far as the Issuer is aware and is able to ascertain from information provided by each of CB Richard Ellis, DTZ Debenham Tie Leung, Cushman & Wakefield Healey & Baker, AAAcon GmbH and Atisreal Consult GmbH no facts have been omitted which would render the information included in this Prospectus inaccurate or misleading.

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