WHITE TOWER EUROPE 2007–1 plc

(incorporated with limited liability in Ireland with registration number 436366)

Euro 258,750,000 Class A Commercial Mortgage Backed Floating Rate Notes due 2015

Euro 25,450,000 Class B Commercial Mortgage Backed Floating Rate Notes due 2015

Euro 25,200,000 Class C Commercial Mortgage Backed Floating Rate Notes due 2015

Euro 25,000,000 Class D Commercial Mortgage Backed Floating Rate Notes due 2015

Euro 15,150,000 Class E Commercial Mortgage Backed Floating Rate Notes due 2015

SOCIETE GENERALE CORPORATE & INVESTMENT BANKING
Sole Arranger and Sole Bookrunner

SOCIETE GENERALE CORPORATE & INVESTMENT BANKING
BANCO BILBAO VIZCAYA ARGENTARIA S.A.
Joint Lead Managers

The date of this Prospectus is 30 May 2007

See "Risk Factors" on page 62 below for a discussion of certain factors which should be considered by prospective investors in connection with an investment in any of the Notes.

Certain terms used in this section of the Prospectus are defined elsewhere in this document. A list of the pages on which these terms are defined is found in "Appendix 1 – Index of Defined Terms" on page 287 of this Prospectus.

The Notes and interest accruing on the Notes will be obligations of the Issuer only. The Notes will not be obligations or responsibilities of, nor will they be guaranteed by, Société Générale ("SG"), by the Joint Lead Managers, the Servicers, the Special Servicers, the Loan Administrator, the Issuer Representative, the Issuer Special Representative, the Trustee, the Corporate Services Provider, the Basis Swap Counterparty, the Share Trustee, the Paying Agents, the Agent Bank, the Liquidity Facility Provider, the Cash Manager or the Operating Bank or any company in the same group of companies as any of them.

If any withholding or deduction for or on account of tax is applicable to the Notes, payment 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.

Except as provided below, the Issuer accepts responsibility for all information contained in this Prospectus. To the best of the knowledge and belief of the Issuer, 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.

*Société Générale, in its capacity as FCC Custodian, FCC Account Bank, FTA Account Bank, FTA Paying Agent and Originator accepts responsibility for the information in this Prospectus relating to the French Issuer, the Spanish Issuer and the Originator (the "**Société Générale Information**") and to the best of the knowledge of Société Générale such information is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the FCC Custodian, FCC Account Bank, FTA Account Bank, FTA Paying Agent and Originator as to the accuracy or completeness of any information contained in this Prospectus (other than the Société Générale Information) or any other information supplied in connection with the Notes or their distribution.*

The information relating to the Borrowers, which is set out in the "Summary", "Risk Factors", "The Borrowers", "The Loans and Loan Security", "The Loan Summaries" and "Servicing of the Loans" sections of this Prospectus, has been accurately reproduced from information made available by the Borrowers and/or derived from the terms of the relevant Loan and related Loan Security. So far as the Issuer is aware and is able to ascertain from information published by the Borrowers, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Paris Titrisation, in its capacity as FCC Manager, accepts responsibility for the information in this Prospectus relating to the FCC Manager and to the best of the knowledge of Paris Titrisation such information is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the FCC Manager as to the accuracy or completeness of any information contained in this Prospectus (other than the information relating to it) or any other information supplied in connection with the Notes or their distribution.

InterMoney Titulización S.G.F.T., in its capacity as FTA Manager, accepts responsibility for the information in this Prospectus relating to the FTA Manager and to the best of the knowledge of InterMoney Titulización S.G.F.T. such information is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the FTA Manager as to the accuracy or completeness of any information contained in this Prospectus (other than the information relating to it) or any other information supplied in connection with the Notes or their distribution.

*Application has been made to the Irish Financial Services Regulatory Authority (the "**Financial Regulator**"), as competent authority (the "**Competent Authority**") under Directive 2003/71/EC of the European Parliament (the "**Prospectus Directive**"), for this prospectus (the "**Prospectus**") to be approved. Application has been made to the Irish Stock Exchange (the "**Irish Stock Exchange**" or "**ISE**") for the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (the "**Listed Notes**") to be admitted to the official list of the ISE (the "**Offical List**") and to trading on its regulated market. Such approval relates only to the Listed Notes which are to be admitted to trading on the regulated market of the ISE 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. It is anticipated that the listing will take place on or about the Closing Date. There can be no assurance that such listing will be granted.*

Upon approval of this Prospectus by the Competent Authority, the Prospectus will be filed with the Irish Companies Registration Office in accordance with Regulation 38(1)(b) of the Prospectus (Directive 2003/71/EC) Regulations 2005.

This document constitutes a Prospectus for the purposes of the Prospectus Directive.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer or the Joint Lead Managers or any of them to subscribe for or purchase any of the Notes.

No person is or has been authorised to give any information or to make any representation in connection with the issue and sale of the Notes other than those 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 Originator, the Joint Lead Managers, the Servicers, the Special Servicers, the Loan Administrator, the Loan Special Administrator, the Issuer Representative, the Issuer Special Representative, the Trustee, the Corporate Services Provider, the Share Trustee, the Paying Agents, the Agent Bank, the Liquidity Facility Provider, the Basis Swap Counterparty, the Cash Manager or the Operating Bank or any of their respective affiliates or advisors. Neither the delivery of this Prospectus nor any sale, allotment or solicitation made in connection with the offering of the Notes shall, under any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer or in any of the information contained herein since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to its date.

Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by, the Issuer, SG or any of the Joint Lead Managers that any recipient of this Prospectus should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation and appraisal of the creditworthiness of the Issuer.

Other than the approval by the Competent Authority of this Prospectus as a prospectus in accordance with the requirements of the Prospectus Directive and relevant implementing

measures in Ireland, and application having been made for the Listed Notes to be admitted to the Official List and to trading on the regulated market of the Irish Stock Exchange, 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. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession the whole or any part of this Prospectus comes are required by the Issuer and the Joint Lead 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, see *"Subscription and Sale" on page 281 below.*

*The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) (see "Subscription and Sale").*

*The Notes of each class will initially be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**"), without interest coupons attached, which will be deposited on or about 31 May 2007 ("**Closing Date**") with ABN AMRO GSTS NOMINEES LIMITED as nominee for ABN AMRO Bank N.V. (London Branch), as common depositary (the "**Common Depositary**") for Euroclear Bank S.A./N.V. ("**Euroclear**"), and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Each Temporary Global Note will be exchangeable for interests in a permanent global note (each a "**Permanent Global Note**"), without interest coupons attached, on or after the date which is expected to be 10 July 2007 upon customary certification as to non–U.S. beneficial ownership. Ownership interests in the Temporary Global Notes and the Permanent Global Notes (together, the "**Global Notes**") will be shown on, and transfers of them will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Interests in the Permanent Global Notes will be exchangeable for definitive Notes in bearer form only in certain limited circumstances as set forth in the Permanent Global Notes.*

*All references in this document to "**Euro**" or "**euro**" are references to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty of Rome of 25 March, 1957, as amended from time to time.*

In connection with the issue of the Listed Notes, Société Générale or any person acting on behalf of Société Générale may over–allot Listed Notes or effect transactions with a view to supporting the market price of the Listed Notes at a level higher than that which might otherwise prevail. However, there is no assurance that Société Générale or any person acting on behalf of Société Générale will undertake such action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Listed Notes is made and, if begun, will be carried out in accordance with all applicable laws and may end at any time, but it must end no later than the earlier of 30 days after the issue date of the Listed Notes and 60 days after the date of the allotment of the Listed Notes. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

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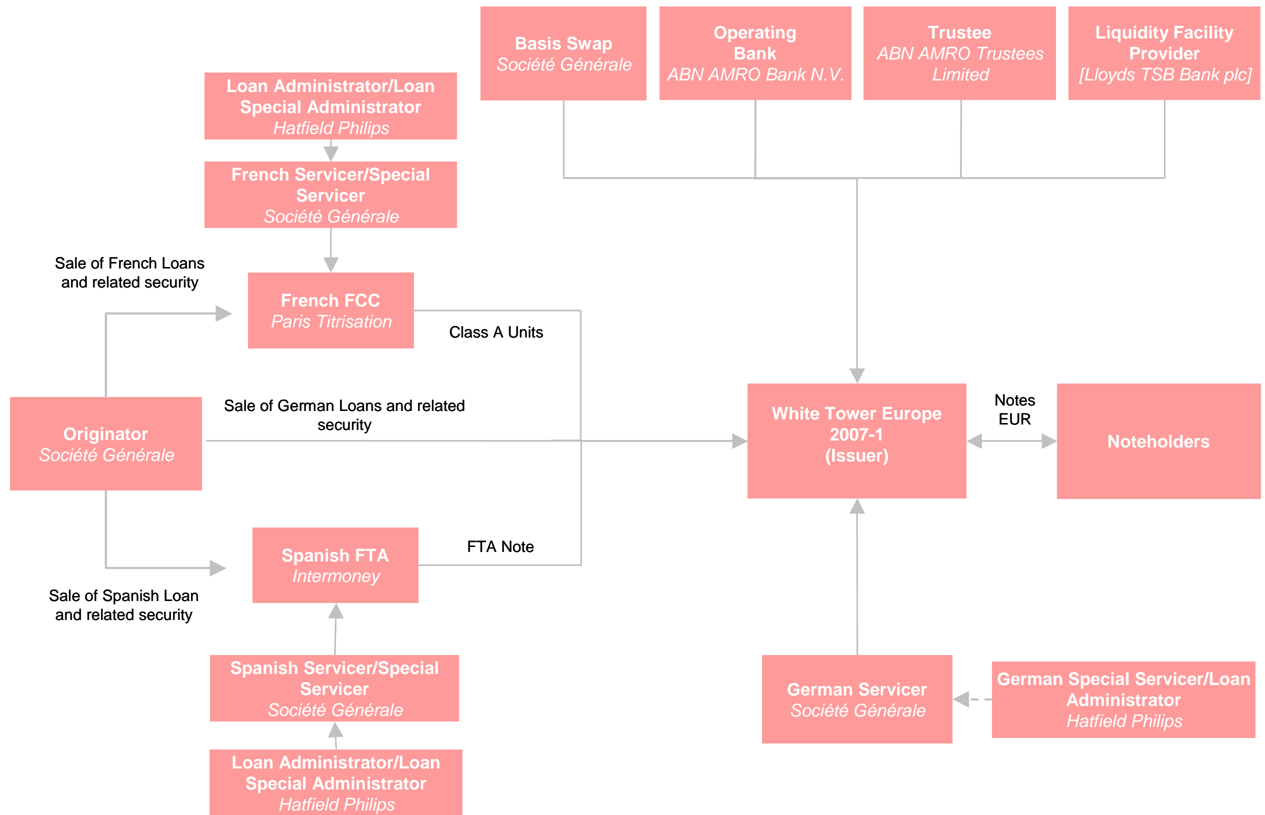
SUMMARY OF THE CHARACTERISTICS OF THE NOTES

	Class A Notes	*Class X Notes*	*Class B Notes*	*Class C Notes*	*Class D Notes*	*Class E Notes*
Total Principal Amount on the Closing Date	Euro 258,750,000	Euro 300	Euro 25,450,000	Euro 25,200,000	Euro 25,000,000	Euro 15,150,000
Denomination	Euro 50,000	Euro 150	Euro 50,000	Euro 50,000	Euro 50,000	Euro 50,000
Issue Price	100%	100%	100%	100%	100%	100%
Frequency of Payments of Interest and of Amortisation of Principal	Quarterly on 6 January, 6 April, 6 July and 6 October	Quarterly on 6 January, 6 April, 6 July and 6 October	Quarterly on 6 January, 6 April, 6 July and 6 October	Quarterly on 6 January, 6 April, 6 July and 6 October	Quarterly on 6 January, 6 April, 6 July and 6 October	Quarterly on 6 January, 6 April, 6 July and 6 October
Margin	0.18 %	Variable[1]	0.22 %	0.35 %	0.80 %	3.40 %
Expected Weighted Average Life[2]	3.89 years	Not applicable	4.44 years	4.44 years	4.44 years	4.44 years
Expected Maturity(2)	2012	Not applicable	2012	2012	2012	2012
Legal Final Maturity	2015	Not applicable	2015	2015	2015	2015
Expected S&P Ratings	AAA	AAA	AA	A	BBB	BB
Expected Fitch Ratings	AAA	AAA	AA	A	BBB	BB
Form at Issue	Global Bearer					
Listing	Application for listing with the Irish Stock Exchange	Not Listed	Application for listing with the Irish Stock Exchange	Application for listing with the Irish Stock Exchange	Application for listing with the Irish Stock Exchange	Application for listing with the Irish Stock Exchange
Clearing Systems	Euroclear and Clearstream, Luxembourg					
Common Code	030005562	030205383	030005619	030005627	030005635	030005651
ISIN	XS0300055620	XS0302053839	XS0300056198	XS030056271	XS0300056354	XS0300056511

[1] See Condition 4 (*Interest*) for details as to the calculation of the remuneration of the Class X Notes.

[2] Based on the assumptions set out under the "Estimated Average Lives of the Notes and Assumptions" on page 275 below, in particular that any extension options offered to the relevant Borrowers under the relevant Loans are not exercised.

DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



SUMMARY

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 in the related documents referred to in this Prospectus. Prospective investors are advised to carefully read, and should rely solely on, the detailed information appearing elsewhere and related documents referred to in this Prospectus in making any investment decision. Capitalised terms used, but not defined, in this section can be found elsewhere in this Prospectus, unless otherwise stated. A list of the pages on which these terms are defined is set out in "Appendix 1 – Index of Defined Terms" on page 287 of this Prospectus.

GENERAL

On the Closing Date, the Issuer will issue the Listed Notes and the Class X Notes and will use the proceeds of the issuance of the Listed Notes to:

(a) acquire from the Originator its legal and beneficial interest in the German Loans, together with the Originator's legal and beneficial interest in the related security, and the related mortgages (the related security and related mortgages being referred to together as the "**German Loan Security**");

(b) subscribe for the Class A FCC Units issued by the French Issuer on that date, in relation to the acquisition by the French Issuer, on the same date, from the Originator of its interest in the French Loans, together with, pursuant to article L. 214-43 of the French *Code monétaire et financier*, the related mortgages and other security, such mortgages and other security being granted (1) under French law over French assets, (2) under German law over German assets, and (3) under Luxembourg law over Luxembourg assets (the mortgages and other security being referred together as the "**French Loan Security**"); and

(c) purchase from the Originator (the "**FTA Note Subscriber**"), a note issued by the Spanish Issuer on the Spanish Closing Date and initially subscribed by the FTA Note Subscriber, in relation to the subscription, by the Spanish Issuer, on the Spanish Closing Date, of the Spanish Mortgage Certificate (referable to the Spanish Loan, together with the related mortgages and other security (together, the "**Spanish Loan Security**" and, together with the French Loan Security and the German Loan Security, the "**Loan Security**")) issued by the Spanish Originator on the Spanish Closing Date. The FTA Note Subscriber is the initial subscriber of the FTA Note because the procedure for registration of Spanish securitisation funds (like the Spanish Issuer) with the Spanish Stock Exchange Commission (*Comision Nacional De Mercado De Valores*) ("**CNMV**") involves certain timing constraints with respect to the issue of notes.

For the purposes of this Prospectus, the French Loans, the German Loans and the Spanish Loan (as represented by the Spanish Mortgage Certificate, as applicable) shall be referred to herein together as the "**Loans**" and each of the Issuer, the French Issuer and the Spanish Issuer shall be referred to herein as a "**Purchaser**" with respect to the Loan(s) it will purchase on the Closing Date (or, with respect to the Spanish Loan, the Spanish Mortgage Certificate which the Spanish Issuer will subscribe for on the Spanish Closing Date).

Key figures relating to the Loans

Designation of the Loans (3)	Size of the Loans at the Cut–Off Date	Expected maturity date	Cut–Off Date loan rate	Cut–Off Date ICR (1)	Cut–Off Date LTV (2)
Crown Loan	102,000,000	02/01/2012	5.12%	1.42%	78.64%
Castor & Pollux Loan	61,136,000	29/09/2010	5.25%	1.44%	84.99%
Sebastopol Loan	37,860,000	14/12/2010	3.965%	2.77%	49.95%
Deutsche Bahn Nürnberg Loan	22,024,289	30/12/2011	4.84%	1.61%	77.01%
Deutsche Bahn Hannover Loan	18,925,711	30/12/2011	4.84%	1.63%	76.31%
Heron City Loan	107,835,000	21/12/2011	4.96%	1.48%	77.03%

(1): ICR stands for "Interest Cover Ratio", for Deutsche Bahn Hannover Loan, as per the rental uplift in January 2008.

(2): LTV Ratio stands for "Loan–to–Value Ratio".

(3): The quantitative information relating to the Properties and the Loans is based on assumptions made by the Originator in the underwriting models of the relevant Loans and may not reflect the information that has been received after the Cut-Off Date.

Acquisition of the French Loans

On the Closing Date, the French Issuer will acquire from the Originator its interest in:

(a) a fully drawn term loan having an outstanding aggregate principal amount of Euro 102,000,000 as at the Cut–Off Date, such amount being reduced, due to scheduled amortisation, to Euro 101,745,000 as at the Closing Date (the "**Crown Loan**"), advanced to Bader Amar S.A.S. (the "**Crown Borrower**"), a company incorporated under the laws of France, such Loan being secured by four real estate properties located in Germany;

(b) a fully drawn term loan having an outstanding aggregate principal amount of Euro 61,136,000 as at the Cut–Off Date (the "**Castor & Pollux Loan**"), advanced to White Electre Real Estate S.A.R.L. (the "**Castor & Pollux Borrower**"), a company incorporated under the laws of France, such Loan being secured by seven real estate properties located in France; and

(c) a fully drawn term loan having an outstanding aggregate principal amount of Euro 37,860,000 as at the Cut–Off Date (the "**Sebastopol Loan**"), advanced to Boulevard de Sébastopol 31/39 S.à.r.l. (the "**Sebastopol Borrower**" and, together with the Crown Borrower and the Castor & Pollux Borrower, the "**French Loan Borrowers**"), a company incorporated under the laws of Luxembourg, such Loan being secured by one real estate property located in France.

Each of the Crown Loan, the Castor & Pollux Loan and the Sebastopol Loan as referred to in paragraphs (a) to (c) above shall be referred to herein as a "**French Loan**" and is evidenced by a credit agreement (a "**French Credit Agreement**") which is governed by French law.

For further details with respect to the French Loans and the related Loan Security, we refer you to the related loan summaries set out in the section of this Prospectus entitled "*The Loans and the Loan Security – The Loan Summaries"* on page 151.

Acquisition of the German Loans

On the Closing Date, the Issuer will acquire from the Originator its legal and beneficial interest in:

(a) a fully drawn term loan having an outstanding aggregate principal amount of Euro 22,024,289 as at the Cut–Off Date (the "**Deutsche Bahn Nürnberg Loan**"), advanced to DIC Objekt Nürnberg GmbH (the "**Deutsche Bahn Nürnberg Borrower**"), a company incorporated under the laws of Germany, such Loan being secured by one real estate property located in Germany; and

(b) a fully drawn term loan having an outstanding aggregate principal amount of Euro 18,925,711 as at the Cut–Off Date (the "**Deutsche Bahn Hannover Loan**"), advanced to DIC Objekt Hannover GmbH (the "**Deutsche Bahn Hannover Borrower**" and, together with the Deutsche Bahn Nürnberg Borrower, the "**German Loan Borrowers**") a company incorporated under the laws of Germany, such Loan being secured by one real estate property located in Germany.

Each loan as referred to in paragraphs (a) and (b) above (a "**German Loan**") is evidenced by a credit agreement (a "**German Credit Agreement**") which is governed by German law.

For further details with respect to the German Loans and the related Loan Security, we refer you to the related loan summaries set out in the section of this Prospectus entitled "*The Loans and the Loan Security – The Loan Summaries*" on page 151.

Acquisition of the Spanish Loan

On the terms of a deed of incorporation (*escritura de constitución*) of a *fondo de titulización de activos* dated on 22 May 2007 (the "**Spanish Deed of Incorporation**"), the Originator, acting from its Madrid branch, issued on 22 May 2007 (the "**Spanish Closing Date**") to the Spanish Issuer a mortgage instrument (*Certificado de Transmisión de Hipoteca*) (the "**Spanish Mortgage Certificate**") representing: (i) a fully drawn term loan having an outstanding aggregate principal amount of Euro 107,835,000 as at the Cut–Off Date (the "**Spanish Loan**" or the "**Heron City Loan**"), advanced to Azorallom S.L. (the "**Spanish Loan Borrower**"), a company incorporated under the laws of Spain; and (ii) the Loan Security relating thereto. The Spanish Loan is evidenced by a credit agreement (a "**Spanish Credit Agreement**") which is governed by Spanish law.

For further details with respect to the Spanish Loan, the related Loan Security and the Spanish Mortgage Certificate, we refer you to the related loan summary set out in the section of this Prospectus entitled "*The Loans and the Loan Security– The Loan Summaries*" on page 151.

General Characteristics of the Loans

Each Loan provides for the Borrowers to pay a floating rate of interest (although all Borrowers are obliged pursuant to the Credit Agreements to enter into hedging arrangements). Each Loan is denominated in Euro, is an obligation of the Borrowers and is secured by first ranking mortgages (unless otherwise specified in this Prospectus in relation to the French Loan German Property located in Poing, Germany (the "**Poing Property**"), as set out in the section of this Prospectus entitled "*Risk Factors Relating to the Loans - Relevant Aspects of German Law*" on page 101) (the "**Mortgages**") over, primarily, commercial office properties (the "**Properties**") given by the Borrowers.

The Properties

Each Loan will be secured by land charges over real estate properties as follows:

(a) the Castor & Pollux Loan and the Sebastopol Loan will be secured in each case by, among other things, first ranking lenders liens (*privilèges de prêteurs de deniers*) over properties located in France (the "**French Loan French Properties**");

(b) the Crown Loan will be secured by, among other things, predominantly first ranking certificated aggregate land charges (*Gesamtbriefgrundschuld*) over properties located in Germany (the "**French Loan German Properties**");

(c) the Deutsche Bahn Nürnberg Loan and the Deutsche Bahn Hannover Loan will be secured in each case by, among other things, a first ranking certificated land charge (*Briefgrundschuld*) over properties located in Germany (the "**German Properties**");

(d) the Heron City Loan will be secured by, among other things, a first ranking mortgage (*hipoteca*) over a property located in Spain (the "**Spanish Property**" and, together with the French Loan French Properties, the French Loan German Properties and the German Properties, the "**Properties**"),

as such Properties are described in the loan summary relating to each Loan as set out in the section of this Prospectus entitled "*The Loans and the Loan Security– The Loan Summaries*" on page 151.

Basis Swap Transactions

The interest rate (3–month EURIBOR) in respect of the Loans (and, with respect to the French Loans and the Spanish Loan, as reflected in the interest paid on the Class A FCC Units and the FTA Note subscribed or purchased, as the case may be, by the Issuer) will be determined on dates that are different to the dates on which the floating interest rate will be determined in respect of the Notes for the corresponding interest period. As a result the rates of interest on the Loans may not be equal to the floating rates applicable to the Notes. Accordingly, the interest paid under the Loans (and, in turn with respect to the French Loans and the Spanish Loan, under the Class A FCC Units and the FTA Note, respectively) may be insufficient to meet the floating rate interest payments payable on the Notes. In order to provide the Issuer with protection against any difference or shortfall that might arise as a result of such matters, Société Générale, as the Basis Swap Counterparty, will enter into a swap agreement with the Issuer under which it will enter into 5 basis swap confirmations, one for the Spanish Loan, one for the German Loans (which share the same Loan Payment Dates), one for the Crown Loan, one for the Castor & Pollux Loan and one for the Sebastopol Loan. Under these Basis Swap Transactions, the Issuer will pay to the Basis Swap Counterparty an amount calculated by reference to the revenue receipts scheduled to be paid to the Issuer in respect of the Loans (through, with respect to the French Loans and the Spanish Loan, the Class A FCC Units and the FTA Note, respectively), and (assuming payment of the amount scheduled to be due in full from the Issuer) the Basis Swap Counterparty will pay to the Issuer an amount calculated by reference to the floating rates of interest payable on the Notes.

The Issuer Security

The obligations of the Issuer under the Notes to the Noteholders and to the other Secured Parties will be secured by and pursuant to a Deed of Charge and Assignment predominantly governed by English law. Pursuant to the terms of the Deed of Charge and Assignment, the Issuer will grant the following security interests in favour of the Trustee on trust for itself and for the benefit of the Secured Parties: (a) an assignment by way of security of the German Loans and the Issuer's rights under the German Credit Agreements, such assignment by way of security to be governed by German law; (b) an

assignment by way of security of the Issuer's beneficial interest in the German Loan Security, such assignment by way of security to be governed by German law; (c) an assignment by way of security of the Issuer's rights under certain contracts and agreements entered into in connection with the issuance of the Notes; (d) an assignment by way of security of the Issuer's interests in all of its accounts (including, in particular, the Issuer Transaction Account and the Cash Investment Account) but other than the Class X Collateral Account, the Stand–by Account and the Issuer Domestic Account; (e) a charge over any other Eligible Investments (other than Eligible Investments relating to the investment of the credit balance of the Class X Collateral Account) from time to time held by or on behalf of the Issuer; and (f) a floating charge over the whole of the undertaking and assets of the Issuer (other than those assets that are otherwise secured by way of an effective fixed security interest). Pursuant to the terms of the Deed of Charge and Assignment, the Issuer will grant the following security interests in favour of the Trustee on trust for itself and for the benefit of: (1) the Class X Noteholders only, a first fixed charge over the Issuer's interest in the Class X Collateral Account and Eligible Investments relating to the investment of the credit balance of such account; and (2) the Liquidity Facility Provider only, a first fixed charge over the Issuer's interest in the Stand-by Account.

The Issuer will also create in favour of the Trustee amongst other things: (a) a French law securities account pledge (*gage de compte d'instruments financiers*) in respect of the securities account to which the Class A FCC Units issued by the French Issuer are credited; and (b) a Spanish law pledge over the FTA Note issued by the Spanish Issuer.

THE KEY TRANSACTION PARTIES

Issuer: White Tower Europe 2007–1 plc (the "**Issuer**") is a public company incorporated in Ireland with limited liability under registration number 436366 and whose registered office is at 25 - 26 Windsor Place, Lower Pembroke Street, Dublin 2, Ireland. The entire issued share capital of the Issuer is held by an Irish incorporated company, Structured Finance Management Corporate Services (Ireland) Limited and its nominees on trust for charity.

Trustee: ABN AMRO Trustees Limited, whose registered office is at 82 Bishopsgate, London EC2N 4BN, will act as the note and security trustee (in such capacity, the "**Trustee**") for the holders of the Notes pursuant to a trust deed (the "**Trust Deed**") between the Trustee and the Issuer to be dated on or prior to the Closing Date.

French Issuer: FCC White Tower Europe 2007–1 (the "**French Issuer**"), a French *fonds commun de créances* (mutual debt fund) regulated by the provisions of articles L. 214–5, L. 214–43 to L. 214–49 and L. 231–7 and articles R. 214–92 to R. 214–115 of the French *Code monétaire et financier* (the "**French Financial Code**") and the FCC Regulations (as defined hereafter). The French Issuer will be established by the FCC Custodian and the FCC Manager. The French Issuer will be created on the Closing Date.

The French Issuer is a co-ownership (*copropriété*) created by the FCC Custodian and the FCC Manager. Neither the provisions of the French *Code civil* (the "**French Civil Code**") concerning *indivision* (joint ownership) nor of articles 1871 and 1873 of the French Civil Code concerning *sociétés en participation* (joint companies) shall apply. The regulations of the French Issuer entered into between the FCC Manager and the FCC Custodian (the "**FCC Regulations**") (as amended or supplemented from

time to time) set out the management strategy (stratégie de gestion) of the French Issuer, which consists of: (i) acquiring on the Closing Date the French Loans (together with the French Loan Security) from the Originator and (ii) issuing the FCC Units.

FCC Manager: Paris Titrisation, a limited liability company (*société anonyme*) incorporated under and governed by the laws of France, with its registered office at 17 Cours Valmy, 92800 Puteaux, France, registered with the Nanterre Commercial Registry (*Registre de Commerce et des Sociétés de Nanterre*) under number 379 014 095, and with phone number +33 1 42 13 94 07, will act in its capacity as management company (*société de gestion*) of the French Issuer (the "**FCC Manager**"). The FCC Manager is duly authorised as a management company (*société de gestion*) by the *Autorité des Marchés Financiers* (the "**AMF**") under number SG-FCC-96-02. Its sole purpose is the management of French mutual debt funds (*fonds communs de créances*).

FCC Custodian: Société Générale, a limited liability company (*société anonyme*) incorporated under and governed by the laws of France whose registered office is at 29 Boulevard Haussmann, 75009 Paris, France ("**Société Générale**"). 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*) will act as *établissement dépositaire* (custodian) of the French Issuer's assets (in this capacity, the "**FCC Custodian**").

FCC Account Bank: Société Générale (in this capacity, the "**FCC Account Bank**"), acting from its office at 29 Boulevard Haussmann, 75009 Paris, France, will act as account bank for the French Issuer under an agreement entitled "FCC Account Bank Agreement" to be entered into on or prior to the Closing Date between the FCC Account Bank, the FCC Manager and the FCC Custodian (the "**FCC Account Bank Agreement**").

Spanish Issuer: White Tower Europe 2007–1, *Fondo de Titulización de Activos* (the "**Spanish Issuer**") is a Spanish securitisation fund (*Fondo de Titulización de Activos*) incorporated on 22 May 2007, registered at the Spanish National Stock Market Commission (*Comisión Nacional del Mercado de Valores* ("**CNMV**"). It is governed by its deed of incorporation (*Escritura de Constitución*) (the "**Spanish Deed of Incorporation**"), Law 19/1992, of 7 July 1992 on Real Estate Investment Companies and Funds and on Mortgage Securitisation Funds (s*obre régimen de Sociedades y Fondos de Inversión Inmobiliaria y sobre Fondos de Titulización Hipotecaria*) and Royal Decree 926/1998, of 14 May 1998 on Asset Securitisation Funds and Management Companies of Securitisation Funds (*Fondos de Titulización de Activos y Sociedades Gestoras de Fondos de Titulización*) (the "**RD 926/1998**"). The Spanish Issuer is a separated pool of assets (*patrimonio separado*) without legal personality. The Spanish Issuer will: (i) subscribe from the Originator, acting from its Madrid branch, the Spanish Mortgage Certificate (*Certificado de Transmisión de Hipoteca*) ("**Spanish Mortgage Certificate**" or "**CTH**") relating to the Spanish Loan; and (ii) issue to the FTA Note Subscriber on 22 May 2007 (the "**Spanish Closing Date**") the FTA Note for a total principal amount of Euro 107,835,000

and at an issue price of 100 per cent, pursuant to the Spanish Deed of Incorporation.

FTA Manager: InterMoney Titulización S.G.F.T. S.A., a Sociedad Gestora de *Fondos de Titulización* incorporated under and governed by the laws of Spain, with its registered office at 1 Plaza Pablo Ruiz Picasso, Torre Picasso, Plta 23, 28020 Madrid, Spain, registered with the Registry of Management Companies of Securitisation Funds (*Registro de Sociedades Gestoras de Fondos de Titulización*) held by the CNMV will act as the management company of the Spanish Issuer (the "**FTA Manager**").

FTA Account Bank: Société Générale, Madrid Branch (in this capacity, the "**FTA Account Bank**"), acting from its office at 1 Plaza Pablo Ruiz Picasso, Torre Picasso, 28020 Madrid, Spain, will act as account bank for the Spanish Issuer under the Spanish Deed of Incorporation.

FTA Paying Agent Société Générale, Madrid Branch (in this capacity, the "**FTA Paying Agent**"), acting from its office at 1 Plaza Pablo Ruiz Picasso, Torre Picasso, 28020 Madrid, Spain, will act as paying agent in Spain under a paying agency agreement entered into on the Spanish Closing Date between, amongst others, the Spanish Issuer (through the FTA Manager) and the FTA Paying Agent (the "**Spanish Paying Agency Agreement**").

Loan Security Agent: Société Générale, as Servicer of the Loans, will also act as the loan security agent (in such capacity, the "**Loan Security Agent**") for:

(a) with respect to the French Loans, the French Issuer;

(b) with respect to the German Loans, the Issuer; and

(c) with respect to the Spanish Loan, the Spanish Issuer.

Société Générale, as Servicer of the French Loans, the German Loans and the Spanish Loan, will also act as the Loan Security Agent for the Serviced Financings Creditors under the other Serviced Financings.

Originator: Société Générale:

(a) will assign to the Issuer, its rights, title and interests in the German Loans and its interests in the German Loan Security pursuant to a loan sale agreement (the "**German Loan Sale Agreement**") between the Originator, the Issuer and the Trustee to be dated on or prior to the Closing Date;

(b) will assign to the French Issuer, its rights, title and interests in the French Loans and its interests in the French Loan Security, pursuant to a loan sale agreement (the "**French Loan Sale Agreement")** between the Originator, the FCC Manager and the FCC Custodian to be dated on or prior to the Closing Date; and

(c) will, acting from its Madrid branch, located at 1 Plaza Pablo Ruiz Picasso, Torre Picasso, 28020 Madrid, Spain,

issue to the Spanish Issuer the Spanish Mortgage Certificate referable to the Spanish Loan and the Spanish Loan Security, pursuant to a deed, (the "**Spanish Deed of Incorporation"**) (such deed, together with the French Loan Sale Agreement and the German Loan Sale Agreement, the "**Loan Sale Agreements"**) between the Originator, acting from its Madrid branch, and the FTA Manager to be dated on the Spanish Closing Date.

Servicers: Due to legal requirements imposed by French and Spanish laws respectively in France and Spain, the Originator will act as the Servicer, for and on behalf of:

(a) the French Issuer, with respect to the French Loans, pursuant to a servicing agreement (the "**French Loan Servicing Agreement**") between, amongst others, the Originator, as servicer of such Loans (the "**French Servicer**"), the FCC Manager and the FCC Custodian to be dated on or prior to the Closing Date; and

(b) the Spanish Issuer, with respect to the Spanish Loan, pursuant to a servicing agreement (the "**Spanish Loan Servicing Agreement**") between, amongst others, the Originator, acting through its Madrid branch, as servicer of such Loan (the "**Spanish Servicer**"), and the FTA Manager to be dated on the Spanish Closing Date.

The Originator will also act as the Servicer for and on behalf of the Issuer with respect to the German Loans, pursuant to a servicing agreement (the "**German Loan Servicing Agreement**" and, together with the French Loan Servicing Agreement and the Spanish Loan Servicing Agreement, the "**Loan Servicing Agreements**") between, amongst others, the Originator, as servicer of such Loans (the "**German Servicer**" and, together with the French Servicer and the Spanish Servicer, the "**Servicers**"), the German Special Servicer and the Issuer to be dated on or prior to the Closing Date.

Loan Administrator: Hatfield Philips International Limited ("**Hatfield Philips**"), whose principal office is at 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB, England, (i) will be designated by each Servicer as loan administrator (in such capacity, the "**Loan Administrator**") and (ii) will be designated by the French Special Servicer and the Spanish Special Servicer as loan special administrator (in such capacities, the "**Loan Special Administrator**"), in relation to the Loans and the other related Serviced Financings on the terms of loan administration agreements (respectively, the "**French Loan Administration Agreement**", the "**German Loan Administration Agreement**", the "**Spanish Loan Administration Agreement**", and, such agreements together, the "**Loan Administration Agreements**"), to provide loan administration services to the relevant Servicer or, as the case may be, Special Servicer.

The Loan Administrator will be responsible for the administration of the French Loans, the German Loans and the Spanish Loan, together with the other related Serviced Financings, under the relevant Loan Administration Agreements under the sole responsibility and supervision of the relevant Servicer.

The Loan Special Administrator will be responsible for the administration of any French Loan or the Spanish Loan, and any related Serviced Financings, which may become Specially Serviced Financings, under the relevant Loan Administration Agreements under the sole responsibility and supervision of the relevant Special Servicer.

Special Servicers: In relation to any German Loan, Hatfield Philips will also act as the special servicer (in such capacity, the "**German Special Servicer**") for and on behalf of the Issuer pursuant to the German Loan Servicing Agreement, in relation to German Loans which may become Specially Serviced Loans.

In relation to the French Loans and the Spanish Loan, the relevant Servicer will also act as the special servicer (in such capacity, the "**French Special Servicer**", the "**Spanish Special Servicer**" and, together with the German Special Servicer, the "**Special Servicers**") for and on behalf of the French Issuer or the Spanish Issuer, as the case may be, pursuant to the relevant Loan Servicing Agreement, in relation to French Loans or Spanish Loan, as applicable, which may become Specially Serviced Loans.

Issuer Representative: Hatfield Philips (in such capacity, the "**Issuer Representative**") will act as the initial Issuer Representative. The Issuer Representative will be responsible for exercising the rights of the Issuer in respect of the Class A FCC Units, receiving, on behalf of the Issuer, notices from the FTA Manager, and advising the Issuer in relation to the exercise by the Issuer of its rights under the FTA Note, as described in "*Loan Servicing - The Issuer Representative and the Issuer Special Representative*" on page 203.

Issuer Special Representative: Hatfield Philips (in such capacity, the "**Issuer Special Representative**") will act as the initial Issuer Special Representative. The Issuer Special Representative will be responsible for exercising the rights of the Issuer in respect of the Class A FCC Units, receiving, on behalf of the Issuer, notices from the FTA Manager, and advising the Issuer in relation to the exercise by the Issuer of its rights under the FTA Note, where any French Loan or the Spanish Loan, as applicable, has become a Specially Serviced Loan, as described in "*Loan Servicing – The Issuer Representative and the Issuer Special Representative*" on page 203.

Controlling Class: The "**Controlling Class**", at any time, will be the Most Junior Class of Notes (other than the Class X Notes) outstanding from time to time, which class has a total Principal Amount Outstanding that is not less than 25 per cent. of the original Principal Amount Outstanding of that class, and if such Class of Notes ceases to have a total Principal Amount Outstanding that is not less than 25 per cent. of its original Principal Amount Outstanding, the next Most Junior Class of Notes (other than the Class X Notes) which satisfies such criteria shall become the Controlling Class. However, if no Class of Notes has an aggregate Principal Amount Outstanding that satisfies this requirement, then the Controlling Class will be the Most Junior Class of Notes then outstanding (other than the Class X Notes). The holders of the Controlling Class will have the right to elect a representative (the "**Controlling Class Representative**") who

will have certain rights pursuant to, among other things, the Conditions. As at the Closing Date, the Class E Notes will be the Controlling Class.

Operating Adviser: The Controlling Class Representative will have the right to appoint and remove an adviser (the "**Operating Adviser**") with respect to the German Loans, the Class A FCC Units and the FTA Note, where any Loan has become a Specially Serviced Loan. The Operating Adviser will have certain rights including, among other things, to be consulted by the German Special Servicer or the Issuer Special Representative, as applicable, in relation to certain actions relating to the servicing of the German Loans and the exercise of the Issuer's rights in respect of the Class A FCC Units and the FTA Note, respectively, as more fully described in "*Loan Servicing – The Controlling Class Representative and the Operating Adviser– The Operating Adviser*" on page 205.

Principal Paying Agent and Agent Bank: ABN AMRO Bank N.V., London Branch, acting through its branch at 82 Bishopsgate, London EC2N 4BN, will be the principal paying agent (in such capacity, the "**Principal Paying Agent**") and agent bank (in such capacity, the "**Agent Bank**") under an agency agreement (the "**Agency Agreement**") between, amongst others, the Issuer, the Principal Paying Agent and the Agent Bank to be dated on or prior to the Closing Date.

Irish Paying Agent: NCB Stockbrokers Limited, whose registered office is at 3 George's Dock, International Finance Services Centre, Dublin, Ireland, will act as the Irish paying agent (the "**Irish Paying Agent**") under the Agency Agreement. The Irish Paying Agent, together with the Principal Paying Agent and any other paying agent(s) that may be appointed pursuant to the Agency Agreement, are together referred to as the "**Paying Agents**".

Cash Manager: ABN AMRO Bank N.V., London Branch, acting through its branch at 82 Bishopsgate, London EC2N 4BN, will act as the cash manager (in such capacity, the "**Cash Manager**") under a cash management agreement (the "**Cash Management Agreement**") between, amongst others, the Issuer and the Cash Manager to be dated on or prior to the Closing Date.

Operating Bank: ABN AMRO Bank N.V., London Branch, acting through its branch at 82 Bishopsgate, London EC2N 4BN, will act as the operating bank (in such capacity, the "**Operating Bank**") under the Cash Management Agreement.

Basis Swap Counterparty Société Générale will enter into a swap agreement in the form of an International Swaps and Derivative Association, Inc ("**ISDA**") 1992 Master Agreement (Multicurrency–Cross Border) dated on or prior to the Closing Date with the Issuer, together with a schedule to it (the "**Basis Swap Agreement**") under which it will enter into basis swap confirmations (the "**Basis Swap Transactions**"), in its capacity as basis swap counterparty (the "**Basis Swap Counterparty**").

Liquidity Facility Provider: Lloyds TSB Bank plc (the "**Liquidity Facility Provider**"), acting through its corporate office located at 10 Gresham Street, London EC2V 7AE, will provide a revolving liquidity facility in an initial amount equal to Euro 24,400,000 (such commitment, as reduced in line with the aggregate principal balance of the Notes

as more fully described in "*Credit Structure – Liquidity Facility*" on page 225 below, the "**Liquidity Facility Commitment**") (the "**Liquidity Facility**") under a liquidity facility agreement (the "**Liquidity Facility Agreement**") between the Liquidity Facility Provider, the Issuer, the Cash Manager and the Trustee to be dated on or prior to the Closing Date. The Liquidity Facility will be available to fund shortfalls in senior expenses and interest payments in respect of the Listed Notes and the Class X Notes (a "**Senior Expenses Drawing**") (as more fully described in "*Credit Structure – Liquidity Facility*" on page 225 below).

Corporate Services Provider: Structured Finance Management (Ireland) Limited ("**SFM**") company number 331206, with a registered office at 25 - 26 Windsor Place, Lower Pembroke Street, Dublin 2, Ireland, will act as the corporate services provider (the "**Corporate Services Provider**") and will provide certain corporate, administrative and accounting services to the Issuer pursuant to a corporate services agreement (the "**Corporate Services Agreement**") between, amongst others, the Corporate Services Provider and the Issuer to be dated on or prior to the Closing Date.

Share Trustee: Structured Finance Management Corporate Services (Ireland) Limited will, pursuant to a charitable declaration of trust (the "**Share Declaration of Trust**"), act as the share trustee of the Issuer ("**SFMCSI**" or the "**Share Trustee**") and provide certain services as trustee of "Irish Hospice Foundation" (the "**Securitisation Trust**").

THE LOANS

The Loans:

Each Loan is the obligation of the related Borrower(s) and is secured by one or more first ranking (unless otherwise specified in this Prospectus in relation to the Poing Property) legal Mortgages over the Properties described below in "*The Loans and the Loan Security– The Loan Summaries*" on page 151.

The Loans were originated by the Originator in accordance with the procedure described in "*The Loans and the Loan Security – Origination of the Loans*" on page 148 below, as applied by the Originator in advancing loans subject to such variations or waivers as would have been acceptable to a reasonably prudent lender of money secured on commercial property.

The following is a summary of certain characteristics of the Loans:

Designation of the Loans (3)	**Size of the Loans at Cut-Off Date**	**Expected maturity date**	**Cut–Off Date loan rate**	**Cut–Off Date ICR (1)**	**Cut–Off Date LTV (2)**
Crown Loan	102,000,000	02/01/2012	5.12%	1.42%	78.64%
Castor & Pollux Loan	61,136,000	29/09/2010	5.25%	1.44%	84.99%
Sebastopol Loan	37,860,000	14/12/2010	3.965%	2.77%	49.95%
Deutsche Bahn Nürnberg Loan	22,024,289	30/12/2011	4.84%	1.61%	77.01%
Deutsche Bahn Hannover Loan	18,925,711	30/12/2011	4.84%	1.63%	76.31%
Heron City Loan	107,835,000	21/12/2011	4.96%	1.48%	77.03%

(1): ICR stands for "Interest Cover Ratio", for Deutsche Bahn Hannover Loan, as per the rental uplift in January 2008.
(2): LTV Ratio stands for "Loan–to–Value Ratio".
(3): The quantitative information relating to the Properties and the Loans is based on assumptions made by the Originator in the underwriting models of the relevant Loans and may not reflect the information that has been received after the Cut-Off Date.

See further "*The Loans and the Loan Security – The Loan Summaries*" on page 151 below.

Payments on the Loans:

The first interest payment date under the Credit Agreements falling on or after the Closing Date will be on:

(a) with respect to the Crown Loan, 2 July 2007;

(b) with respect to the Castor & Pollux Loan, 29 June 2007;

(c) with respect to the Sebastopol Loan, 14 June 2007;

(d) with respect to the Deutsche Bahn Nürnberg Loan, 30 June 2007;

(e) with respect to the Deutsche Bahn Hannover Loan, 30 June 2007; and

(f) with respect to the Heron City Loan, 31 June 2007.

Each Loan is repayable on the final maturity date specified in the related Credit Agreement (for each Loan, its "**Final Maturity Date**"), being:

(i) with respect to the Crown Loan, 2 January 2012;

(ii) with respect to the Castor & Pollux Loan, 29 September 2010, with a possible extension to 29 September 2012;

(iii) with respect to the Sebastopol Loan, 14 December 2010;

(iv) with respect to the Deutsche Bahn Nürnberg Loan, 30 December 2011;

(v) with respect to the Deutsche Bahn Hannover Loan, 30 December 2011; and

(vi) with respect to the Heron City Loan, 21 December 2011.

Save for the Sebastopol Loan and the Heron City Loan, each Loan has principal repayment obligations arising on each quarterly loan interest payment date as specified in the related loan summaries set out under "*The Loans and the Loan Security– The Loan Summaries*" on page 151 or, if such day is not a Loan Business Day, the next following Loan Business Day (unless such Loan Business Day falls in the next succeeding calendar month, in which event the immediately preceding Loan Business Day) (for each Loan, a "**Loan Payment Date**").

Each Loan is prepayable by its Borrower(s), in part or in full, upon prior written notice (see "*The Loans and the Loan Security– The Loan Summaries*" on page 151).

On any Loan Payment Date, monies received in relation to the Properties and standing to the credit of the relevant Borrowers' rent account shall be applied in accordance with the terms of the relevant Credit Agreement and, as applicable, the relevant Subordination Agreement (as described below).

"**Loan Business Day**" means, in relation to any Loan, such day specified as being a "Business Day" (or "*Jour Ouvré*" or "*Jour Ouvrable*" as applicable) within the meaning ascribed thereto in the relevant Credit Agreement.

Hedging Arrangements:

With respect to each Loan, each Borrower (the "**Borrower Swap Counterparty**") has, in order to hedge its interest rate liabilities in relation to such Loan, entered into separate hedging arrangements in the form of interest rate swaps or caps (the "**Loan Hedge Agreements**") whereby the hedging provider has agreed to pay sums to such Borrower Swap Counterparty based on a floating rate of interest in return for obligations on such Borrower Swap Counterparty to pay to the hedging provider sums based on a fixed rate of interest. The hedging provider is Société Générale (the "**Loan Hedge Counterparty**") (see "*The Loans and the Loan Security– The Loan Summaries*" on page 151).

Representations and

Each Loan Sale Agreement contains certain warranties given by the Originator in respect of the assigned Loan(s) and the Loan

Warranties: Security which are summarised in "*Acquisition of the Loans – Originator's Representations and Warranties*" on page 177.

French Loans and German Loans: Under the German Loan Sale Agreement, the Originator will be required (should the Issuer exercise this right), in the case of a material breach of a warranty made in respect of a Loan, which (if capable of remedy) has not been remedied within the time specified in the German Loan Sale Agreement, to repurchase the relevant Loan (together with the related Loan Security) in respect of which the material breach of warranty occurred.

Under the French Loan Sale Agreement, a material breach of a warranty made in respect of a Loan, which (if capable of remedy) has not been remedied within the time specified in the French Loan Sale Agreement, will trigger, upon notice by the FCC Manager, the automatic rescission without further formalities (*résolution de plein droit*) of the sale of the relevant Loan in respect of which the material breach of warranty occurred, such rescission taking effect on the FCC Interest Payment Date immediately following the date of the notice from the FCC Manager.

In each case, the consideration for such repurchase or rescission shall be the outstanding principal amount of the affected Loan together with an amount in respect of interest accrued on such Loan, including interest accrued but not yet paid up to (and including) the date of completion of such repurchase or rescission, any costs or expenses associated with the securitisation of such Loan (including any Issuer Fee Indemnity and related costs) and, where the repurchase or rescission occurs on a date other than a related Loan Payment Date, any break costs of the relevant Basis Swap Transaction that are incurred by the Issuer in relation to such Loan and, where the affected Loan is a German Loan, interest or cost incurred or payable (other than principal repayments) pursuant to the Liquidity Facility to the extent allocable to the relevant German Loan.

Any such repurchase or rescission would result in redemption of the Notes in whole or in part in accordance with Condition 5(B)(*Mandatory Redemption in Part*) of the Terms and Conditions of the Notes.

Spanish Loan: In the event that the Spanish Mortgage Certificate would suffer from any defects (*vicios*) or does not conform to the representations and warranties made by the Originator under the Spanish Deed of Incorporation, then the Originator has undertaken to cure the defect (*vicios*) within a term of 60 days from the notification by Originator or the FTA Manager, as the case may be, of the existence of such defect.

In the event that the defect is not remedied, the Originator will be required to make an early repayment of the Spanish Mortgage Certificate by reimbursement in cash to the Spanish Issuer of the principal amount pending repayment, interest accrued and unpaid, and any amount which may be due under the Spanish Mortgage Certificate to the Spanish Issuer up to the date of the early repayment.

The Loan Security: As security for the obligations of the Borrowers under each Credit Agreement, the security granted for the benefit of the Originator (and, in turn, the relevant Purchaser) includes:

(a) in respect of each Loan, one or more first ranking (unless otherwise specified in this Prospectus in relation to the Poing Property) mortgages over the relevant Borrower's Property (a "**Mortgage**") governed by the laws of the jurisdiction where such Property is located;

(b) in respect of each Loan (save for the German Loans), an intercreditor and/or subordination agreement (any such agreement a "**Subordination Agreement**"), pursuant to which are regulated the respective rights and obligations of the relevant parties with respect to (1) any other indebtedness (which may include, in particular, intra–group loans, convertible bonds, or financings qualified therein as "mezzanine" (a "**Mezzanine Financing**")), owed by the relevant Borrower(s) to creditors specified therein as "subordinated" (any such creditor, a "**Subordinated Creditor**" and any such financing, a "**Subordinated Financing**") to the relevant Lender(s) under such Loan, and (2) such other financings (which may include capex and/or VAT facilities, if any) extended by any such Lender(s) under the related Credit Agreement and which may be, for certain other financings, *pari passu* with such Loan. It is specified that in relation to the Crown Loan, an issue of convertible bonds (*obligations convertibles en actions*) was made by the Crown Borrower to a credit institution. The subordination to the Crown Loan of the payment obligations of the Crown Borrower under the convertible bonds is not made by way of a Subordination Agreement but by the terms and conditions of the convertible bonds;

(c) a charge or pledge over the issued share capital of the Borrowers, governed by the law of the jurisdiction of incorporation of the relevant Borrowers;

(d) a charge or pledge over the accounts of the Borrowers (and in particular the collection accounts into which rental income attributable to the relevant Property is to be paid) (each an "**Account Charge**"), governed by the laws of the jurisdiction where such accounts are maintained by the relevant operating banks;

(e) a charge, pledge or assignment of receivables by way of security of any rental income, insurance proceeds, or claims under hedging agreements.

The security interests described above, together with any other security securing the obligations of the Borrowers under the Loan, are referred to in this Prospectus as the "**Loan Security**". See the Loan summaries set out under "The Loans and the Loan Security" on page 151 for further details.

Further Advances: No Purchaser is required to make any further advance to any Borrower pursuant to any Credit Agreement. It is specified however that pursuant to the Crown Credit Agreement and the Castor & Pollux Credit Agreement, the relevant Lender(s)

thereunder are commited to extend to the relevant Borrower(s) capex advances which may be *pari passu* with the related Loan. None of the Purchasers has purchased nor will in the future purchase from the Originator (or any relevant lender) any interest in any such further capex advances.

Neither the Servicers nor the Special Servicers are permitted under the relevant Loan Servicing Agreement to agree to an amendment of the terms of the relevant Loan(s) that would require the relevant Purchaser to make a further advance to the relevant Borrowers, unless such Purchaser, to the extent it is authorised by applicable laws to do so, has agreed and written confirmation is received from at least one Rating Agency (and in any case from S&P) that the ratings of the Notes will not be adversely affected.

Insurance: Each Property that is charged is covered by a buildings insurance policy maintained by the relevant Borrower or another person with an appropriate insurable interest in the relevant Property.

For a more detailed description of the insurance arrangements and the related risks see "*The Loans and the Loan Security – The Loan Summaries*" on page 151.

THE NOTES ISSUED BY THE ISSUER

Classes: On the Closing Date, White Tower Europe 2007–1 plc (the "**Issuer**") will issue the Euro 258,750,000 Class A Commercial Mortgage Backed Floating Rate Notes due 2015 (the "**Class A Notes**"), the Euro 300 Class X Commercial Mortgage Backed Floating Rate Notes due 2015 (the "**Class X Notes**"), the Euro 25,450,000 Class B Commercial Mortgage Backed Floating Rate Notes due 2015 (the "**Class B Notes**"), the Euro 25,200,000 Class C Commercial Mortgage Backed Floating Rate Notes due 2015 (the "**Class C Notes**"), the Euro 25,000,000 Class D Commercial Mortgage Backed Floating Rate Notes due 2015 (the "**Class D Notes**" and the Euro 15,150,000 Class E Commercial Mortgage Backed Floating Rate Notes due 2015 (the "**Class E Notes**" and, together with the Class A Notes, the Class X Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Notes**" and the Notes other than the Class X Notes, the "**Listed Notes**").

Status, Form and Denomination: The Notes constitute direct, secured and unconditional obligations of the Issuer. The Notes of each Class rank *pari passu* without preference or priority among themselves. The Notes will not be obligations or responsibilities of, or guaranteed by, any person other than the Issuer. The Notes will be constituted by the Trust Deed. As between the classes of the Notes, in the event of the Issuer Security being enforced, the Class A Notes and the Class X Notes will, in respect of interest payments, rank *pari passu* among themselves, and will both (but in respect of interest payments only for the Class X Notes) rank higher in priority to the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes; the Class B Notes will rank higher in priority to the Class C Notes, the Class D Notes and the Class E Notes; the Class C Notes will rank higher in priority to the Class D Notes and the Class E Notes; the Class D Notes will rank higher in priority to the Class E Notes. Prior to enforcement of the Issuer Security, payments of principal of and interest on the Class E Notes will be subordinated to payments of principal of and interest on the Class A Notes, payments of interest on the Class X Notes and payments of principal and interest on the Class B Notes, the Class C Notes and the Class D Notes; payments of principal of and interest on the Class D Notes will be subordinated to payments of principal of and interest on the Class A Notes, payments of interest on the Class X Notes and payments of principal and interest on the Class B Notes and the Class C Notes; payments of principal of and interest on the Class C Notes will be subordinated to payments of principal of and interest on the Class A Notes, payments of interest on the Class X Notes and payments of principal of and interest on the Class B Notes; and payments of principal of and interest on the Class B Notes will be subordinated to payments of principal of and interest on the Class A Notes and payment of interest on the Class X Notes.

The Notes of each class will initially be represented by a temporary global note in bearer form (each a "**Temporary Global Note**") without coupons or talons attached and which will represent the aggregate principal amount outstanding of

each Class of Notes. On the Closing Date, each Temporary Global Note will be deposited on behalf of the subscribers of the relevant Class of Notes with ABN AMRO GSTS NOMINEES LIMITED as nominee for ABN AMRO Bank N.V. (London Branch), as common depositary (the "**Common Depositary**") for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**"). Interests in each Temporary Global Note will be exchangeable from and including the date which is 40 days after the Closing Date (the "**Exchange Date**"), upon certification as to non–U.S. beneficial ownership by the relevant Noteholders, for interests in a permanent global note (each a "**Permanent Global Note**") representing the same Class of Notes, in bearer form without coupons or talons attached, which will also be deposited with the Common Depositary. The Permanent Global Notes will be exchangeable for notes in definitive form ("**Definitive Notes**") of the same class only in certain limited circumstances.

For so long as the Notes of any Class are represented by a Global Note, and the rules of Euroclear and Clearstream, Luxembourg so permit, the Notes of that Class will be tradeable in minimum nominal amounts of, in relation to the Listed Notes, Euro 50,000, and, in relation to the Class X Notes, Euro 150, being for the relevant Class the Minimum Denomination.

If Definitive Notes for that Class of Listed Notes are required to be issued and printed, such Listed Notes will be in the denomination of Euro 50,000.

The Trust Deed will contain provisions requiring the Trustee to have regard to the interests of the holders of the Class A Notes (the "**Class A Noteholders**"), the holders of the Class X Notes (the "**Class X Noteholders**"), the holders of the Class B Notes (the "**Class B Noteholders**"), the holders of the Class C Notes (the "**Class C Noteholders**"), the holders of the Class D Notes (the "**Class D Noteholders**") and the holders of the Class E Notes (the "**Class E Noteholders**" and, together with the Class A Noteholders, the Class X Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders, the "**Noteholders**"), but where there is, in the Trustee's opinion, a conflict between such interests, the Trustee will be required to have regard to only the interests of the holders of the Most Senior Class of Notes then outstanding. Certain classes of Noteholders are restricted in their ability to pass Extraordinary Resolutions. In particular, the Class X Noteholders are not entitled to direct the Trustee to take enforcement action or to pass an Extraordinary Resolution under the Notes unless the Class X Notes are the only Notes outstanding.

Limited Resources of the Issuer:

The ability of the Issuer to meet its principal and interest payment obligations under the Listed Notes and to meet its interest payments under the Class X Notes will depend on the receipt by it of principal and interest from the Borrowers under the Loans (and, with respect to the French Loans and the Spanish Loan, from the French Issuer and the Spanish Issuer under the Class A FCC Units and the FTA Note, respectively) and the receipt of funds (if due) from the Basis Swap Counterparty under the Basis Swap Agreement. If timely payment under the Loans is not made in full on a Loan Payment

Date, the Issuer will also have available to it (subject to satisfaction of the conditions for drawing) drawings under the Liquidity Facility Agreement to fund payments in respect of certain expenses and interest on both the Listed Notes and the Class X Notes. Other than the foregoing, prior to the enforcement of the Issuer Security, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes or its obligations in respect of any payments ranking in priority to the Notes.

The repayment of principal on the Class X Notes will be made exclusively out of the credit balance of the Class X Collateral Account.

Limited Recourse: Interest and principal on the Notes will be payable only from, and to the extent of, sums paid to, or net proceeds recovered by or on behalf of, the Issuer or the Trustee in respect of the Issuer Security, and there will be no other assets of the Issuer available for any further payments. The Trustee and the other Secured Parties will look solely to such sums and proceeds and the rights of the Issuer in respect of the Issuer Security for payments to be made by the Issuer. The obligations of the Issuer to make such payments will be limited to such sums and the proceeds of realisation of the Issuer Security and the Trustee and the other Secured Parties will have no further recourse in respect thereof.

Security for the Notes: The obligations of the Issuer to the Noteholders and to each of the German Servicer, the German Special Servicer, the Issuer Representative, the Issuer Special Representative, the French Issuer, the Spanish Issuer, the Trustee, the Corporate Services Provider, the Principal Paying Agent, the Irish Paying Agent, the Cash Manager, the Liquidity Facility Provider, the Basis Swap Counterparty, the Agent Bank and the Operating Bank (all of such persons or entities being, collectively, the "**Secured Parties**") will be secured by and pursuant to a deed of charge and assignment (the "**Deed of Charge and Assignment**") to which the Issuer is a party, which will predominantly be governed by English law, and to be entered into on or prior to the Closing Date.

The Issuer will create, amongst other things, the following security under the Deed of Charge and Assignment in favour of the Trustee for itself and on behalf of the Secured Parties:

(a) an assignment by way of security of the Issuer's right, title, interest and benefit, present and future, in, under and to the German Loans and the German Loan Security, such assignment by way of security being governed by German law;

(b) an assignment by way of security of the Issuer's right, title, interest and benefit, present and future, in, under and to the Issuer Transaction Documents;

(c) a first fixed charge over all of the Issuer's right, interest and benefit, present and future, in, and under the Eligible Investments (other than those relating to the investment of the credit balance of the Class X Collateral Account), together with all interest accruing from time to time on

the Eligible Investments and the debts represented by the Eligible Investments and the benefit of all covenants relating to the Eligible Investments and all powers and remedies for enforcing the same;

(d) an assignment by way of security of the Issuer's interests in the Issuer's Accounts (other than the Class X Collateral Account, the Stand-by Account and the Issuer Domestic Account), from time to time; and

(e) a charge with full title guarantee by way of first floating charge over the whole of the Issuer's undertaking and all the property and assets whatsoever and wheresoever, present and future, save in so far as the same is effectively charged by way of fixed charge or otherwise effectively transferred or assigned by way of security.

The Issuer will further create security under the Deed of Charge and Assignment:

(i) in favour of the Trustee on trust for itself and for the benefit of the Liquidity Facility Provider, consisting of a first fixed charge over the Issuer's right, interest and benefit, present and future, in and under the Stand–by Account; and

(ii) in favour of the Trustee on trust for itself and for the benefit of the Class X Noteholders, consisting of a first fixed charge over the Issuer's right, interest and benefit, present and future, in and under the Class X Collateral Account and the Eligible Investments relating to the investment of the credit balance of such account.

In addition, the Issuer will further create security in favour of the Trustee:

(1) consisting of a French law pledge over the Issuer's right, interest and benefit in and under the FCC Units it owns from time to time, in the form of a *gage de compte d'instruments financiers* (the "**Class A FCC Units Pledge**") granted pursuant to an agreement entitled "Class A FCC Units Pledge Agreement" entered into on or prior to the Closing Date (the "**Class A FCC Units Pledge Agreement**"); and

(2) consisting of a Spanish law pledge over the Issuer's right, interest and benefit in and under the FTA Note it owns from time to time, in the form of a *prenda* (the "**FTA Note Pledge**") granted pursuant to an agreement entitled "FTA Note Pledge Agreement" entered into on or prior to the Closing Date (the "**FTA Note Pledge Agreement**").

The security interests created under the Deed of Charge and Assignment, the Class A FCC Units Pledge and the FTA Note Pledge shall be referred to herein as the "**Issuer Security**".

Upon enforcement of the Issuer Security, the amounts payable to the Secured Parties (other than the Noteholders) will rank higher in priority to payments of principal of or interest on the Notes, except for amounts owed to the German Originator under the German Loan Sale Agreement and, in the case of the Liquidity Facility Provider and the Basis Swap Counterparty, any amounts due to it as described in items (8) and (9) of "*Cash Flows – Cash Flows at the Issuer* Level– *Payments out of the Issuer Transaction Account - Post–Enforcement of the Notes*" on page 59, respectively.

Priority of Payments: Prior to the service of a Note Enforcement Notice by the Trustee, the Issuer will, on each Interest Payment Date, apply Available Interest Receipts in accordance with the relevant priority of payments set out in "*Cash Flows – Cash Flows at the Issuer* Level– *Payments out of the Issuer Transaction Account - Pre–Enforcement of the Notes – Application of Available Interest Receipts*" on page 55.

Prior to the service of a Note Enforcement Notice by the Trustee, the Issuer will, on each Interest Payment Date, apply Borrower Principal Receipts in accordance with the relevant priority of payments set out in "*Cash Flows – Cash Flows at the Issuer Level– Payments out of the Issuer Transaction Account - Pre–Enforcement of the Notes – Priority Amounts*" on page 50.

Prior to the service of a Note Enforcement Notice by the Trustee and when a Sequential Redemption Event is not outstanding, Available Amortisation Funds, Available Redemption Funds, Available Principal Recovery Funds and 50 per cent. of Available General Prepayment Funds (and, for the avoidance of doubt, excluding any Available Sebastopol Prepayment Funds) will, to the extent of available funds, be applied in accordance with the relevant priority of payments set out in "*Cash Flows – Cash Flows at the Issuer Level– Payments out of the Issuer Transaction Account -Pre–Enforcement of the Notes – Application of Available Principal*" on page 52.

Following the service of a Note Enforcement Notice by the Trustee declaring the Notes to be due and payable, the Trustee shall apply all available funds standing to the credit of the Issuer Accounts (with the exception of the the Stand–by Account, the Class X Collateral Account and the Issuer Domestic Account which have specific separate allocations) in accordance with the priority of payments set out in "*Cash Flows – Cash Flows at the Issuer Level - Payments out of the Issuer Transaction Account - Post–Enforcement of the Notes*" on page 59.

The Notes will be limited recourse obligations of the Issuer. The payment of principal and interest by Borrowers under the Loans (through, with respect to the French Loans and the Spanish Loan, payments of principal and interest on the Class A FCC Units and the FTA Note respectively) will be the principal source of funds for the Issuer to make repayments of principal and payments of interest in respect of the Listed Notes and payments of interest on the Class X Notes. The Issuer will not, as of the Closing Date, have any significant assets other than the German Loans (together with (i) the legal and beneficial interest in the related Loan Security which is accessory to the German Loans, and (ii) with respect to any related Loan Security which is not accessory in nature, the beneficial interest in such related Loan Security), the Class A FCC Units, the FTA Note and its rights under any of the documents listed under items (ii) and (iii) of paragraph 8 of "*General Information*" on page 285 (the "**Issuer Transaction Documents**") to which it is a party. Consequently, the holders of Listed Notes (or the holders of certain classes of Listed Notes) may in certain circumstances and during the course of the securitisation receive by way of principal repayment an amount less than the face value of the Notes upon issuance and the Issuer may be unable to pay interest in full on the Notes (or certain classes of Notes).

In any circumstances, the funds to be used by the Issuer to redeem the Class X Notes shall exclusively be drawn from the credit balance of the Class X Collateral Account, it being specified that if such amount is insufficient to provide for the full redemption of the then Principal Amount Outstanding, the Class X Noteholders' claim for the remaining balance shall irrevocably be extinguished.

Interest: **Interest Payment Dates**

Interest will be payable on the Principal Amount Outstanding of each Note quarterly in arrear on each of 6 January, 6 April, 6 July and 6 October or, if such day is not a Business Day, the next following Business Day (unless such Business Day falls in the next succeeding calendar month, in which event the immediately preceding Business Day), and it being specified that if an FCC Interest Payment Date or an FTA Interest Payment Date, as applicable, is subject to adjustment in the form of a postponement by a certain number of days and does not fall on 4 January, 4 April, 4 July or 4 October, then the Interest Payment Date shall be postponed to fall two Business Days after such adjusted FCC Interest Payment Date or FTA Interest Payment Date, as applicable, or, if each of the FCC Interest Payment Date and the FTA Interest Payment Date are subject to adjustment, two Business Days after the later of such adjusted FCC Interest Payment Date or FTA Interest Payment Date (each an "**Interest Payment Date**"). The first Interest Payment Date in respect of each Class of Notes will be the Interest Payment Date falling on 6 July 2007.

Interest Rate under the Listed Notes

The interest rate applicable to the Listed Notes from time to time will be determined by reference to the Euribor interbank offered rate ("**EURIBOR**") for three month euro deposits (or, in the case of the first Interest Period, the linear interpolation of 2 and 3 month euro deposits) plus, in each case, the Relevant Margin.

The margins applicable to each class of Listed Notes will be as follows (each a "**Relevant Margin**"):

Class Relevant Margin

Class A: 0.18 per cent. per annum;

Class B: 0.22 per cent. per annum;

Class C: 0.35 per cent. per annum;

Class D: 0.80 per cent. per annum; and

Class E: 3.40 per cent. per annum.

Interest on the Listed Notes will be calculated on the basis of actual days elapsed and a 360–day year.

Interest rate under the Class X Notes

The rate of interest applicable to the Class X Notes for any Interest Period will be the Class X Interest Rate as calculated on each Interest Determination Date.

"**Class X Interest Rate**" means with respect to each Interest Period, the percentage calculated by multiplying a fraction, the numerator of which is the Expected Class X Excess Spread Amounts and the denominator of which is the Principal Amount Outstanding of the Class X Notes, by 100.

"**Expected Class X Excess Spread Amounts**" means an amount (higher than zero) equal to:

(a) on any day prior to the service of a Note Enforcement Notice or the Notes otherwise becoming due and repayable in full, the amount equal to the Expected Available Issuer Income after (i) deducting Senior Expenses, amounts of interest due and payable on the Notes (other than interest on the Class X Notes representing Expected Class X Excess Spread Amounts) and amounts paid under item 8 of the Pre–enforcement Interest Priority of Payments, and (ii) on the last Interest Determination Date only, and provided the Issuer has not purchased the Class B FCC Units, adding Euro 300 by debit of the Class X Collateral Account; except if such amount is less than zero, then the Expected Class X Excess Spread Amount is zero; or

(b) on any day following the service of a Note Enforcement Notice or the Notes otherwise becoming due and repayable in full, all sums standing to the credit of the Issuer Transaction Account and those resulting from the enforcement of the Issuer Security, after deducting amounts required to pay Senior Expenses and all amounts of interest and principal due in respect of the Notes (other than interest on the Class X Notes representing Expected Class X Excess Spread Amounts).

"**Expected Available Issuer Income**" means, with respect to an Interest Period, the amount of Available Interest Receipts that would have been available on the Interest Payment Date falling at the end of such Interest Period assuming full and timely payment by (i) the Borrowers of amounts due and payable under the Loans, on the relevant Loan Payment Date falling in the relevant Collection Period (or FCC Collection Period or FTA Collection Period as applicable); and (ii) by the French Issuer and the Spanish Issuer of amounts due and payable under the Class A FCC Units and the FTA Note, respectively, on the immediately following FCC Interest Payment Date and FTA Interest Payment Date, as applicable, without double counting.

"**Senior Expenses**" means for any Interest Period, the sum of all fees, costs and expenses or other remuneration and indemnity payments, inclusive of VAT, if applicable, estimated on the relevant Calculation Date by the Cash Manager to be payable by the Issuer on the Interest Payment Date related to such Interest Period in accordance with items 1 and 2 under the Pre–enforcement Interest Priority of Payments and under the Post–Enforcement Priority of Payments. The amount of Senior Expenses payable with respect to any Interest Payment Date will vary to the extent that some are payable on an annual basis while other fees are payable on a quarterly basis and the actual senior expenses may vary from the estimate of Senior Expenses as determined on each Calculation Date and, in respect of any shortfall resulting therefrom in respect of items 1 and 2 under the Pre–Enforcement Interest Priority of Payments and under the Post–Enforcement Priority of Payments, the Cash Manager may make a drawing under the Liquidity Facility Agreement.

There will be no minimum or maximum Class X Interest Rate.

Enforcement on default

Failure by the Issuer to pay interest on the Most Senior Class of Notes (other than the Class X Notes) when due and payable may result in the Trustee enforcing the Issuer Security.

Deferral of Interest

To the extent that funds available to the Issuer on any Interest Payment Date, after paying interest then due and payable on the Most Senior Class of Notes (other than the Class X Notes) then outstanding, are insufficient to pay in full interest otherwise due on any one or more classes of junior ranking Listed Notes then outstanding, the shortfall in the amount then due will not be paid on such Interest Payment Date.

The shortfall, equal to the amount by which the aggregate amount of interest paid on the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes as the case may be, on any Interest Payment Date, falls short of the Interest Amount due on the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes as the case may be, on that date (the "**Shortfall**"), shall be payable on the earlier of (a) any succeeding Interest Payment Date, but only if and to the extent that, on such Interest Payment Date, there are sufficient Available Interest Receipts, after deducting amounts ranking in priority to the relevant Class of Notes in accordance with clause 6.2.2 of the Deed of Charge and Assignment and (b) the date on which the relevant Notes are due to be redeemed in full.

Such Shortfall shall itself accrue interest during the period from (and including) the due date therefor to (and excluding) the Interest Payment Date upon which such Shortfall is paid at the same rate as that payable in respect of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as applicable. Such accrued interest shall be paid together with the Shortfall and under the same terms as the Shortfall.

Notwithstanding the deferral provisions above, where, on any Interest Payment Date, any Shortfall attributable to the Class D Notes or the Class E Notes, as the case may be, results from Prepayment Interest Arrears, then such Shortfall will be extinguished and will not be rolled-over to the following Interest Payment Date and the affected Noteholders will have no claim against the Issuer in respect thereof.

Withholding Tax

All payments in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any Paying Agent is required by applicable law in any jurisdiction to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent (as the case may be) will make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to holders of Notes in respect of such withholding or deduction.

Principal Amount Outstanding: "**Principal Amount Outstanding**" means, on any day:

(a) in relation to a Note, the original principal amount of that Note upon issue less the aggregate amount of any principal payments in respect of that Note which have become due and payable (and been paid) on or prior to that day; and

(b) in relation to a class, the aggregate of the amount in paragraph (a) in respect of the Notes outstanding in such class; and

(c) in relation to the Notes outstanding at any time, the aggregate of the amount in paragraph (a) in respect of all Notes outstanding, regardless of class.

Legal Final Maturity: Unless previously redeemed, the Notes will be redeemed at their Principal Amount Outstanding together with accrued interest on the Interest Payment Date falling in October 2015.

Mandatory Redemption in whole or in part: Prior to the service of a Note Enforcement Notice, the Notes will be subject to redemption in whole or in part on each Interest Payment Date in accordance with the Pre–Enforcement Principal Priority of Payments. See paragraph (b) (*Application of Available Principal*) under "*Cash Flows – Cash Flows at the Issuer Level– Payments out of the Issuer Transaction Account - Pre–Enforcement of the Notes*" on page 52.

Optional Redemption for Tax or other If the Issuer at any time satisfies the Trustee immediately prior to giving the notice referred to below that:

reasons:

(a) by virtue of a change in the tax law of Ireland, France, Spain, Germany, Luxembourg, the United Kingdom or any other jurisdiction (or the application or official interpretation thereof) from that in effect on the Closing Date, on the next Interest Payment Date the Issuer or any Paying Agent on its behalf would be required to deduct or withhold from any payment of principal or interest in respect of any Note (other than where the relevant holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of Notes and other than in respect of default interest), 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 the relevant jurisdiction (or any political sub-division thereof or authority thereof or therein having power to tax) and such requirement cannot be avoided by the Issuer taking reasonable measures available to it; or

(b) by virtue of a change in the tax law of Ireland, France, Spain, the United Kingdom or any other jurisdiction (or the application or official interpretation thereof) from that in effect on the Closing Date, on the next FCC Interest Payment Date or FTA Interest Payment Date, as applicable, the French Issuer or the Spanish Issuer, as applicable, would be required to deduct or withhold from any payment of principal or interest in respect of any Class A FCC Unit or FTA Note, as applicable, (other than where the Issuer has some connection with the relevant jurisdiction other than the holding of the Class A FCC Units and FTA Note and other than in respect of default interest), 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 the relevant jurisdiction (or any political sub-division thereof or authority thereof or therein having power to tax) and such requirement cannot be avoided by the French Issuer or the Spanish Issuer, as applicable, taking reasonable measures available to it; or

(c) (1) by virtue of a change in the tax law of Ireland, Germany, the United Kingdom or any other jurisdiction (or the application or official interpretation thereof) from that in effect on the Closing Date, on the next Interest Payment Date, any German Loan Borrower would be required to deduct or withhold from any payment of principal or interest in respect of any German Loan (other than where the Issuer has some connection with the relevant jurisdiction other than the holding of the German Loan and other than in respect of default interest), 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 the relevant jurisdiction (or any political sub-division thereof or authority thereof or therein having power to tax) and such requirement cannot be avoided by such German Loan Borrower, taking reasonable measures available to it; or (2) (other

than in relation to (1) above) any amount payable by the German Loan Borrowers in relation to the German Loans is reduced or ceases to be receivable (whether or not actually received); or

(d) the Class A FCC Units or the FTA Note as applicable, is subject to an optional redemption pursuant to the FCC Regulations or the Spanish Deed of Incorporation, as applicable, during the Interest Period preceding the next Interest Payment Date,

and, in each case, the Issuer has, prior to giving the notice referred to below, certified to the Trustee that it will have the necessary funds on such Interest Payment Date to discharge all of its liabilities in respect of the Listed Notes to be redeemed under Condition 5(C) and any amounts required under the Deed of Charge and Assignment to be paid in priority to, or *pari passu* with, the Notes to be so redeemed, which certificate shall be conclusive and binding, and provided that, on the Interest Payment Date on which such notice expires, no Note Enforcement Notice has been served, then the Issuer may, but shall not be obliged to, on any Interest Payment Date on which the relevant event described above is continuing, after having given not more than 60 nor less than 7 days' written notice ending on such Interest Payment Date to the Trustee, the Paying Agents and to the Noteholders in accordance with Condition 15, redeem all the Listed Notes in full, where the event described in paragraph (a) above has occurred, or in part, where any of the events described in paragraphs (b), (c) or (d) above has occurred, in the following order:

(A) all Class A Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Class A Notes plus interest accrued and unpaid thereon; and

(B) all Class B Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Class B Notes plus interest accrued and unpaid thereon; and

(C) all Class C Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Class C Notes plus interest accrued and unpaid thereon;

(D) all Class D Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Class D Notes plus interest accrued and unpaid thereon; and

(E) all Class E Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Class E Notes plus interest accrued and unpaid thereon.

Once all the Listed Notes have been repaid or extinguished in full, the Issuer may redeem the Class X Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Class X Notes, plus interest accrued (in accordance with Condition 4(C)(b)) and unpaid thereon.

After giving notice of redemption pursuant to this sub–paragraph, the Issuer shall not make any further payment of

principal on the Notes and no further reduction shall be made to the Principal Amount Outstanding of any Note other than by way of redemption pursuant to Condition 5(C).

Optional Redemption in full: On giving not more than 60 nor less than 7 days' written notice to the Trustee and the Paying Agents and to the Noteholders in accordance with Condition 15 and provided that: (i) on the Interest Payment Date on which such notice expires, no Note Enforcement Notice in relation to the Notes has been served; (ii) the Issuer has, prior to giving such notice, certified to the Trustee, that it will have the necessary funds to discharge on such Interest Payment Date all of its liabilities in respect of the Notes to be redeemed under Condition 5(D) and any amounts required under the Deed of Charge and Assignment to be paid on such Interest Payment Date which rank higher in priority to, or *pari passu* with, the Notes, which certificate will be conclusive and binding, and (iii) on the relevant Interest Payment Date, both the following conditions are met:

(a) the then aggregate Principal Amount Outstanding of the Notes is less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes as at the Closing Date; and

(b) either: (1) (i) the outstanding French Loans shall have been repurchased by the Originator from the French Issuer and the French Issuer shall have fully redeemed the Class A FCC Units, both in accordance with the provisions of the FCC Regulations; (ii) the Issuer and the FTA Manager have agreed, subject to the CNMV's consent, to liquidate the Spanish Issuer such that the outstanding Spanish Mortgage Certificate shall have been sold by the Spanish Issuer and shall have been fully redeemed; and (iii) the outstanding German Loans shall have been repurchased by the Originator from the Issuer in accordance with the German Loan Sale Agreement and the Deed of Charge and Assignment; or (2) (i) the outstanding Class A FCC Units and FTA Note shall have been purchased by the Originator from the Issuer; and (ii) the outstanding German Loans shall have been repurchased by the Originator from the Issuer in accordance with the German Loan Sale Agreement and the Deed of Charge and Assignment,

the Issuer shall redeem all the Listed Notes on such Interest Payment Date in an amount equal to the then aggregate Principal Amount Outstanding thereof plus interest accrued and unpaid thereon.

Once all the Listed Notes have been repaid or extinguished in full, the Issuer may redeem the Class X Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Class X Notes, plus interest (accrued in accordance with Condition 4(C)(b)) and unpaid thereon.

Optional Redemption in full – Basis Swap Transactions: If, at any time, one or more of the Basis Swap Transactions is terminated by reason of the occurrence of a Swap Tax Event under the Basis Swap Agreement and the Issuer is unable to find a replacement Basis Swap Counterparty (the Issuer being obliged to use its best endeavours to find a replacement Basis

Swap Counterparty) then, on giving not more than 60 nor less than 7 days' written notice to the Trustee and the Paying Agents and to the Noteholders in accordance with Condition 15 and provided that, on the Interest Payment Date on which such notice expires, no Note Enforcement Notice in relation to the Notes has been served and further provided that the Issuer has, prior to giving such notice, certified to the Trustee that it will have the necessary funds to discharge on such Interest Payment Date all of its liabilities in respect of the Notes to be redeemed under Condition 5(E) and any amounts required under the Deed of Charge and Assignment to be paid on such Interest Payment Date which rank higher in priority to, or *pari passu* with, the Notes, which certificate will be conclusive and binding, the Issuer may, but will not be obliged to, redeem all the Listed Notes in full on such Interest Payment Date in an amount equal to the then aggregate Principal Amount Outstanding thereof plus interest accrued and unpaid thereon.

Once all the Listed Notes have been repaid or extinguished in full, the Issuer may redeem the Class X Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Class X Notes, plus interest (accrued in accordance with Condition 4(C)(b)) and unpaid thereon.

Condition to redemption of the Class E Notes

Notwithstanding any provision to the contrary, and until such time as the Castor & Pollux Loan has been fully amortised or has been retransferred to the Originator, or the sale of the Castor & Pollux Loan has been rescinded, then any redemption of the Class E Notes shall be conditional upon the Principal Amount Outstanding of such Class of Notes not falling below Euro 6,000,000.

Ratings:

The Notes are, upon issue, expected to be rated by Standard & Poor's Ratings Services, a division of The McGraw–Hill Companies, Inc. ("**S&P**") and Fitch Ratings Ltd. ("**Fitch**") and, together with S&P, the "**Rating Agencies**") as follows:

Class	S&P	Fitch
A	AAA	AAA
X	AAA	AAA
B	AA	AA
C	A	A
D	BBB	BBB
E	BB	BB

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 one or more of the assigning Rating Agencies. The ratings from the Rating Agencies only address the likelihood of timely receipt by any Noteholder of interest on the Notes, and the likelihood of receipt by any Noteholder of principal in respect of the Notes by the Legal Final Maturity and do not address the likelihood of receipt by any Noteholder of principal prior to the Legal Final Maturity. Furthermore, the ratings on the Notes only address the credit risks associated with the underlying transaction and do not address the non–credit

risks which may have a significant effect on the receipt by Noteholders of interest and principal.

The ratings of the Notes are dependent upon, among other things, the short term unsecured, unguaranteed and unsubordinated debt ratings of the Liquidity Facility Provider and the short term and long term unsecured, unguaranteed and unsubordinated debt ratings of the Basis Swap Counterparty. Consequently, a qualification, downgrade or withdrawal of any such rating by a Rating Agency may have an adverse effect on the ratings of the Notes.

Transfer Restrictions: Subject to applicable laws and regulations, there are no transfer restrictions in respect of the Notes. Please refer to the section of this Prospectus entitled "*Subscription and Sale*" on page 281.

Listing: Application has been made to the Financial Regulator, as Competent Authority under the Prospectus Directive, for this Prospectus to be approved. Application has been made to the Irish Stock Exchange for the Listed Notes to be admitted to the Official List and to trading on its regulated market. Such approval relates only to the Listed Notes which are to be admitted to trading on the regulated market of the ISE 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.

No application has been made (nor will be made) for the Class X Notes to be admitted to the Official List or to trading on any regulated market.

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

THE FCC UNITS ISSUED BY THE FRENCH ISSUER

Classes: On the Closing Date, the French Issuer will issue the following classes of units (each, a "**Class**" of FCC Units): (a) Euro 200,741,000 units due 2015 (the "**Class A FCC Units**"); and (b) Euro 300 units due 2015 (the "**Class B FCC Units**" and, together with the Class A FCC Units, the "**FCC Units**").

Form, Status and Denomination: The FCC Units constitute direct, unsecured and unconditional obligations of the French Issuer and are financial instruments (*instruments financiers*) within the meaning of article L. 211–1 of the French Financial Code and transferable securities (*valeurs mobilières*) within the meaning of article L. 211–2 of the French Financial Code. Pursuant to article L. 214–43 of the French Financial Code, the holders of FCC Units (the "**FCC Unitholders**") shall not be entitled to demand the repurchase of their FCC Units by the French Issuer.

The Class A FCC Units will be issued in the denomination of Euro 1,000. The Class B FCC Units will be issued in the denomination of Euro 150.

Limited recourse against the French Issuer: The French Issuer will only make payments of principal and interest under the Class A FCC Units if and to the extent it receives related principal and interest from the French Loan Borrowers under the French Loans. Other than the foregoing, the French Issuer is not expected to have any other funds available to it to make payments under the Class A FCC Units or its obligations in respect of any payments ranking in priority to the FCC Units.

Claims against the French Issuer by the Issuer as FCC Unitholder will be limited to the value of the amounts received or recovered from time to time in respect of the French Issuer's rights in relation to the French Loans and the Loan Security and any other assets of the French Issuer in respect of the French Loans and the Loan Security (the "**French Issuer Assets**"). The proceeds of realisation of the French Issuer Assets may, after paying or providing for all prior–ranking claims of the French Issuer, be less than the sums expected by the Issuer as the Class A FCC Unitholder in respect thereof. All claims in respect of such shortfall after realisation of the French Issuer Assets will be extinguished.

Ranking: The FCC Units will rank at all times *pari passu* without any preference or priority amongst themselves.

Priority The French Issuer will, on each FCC Interest Payment Date, apply to each class of FCC Units the relevant amounts available for such purpose in accordance with the relevant priority of payments set out in "*Cash Flows– Cash Flows at the French Issuer Level - Payments out of the FCC Transaction Account* " on page 48.

Interest: **FCC Interest Payment Dates**

Interest will be payable on the Principal Amount Outstanding of each FCC Unit quarterly in arrear on each of 4 January, 4 April, 4 July and 4 October or, if such day is not a Business Day, the

next following Business Day (unless such Business Day falls in the next succeeding calendar month, in which event the immediately preceding Business Day) (an "**FCC Interest Payment Date**").

It is specified that if an FCC Interest Payment Date is, following application of the above business day convention, subject to adjustment in the form of a postponement by a certain number of days, then the Interest Payment Date under the Notes that, as initially determined, should have fallen immediately after such FCC Interest Payment Date, will fall two Business Days after such adjusted FCC Interest Payment Date.

Interest on the Class A FCC Units

The amount of interest in respect of each Class A FCC Unit payable on each FCC Interest Payment Date will be equal to: (i) the aggregate amount of interest received from the French Loan Borrowers under the French Loans (as well as the amount of indemnity payments and certain exceptional payments received by the French Issuer in respect of the French Loans which are of a revenue nature) during the FCC Interest Period ending on such FCC Interest Payment Date; (ii) *less* any amounts payable under items (1) and (2) of the FCC Priority of Payments; and (iii) *divided by* the number of outstanding Class A FCC Units at the beginning of such FCC Interest Period. Such interest will be payable if and to the extent that funds are available to the French Issuer for these purposes in accordance with the FCC Priority of Payments. See paragraph (c) (*Application of FCC Available Interest Receipts*) under the section of this Prospectus entitled "*Cash Flows - Payments out of the FCC Transaction Account*" on page 48.

Interest on the Class B FCC Units

The interest amount payable to the Class B FCC Unitholders on any applicable FCC Interest Payment Date with respect to the FCC Interest Period having ended thereon shall be equal to the interest earned by the French Issuer during the same period on an amount equal to Euro 300, such amount being retained to the credit of the FCC Transaction Account (the "**FCC Retained Amount**").

FCC Legal Final Maturity Date: Unless, with respect to the Class A FCC Units, previously redeemed, the FCC Units will be redeemed at their Principal Amount Outstanding together with accrued interest on the FCC Interest Payment Date falling in October 2015.

Mandatory Partial Redemption: The Class A FCC Units will be subject to partial redemption on each FCC Interest Payment Date in accordance with the FCC Priority of Payments (see "*Cash Flows - Payments out of the FCC Transaction Account*" on page 48).

The Class B FCC Units will not be subject to mandatory partial redemption and must be redeemed in full at their applicable FCC Legal Final Maturity Date.

Optional Redemption of the Class A FCC The French Issuer may at its option, or following the Issuer's request for the French Issuer to sell the affected French Loan

Units:

or, as applicable, all the French Loans, where the Issuer is then the holder of all the FCC Units, on any FCC Interest Payment Date, redeem in whole or in part, as applicable, the Class A FCC Units at their aggregate Principal Amount Outstanding, together with accrued interest, in the event that, by virtue of a change in law (in France, Germany, Luxembourg or any other jurisdiction) or by virtue of a change in the application or official interpretation of such law from that in effect on the Closing Date:

(a) on such FCC Interest Payment Date, the French Issuer would be required to deduct or withhold from any payment of principal or interest in respect of the Class A FCC Units (other than where the relevant holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of such class of FCC Units) (other than in respect of default interest) 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 the relevant jurisdiction (or any political sub–division or authority of that relevant jurisdiction having power to tax) and such requirement cannot be avoided by the FCC Manager taking reasonable measures available to it; or

(b) on the next Loan Payment Date, any amount payable by the Borrower(s) in relation to any French Loan is reduced or ceases to be receivable (whether or not actually received),

provided that all of the following pre–requisite conditions are met:

(i) the holder of the Class B FCC Units has offered to the Issuer to purchase all Class B FCC Units at par and, pursuant to the FCC Units Subscription Agreement, the Issuer has agreed to purchase such FCC Units;

(ii) pursuant to article R. 214–107–3° of the French Financial Code, the Issuer has: (i) become the legal owner of all the FCC Units issued by the French Issuer and (ii) requested to the FCC Manager in writing that all the French Loans or the affected French Loan, as applicable, be repurchased by the Originator (or such other person as the Originator may designate to the FCC Manager and the Issuer) on the FCC Interest Payment Date on which the redemption is due to take place; and

(iii) the Originator (or such person as it may have designated) has agreed in writing to repurchase (or purchase) all the French Loans or such affected French Loan, as applicable, at a price equal to their or its then (aggregate) principal balance, together with any interest accrued thereon but unpaid up to the FCC Interest Payment Date referred to in (ii) above, any costs or expenses associated with the securitisation of such French Loans or Loan (including any Issuer Fee Indemnity and related costs), and any break costs of the

relevant Basis Swap Transaction that are incurred by the Issuer in relation to the repurchase of such French Loans or Loan, and to pay any costs and expenses relating to such repurchase such that the French Issuer will have enough funds to discharge, on that FCC Interest Payment Date on which the repurchase will take place, all of its liabilities in respect of the Class A FCC Units to be redeemed and any amounts required under the FCC Regulations to be paid on such Loan on such FCC Interest Payment Date which rank higher in priority to, or *pari passu* with, the Class A FCC Units, and which are allocable on a *pro rata* basis to such French Loans or such affected French Loan,

it being provided that, for the avoidance of doubt, in no circumstance will the sale of any French Loan by the French Issuer under this provision entail the liquidation of the French Issuer, unless all the French Loans are sold and all the FCC Units are redeemed together within one single transaction.

Upon an Optional Redemption of the Class A FCC Units hereunder, the Issuer may redeem in part all the Listed Notes in accordance with Condition 5(C) *(Optional Redemption for Tax or Other Reasons*) of the Notes, subject to fulfilment of the conditions set out therein.

Clean–up Call

If, on or prior to any Interest Payment Date falling under the Notes, the conditions set out in paragraphs (a) to (c) below are satisfied, then the Issuer (provided that it is then the holder of all the FCC Units) may seek the agreement with the FCC Manager and the Originator (both acting at their complete discretion) (i) for the Originator (or such other person as the Originator may designate to the FCC Manager and the Issuer) to repurchase all the French Loans then outstanding; (ii) for the FCC Manager to redeem in full all the outstanding FCC Units; and (iii) for the FCC Manager to liquidate the French Issuer, pursuant to, in each case, the French Loan Sale Agreement and the FCC Regulations.

The Issuer may only seek and give its consent to such a repurchase if:

(a) it has notified the Trustee, the Paying Agents and the Noteholders of the exercise of its redemption option with effect on that Interest Payment Date, under Condition 5(D) (*Optional Redemption in Full*) of the Notes and pursuant thereto;

(b) the Originator (or such person as it may have designated) has agreed in writing to repurchase (or purchase): (i) the outstanding German Loans from the Issuer no later than on such Interest Payment Date, (ii) on the FTA Interest Payment Date falling on or immediately prior to such Interest Payment Date, and following agreement between the Issuer and the FTA Manager to liquidate the Spanish Issuer with the CNMV's consent, the outstanding Spanish Mortgage Certificate from the Spanish Issuer, and (iii) the outstanding French Loans from the French Issuer on the FCC Interest Payment Date falling on or immediately

prior to such Interest Payment Date; and

(c) the repurchase price of the outstanding French Loans will be at least equal to the aggregate principal balance thereof, together with interest accrued thereon and any costs or expenses associated with the securitisation of such French Loans (including any Issuer Fee Indemnity and related costs), and shall provide the French Issuer with enough funds to discharge, on the FCC Interest Payment Date referred to in paragraph (b) above, all of its liabilities in respect of the Class A FCC Units to be redeemed and any amounts required under the FCC Regulations to be paid on such FCC Interest Payment Date which rank higher in priority to, or *pari passu* with, the FCC Units.

On receipt of the funds relating to the repurchase of the French Loans from the Originator (or such person as it may have designated), the French Issuer will redeem in full, on the FCC Interest Payment Date referred to in paragraph (b) above, the FCC Units and the Issuer will subsequently redeem all of the Notes in an amount equal to the then aggregate Principal Amount Outstanding of each Class of Notes plus interest accrued and unpaid on each such class pursuant to Condition 5(D) (*Optional redemption in full*) of the Notes.

It is specified that the Clean-up Calls in respect of the Class A FCC Units and the Notes may only be activated, and the liquidation of the Spanish Issuer upon mutual agreement between the Issuer and the FTA Manager may only be initiated, within one single transaction.

Expenses: The Issuer, as holder of the Class A FCC Units, will undertake pursuant to the FCC Units Subscription Agreement to indemnify the French Issuer in an amount (the "**Issuer Fee Indemnity**") equal to all costs and expenses (including in particular Priority Amounts, but excluding interest expenses under the FCC Units) due and payable by the French Issuer to the extent that the French Issuer does not have sufficient funds to meet such payments when they become due and payable. The Issuer will pay such amounts to the French Issuer by drawing on its Available Interest Receipts (in accordance with the priority of payments set out in "*Cash Flows – Cash Flows at the Issuer Level– Payments out of the Issuer Transaction Account -Pre–Enforcement of the Notes – Application of Available Interest Receipts*" on page 55). Such amounts to be paid by the Issuer shall constitute Senior Expenses.

It is specified that, in accordance with the FCC Regulations, when calculating the repurchase price or rescission indemnity to be paid by the Originator (or third party purchaser) in relation to any French Loan, the FCC Manager shall take into account any Issuer Fee Indemnity together with the interests, costs, and expenses incurred by or on behalf of the Issuer in connection with such repurchase or indemnity (which include, in particular but not limited to, interest accrued on any Senior Expenses Drawings made by the Issuer to meet its aforementioned obligations).

Governing Law:	The FCC Units will be governed by French law.

THE FTA NOTE ISSUED BY THE SPANISH ISSUER

The FTA Note

On the Spanish Closing Date, the Spanish Issuer will issue a Euro 107,835,000 securitisation bond (*bono de titulización*) (the "**FTA Note**") due on 4 October 2015, pursuant to the Spanish Deed of Incorporation. The FTA Note has been subscribed for by the FTA Note Subscriber pursuant to the terms of the Spanish Deed of Incorporation and will then be transferred to the Issuer (by means of the FTA Note Transfer Agreement) on the Closing Date at par.

Form, Status and Denomination:

The FTA Note will be issued in registered form (*titulo nominativo*).

Limited recourse against the Spanish Issuer:

The ability of the Spanish Issuer to meet its obligations under the FTA Note will depend on the receipt by it of principal and interest from the Spanish Loan Borrower under the Spanish Mortgage Certificate. Other than the foregoing, the Spanish Issuer is not expected to have any other funds available to it to meet its obligations under the FTA Note or its obligations in respect of any payments ranking in priority to the FTA Note. On each Loan Payment Date under the Spanish Loan, the Spanish Servicer will transfer to the FTA Transaction Account an amount in respect of interest, principal, fees and other amounts, if any, then payable under the Spanish Credit Agreement.

Priority

The Spanish Issuer will, on each FTA Interest Payment Date, apply to the FTA Note the amounts available for such purpose in accordance with the relevant priority of payments set out in "*Cash Flows – Cash Flows at the Spanish Issuer Level – Payments out of the FTA Transaction Account*" on page 50.

Interest:

FTA Interest Payment Dates

Interest will be payable on the Principal Amount Outstanding of the FTA Note quarterly in arrear on each of 4 January, 4 April, 4 July and 4 October or, if such day is not a Business Day, the next following Business Day (unless such Business Day falls in the next succeeding calendar month, in which event the immediately preceding Business Day) (each such date, an "**FTA Interest Payment Date**").

It is specified that if an FTA Interest Payment Date is, following application of the above business day convention, subject to adjustment in the form of a postponement by a certain number of days, then the Interest Payment Date under the Notes that, as initially determined, should have fallen immediately after such FTA Interest Payment Date, will fall two Business Days after such adjusted FTA Interest Payment Date.

Interest on the FTA Note

The amount of interest in respect of the FTA Note will be calculated on the basis of the amount of interest received by the Spanish Issuer in respect of the Spanish Mortgage Certificate (as well as the amount of indemnity payments and certain exceptional payments received by the Spanish Issuer in respect of the Spanish Mortgage Certificate). Such interest will

be payable if and to the extent that funds are available to the Spanish Issuer for these purposes in accordance with the FTA Priority of Payments. See paragraph (c) (*Application of FTA Available Interest Receipts*) under the section of this Prospectus entitled "*Cash Flows – Cash Flows at the Spanish Issuer Level – Payments out of the FTA Transaction Account*" on page 50.

Principal Amount Outstanding:

"**Principal Amount Outstanding**" means, with respect to the FTA Note, on any day, the original principal amount of the FTA Note upon issue less the aggregate amount of any principal payments in respect thereof which have become due and payable (and been paid) on or prior to that day.

FTA Legal Final Maturity Date:

Unless previously redeemed, the FTA Note will be redeemed at its Principal Amount Outstanding together with accrued interest on the FTA Interest Payment Date falling in October 2015.

Mandatory Partial Redemption:

The FTA Note will be subject to redemption in part on each applicable FTA Interest Payment Date in accordance with the FTA Priority of Payments (see "*Cash Flows – Cash Flows at the Spanish Issuer Level – Payments out of the FTA Transaction Account*" on page 50).

Optional Redemption of the FTA Note:

The Spanish Issuer may at its option, on any FTA Interest Payment Date, redeem the FTA Note at its aggregate Principal Amount Outstanding, together with accrued interest, in the event that:

(i) the FTA Manager has, pursuant to clause 4.1(c) of the Spanish Deed of Incorporation, determined that, in accordance with the provisions of Section 11(b) of the Royal Decree 926/1998, exceptional circumstances have arisen which make it impossible or extremely difficult to maintain the financial balance of the Spanish Issuer (and this ground for extinction and liquidation of the Spanish Issuer shall be deemed to include the introduction of legislative changes such as the establishment of new withholding obligations which may affect the financial balance of the Spanish Issuer); and

(ii) on the basis of such determination, the FTA Manager has decided to liquidate the Spanish Issuer and has notified the CNMV and the Issuer of the occurrence of such ground for liquidation of the Spanish Issuer.

The FTA Manager will be required to sell its assets (including the Spanish Mortgage Certificate) by invitation to tender given to at least three (3) entities. The initial sale price of the Spanish Mortgage Certificate shall not be less than the sum of its then principal balance, together with any interest accrued thereon but unpaid up to the date of completion of such redemption, any costs or expenses associated with the securitisation of the Spanish Mortgage Certificate (including any Issuer Fee Indemnity and related costs), and any costs and expenses relating to such redemption, such that the Spanish Issuer will have enough funds to discharge, on that FTA Interest Payment Date on which the redemption will take place, all of its liabilities in respect of the FTA Note to be redeemed and any amounts required under the Spanish Deed of Incorporation to be paid on

such FTA Interest Payment Date which rank higher in priority to, or *pari passu* with, the FTA Note. Notwithstanding the foregoing, in the event that none of the offers received reaches the said amount, the FTA Manager shall be under an obligation to accept the best offer received which covers the market value of the asset in question.

Upon an optional redemption of the FTA Note hereunder, the Issuer may redeem in part all the Listed Notes in accordance with Condition 5(C) (Optional Redemption for Tax or Other Reasons) of the Notes, subject to fulfilment of the conditions set out therein.

Clean–up Call

If, on or prior to any Interest Payment Date falling under the Notes, the conditions set out in paragraphs (a) to (c) below are satisfied, then the Issuer (acting as holder of the FTA Note) may seek the agreement, subject to the CNMV's consent, with the FTA Manager and the Originator (both acting at their complete discretion) (i) to liquidate the Spanish Issuer; (ii) for the Originator (or such other person as the Originator may designate to the FTA Manager and the Issuer) to repurchase the Spanish Mortgage Certificate relating to the Spanish Loan then outstanding; and (iii) for the FTA Manager to redeem in full the outstanding FTA Note. The Issuer may only seek and give its consent to such a repurchase of the outstanding Spanish Mortgage Certificate if:

(a) it has notified the Trustee, the Paying Agents and the Noteholders of the exercise of its redemption option with effect on that Interest Payment Date, under Condition 5(D) (*Optional Redemption in Full*) of the Notes and pursuant thereto;

(b) the Originator (or such person as it may have designated) has agreed in writing to repurchase (or purchase): (i) the outstanding German Loans from the Issuer no later than on such Interest Payment Date, (ii) on the FTA Interest Payment Date falling on or immediately prior to such Interest Payment Date, and following agreement between the Issuer and the FTA Manager to liquidate the Spanish Issuer with the CNMV's consent, the outstanding Spanish Mortgage Certificate from the Spanish Issuer, and (iii) the outstanding French Loans from the French Issuer on the FCC Interest Payment Date falling on or immediately prior to such Interest Payment Date; and

(c) the repurchase price of the Spanish Mortgage Certificate will be at least equal to the aggregate principal balance of the Spanish Loan, together with interest accrued thereon and any costs or expenses associated with the securitisation of the Spanish Mortgage Certificate (including any Issuer Fee Indemnity and related costs), and shall provide the Spanish Issuer with enough funds to discharge, on the FTA Interest Payment Date referred to in paragraph (b) above, all of its liabilities in respect of the FTA Note to be redeemed and any amounts required under the Spanish Deed of Incorporation to be paid on such FTA Interest Payment Date which rank higher in priority to, or

pari passu with, the FTA Note.

On receipt of the funds relating to the repurchase of the Spanish Mortgage Certificate from the Originator (or such person as it may have designated), the Spanish Issuer will redeem in full, on the FTA Interest Payment Date referred to in paragraph (b) above, the FTA Note and the Issuer will subsequently redeem all of the Notes in an amount equal to the then aggregate Principal Amount Outstanding of each Class of Notes plus interest accrued and unpaid on each such class pursuant to Condition 5(D) (*Optional Redemption in Full*) of the Notes.

It is specified that the Clean-up Calls in respect of the Class A FCC Units and the Notes may only be activated, and the liquidation of the Spanish Issuer upon mutual agreement between the Issuer and the FTA Manager may only be initiated, within one single transaction.

Ratings: The FTA Note is not and will not be rated.

Listing: The FTA Note is not and will not be listed on any regulated market.

Expenses: The Issuer, as holder of the FTA Note, will undertake pursuant to the Spanish Deed of Incorporation to indemnify the Spanish Issuer in an amount (the "**Issuer Fee Indemnity**") equal to all costs and expenses (other than interest expenses under the FTA Note) due and payable by the Spanish Issuer to the extent that the Spanish Issuer does not have sufficient funds to meet such payments when they become due and payable. The Issuer will pay such amounts to the Spanish Issuer by drawing on its Available Interest Receipts (in accordance with the priority of payments set out in "*Cash Flows – Cash Flows at the Issuer Level– Payments out of the Issuer Transaction Account - Pre–Enforcement of the Notes – Application of Available Interest Receipts*" on page 55). Such amounts to be paid by the Issuer shall constitute Senior Expenses.

It is specified that, in accordance with the Spanish Deed of Incorporation, when calculating the repurchase price or rescission indemnity to be paid by the Originator (or third party purchaser) in relation to the Spanish Loan, the FTA Manager shall take into account any Issuer Fee Indemnity together with the interests, costs, and expenses incurred by or on behalf of the Issuer in connection with such repurchase or indemnity (which include, in particular but not limited to, interest accrued on any Senior Expenses Drawings made by the Issuer to meet its aforementioned obligations).

Governing Law: The FTA Note will be governed by Spanish law.

CASH FLOWS

The payment of principal and interest by the Borrowers in respect of the Loans will (through the Class A FCC Units and the FTA Note with respect to the French Loans and the Spanish Loan respectively) provide the principal source of funds for the Issuer to make repayments of principal and payments of interest in respect of the Notes.

CASH FLOWS AT THE FRENCH ISSUER LEVEL

Payments out of the FCC Transaction Account

(a) *Priority Amounts*

The French Issuer shall, out of the then credit balance of the FCC Transaction Account (net of the FCC Retained Amount, to the extent not invested), pay sums due, on a date other than an FCC Interest Payment Date, to third parties (other than the FCC Fees payable to the FCC Transaction Parties as set out in item 1 of the FCC Priority of Payments), in respect of obligations incurred by it in the course of the implementation of the French Issuer's management strategy and any amounts payable by the French Issuer to the Originator pursuant to the French Loan Sale Agreement.

The French Issuer shall pay the following Priority Amounts to the Originator: (i) amounts that accrued under a Loan prior to the Closing Date which do not belong to the French Issuer, and (ii) in relation to any French Loan for which a breach of warranty occurred, which has triggered the rescission of the sale of such Loan by the Originator to the French Issuer, any amounts that the French Issuer received after the date the sale was rescinded.

(b) *Application of FCC Available Principal*

On each FCC Interest Payment Date, any principal amount (including any release premium, any insurance indemnity and any amount of principal payments received or recovered by or on behalf of the French Issuer as a result of actions taken in accordance with the enforcement procedures in respect of any French Loan and/or the Loan Security) received under the French Loans by on or behalf of the French Issuer (the "**FCC Available Principal**"), will be applied by the French Issuer in the following order: (1) *first*, paying Liquidation Fees and/or Workout Fees, if any, and (2) *second*, repaying all the Class A FCC Units in an amount equal to the FCC Available Principal.

If and to the extent that all the Class A FCC Units have been repaid or extinguished in full, the French Issuer will, on the applicable Legal Final Maturity, repay the Class B FCC Units at their then Principal Amount Outstanding out of the then credit balance of the FCC Transaction Account.

(c) *Application of FCC Available Interest Receipts*

FCC Available Interest Receipts will, on any FCC Interest Payment Date, be comprised of the following:

(a) all payments of interest, fees, breakage costs, if any, expenses, commissions and other sums (in each case including recoveries in respect of such amounts on enforcement of any French Loan or the related Loan Security) paid by the French Loan Borrower(s) in respect of the French Loans or Loan Security during the FCC Interest Period ending on such FCC Interest Payment Date (net of any such amounts applied during such FCC Interest Period in payment of any of the Priority Amounts); and

(b) all other monies received by the French Issuer during such FCC Interest Period and treated as being of a revenue nature,

(such amounts being collectively referred to as the "**FCC Available Interest Receipts**" in respect of such FCC Interest Payment Date) and will be applied in the following order of priority (the "**FCC 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), all as more fully set out in the FCC Regulations:

(1) in or towards payment or discharge of any FCC Fees (other than the Liquidation Fees and Workout Fees, to the extent that the same have been paid from the FCC Available Principal) due and payable by the French Issuer to the FCC Transaction Parties on such FCC Interest Payment Date;

(2) in or towards payment or discharge of sums due to third parties (other than payments made to any third party as described in paragraph (a) (*Priority Amounts*) above) under obligations incurred in the implementation of the French Issuer's management strategy, including provision for any such obligations expected to come due on the next FCC Interest Payment Date; and

(3) the remaining balance, to be applied as payment of interest on the Class A FCC Units.

Interest on the Class B FCC Units will be paid on such FCC Interest Payment Date, out of the interest earned by the French Issuer on the FCC Retained Amount during the FCC Interest Period ending on such date.

Any liquidation surplus (*boni de liquidation*) arising upon the liquidation of the French Issuer (the "**FCC Liquidation Surplus**") will be allocated *pro rata* as additional remuneration to the holders of Class B FCC Units.

For the purposes of this section "Cash Flows at the French Issuer Level":

(a) "**FCC Fees**" means such fees and commissions payable by the French Issuer to the FCC Transaction Parties as are described in the FCC Regulations;

(b) "**FCC Transaction Parties**" means any of: (i) the FCC Manager, (ii) the FCC Custodian, (iii) the French Servicer, (iv) the French Special Servicer, (v) the FCC Account Bank and (vi) the FCC Statutory Auditor.

CASH FLOWS AT THE SPANISH ISSUER LEVEL

Payments out of the FTA Transaction Account

(a) *Priority Amounts* The Spanish Issuer shall, out of the then credit balance of the FTA Transaction Account, pay sums due, on a date other than an FTA Interest Payment Date, to third parties (other than the fees and commissions payable to the FTA Transaction Parties as set out in item 1 of the FTA Priority of Payments), under obligations incurred in the course of the Spanish Issuer's business on a date other than an FTA Interest Payment Date and any amounts payable by the Spanish Issuer to the Originator pursuant to the Spanish Loan Sale Agreement. Priority Amounts payable to the Originator in relation to the Spanish Loan are: (i) amounts that accrued under the Spanish Loan prior to the Spanish Closing Date which do not belong to the Spanish Issuer, and (ii) in relation to a breach of warranty which occurred under the Spanish Loan which has triggered the repurchase of the Spanish Loan by the Originator, any amounts that the Spanish Issuer received after the date of the repurchase.

(b) *Application of FTA Available Principal* On each FTA Interest Payment Date, any principal amount (including any release premium, any insurance indemnity and any amount of principal payments received or recovered by or on behalf of the Spanish Issuer as a result of actions taken in accordance with the enforcement procedures in respect of the Spanish Loan and/or the Loan Security) received under the Spanish Loan by on or behalf of the Spanish Issuer (the "**FTA Available Principal**") will be applied by the Spanish Issuer, until the FTA Note shall have been redeemed in full, in the following order: (1) *first*, paying Liquidation Fees and/or Workout Fees, if any, and (2) *second*, repaying principal on the FTA Note in an amount equal to the FTA Available Principal.

(c) *Application of FTA Available Interest Receipts* FTA Available Interest Receipts in respect of the Spanish Loan will on any FTA Interest Payment Date be comprised of the following:

(a) all payments of interest, fees, breakage costs, if any, expenses, commissions and other sums (in each case including recoveries in respect of such amounts on enforcement of the Spanish Loan or the related Loan Security) paid by the Spanish Loan Borrower in respect of the Spanish Loan or Loan Security during the FTA Interest Period ending on such FTA Interest Payment Date (net of any such amounts applied during such FTA Interest Period in payment of any of the Priority Amounts); and

(b) all other monies received by the Spanish Issuer during such FTA Interest Period and treated as being of a revenue nature,

(such amounts being collectively referred to as the "**FTA Available Interest Receipts**" in respect of such FTA Interest Payment Date) and will be applied in the following order of priority (the "**FTA 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), all as more fully set out in the Spanish Deed of Incorporation:

(1) in or towards payment or discharge of any the taxes, fees and expenses due and payable by the Spanish Issuer on such FTA Interest Payment Date to the FTA Transaction Parties;

(2) in or towards payment or discharge of sums due to third parties (other than payments made to any third party as described in paragraph (a) (*Priority Amounts*) above and the Liquidation Fees and Workout Fees, to the extent that the same have been paid from the FTA Available Principal) under obligations incurred in the Spanish Issuer's business, including provision for any such obligations expected to come due in the following Interest Period; and

(3) the remaining balance, to be applied as payment of interest on the FTA Note.

For the purposes of this section "Cash Flows at the Spanish Issuer Level", "**FTA Transaction Party**" means any of: (i) the FTA Manager, (ii) the FTA Account Bank, (iii) the Spanish Servicer, (iv) the Spanish Special Servicer, (v) the FTA Paying Agent and (vi) the FTA Statutory Auditor.

CASH FLOWS AT THE ISSUER LEVEL

Funds paid into the Issuer Transaction Account

Amounts standing to the credit of the Issuer Transaction Account are referable to, amongst other things, the following sources:

(a) Borrower Interest Receipts;

(b) Amortisation Funds;

(c) Prepayment Redemption Funds;

(d) Final Redemption Funds;

(e) Principal Recovery Funds; and

(f) Basis Swap Agreement Breakage Receipts.

Payments out of the Issuer Transaction Account

Pre–Enforcement of the Notes

(a) *Priority Amounts*

The Issuer shall, prior to the service of a Note Enforcement Notice by the Trustee, out of Borrower Interest Receipts and, where Borrower Interest Receipts are insufficient, out of the aggregate of Amortisation Funds, Prepayment Redemption Funds, Final Redemption Funds and Principal Recovery Funds available to the Issuer for such purpose (such aggregate amount comprising the "**Borrower Principal Receipts**"), pay sums due to third parties (other than the German Servicer, the Liquidity Facility Provider, the Basis Swap Counterparty, the Originator (other than as specified below), the German Special Servicer, the Corporate Services Provider, the Trustee, the Paying Agents, the Agent Bank, the Cash Manager or the Operating Bank), and the Issuer's liability, if any, to corporation tax and/or value added tax, on a date other than an Interest Payment Date under obligations incurred in the course of the Issuer's business and any amounts payable by the Issuer to the German Originator pursuant to the German Loan Sale Agreement.

Priority Amounts payable to the Originator in relation to a German Loan are: (i) amounts that accrued under a German Loan prior to the Closing Date which do not belong to the Issuer, and (ii) in relation to any German Loan for which a breach of warranty occurred which has triggered the repurchase of such Loan by the Originator, any amounts that the Issuer received after the date of the repurchase.

(b) *Application of Available Principal*

The Cash Manager shall, on the basis of information provided to it by the Servicer, calculate on each Calculation Date in respect of the Collection Period then ended, the aggregate amount of: Available Amortisation Funds, Available Prepayment Funds, Available Redemption Funds and Available Principal Recovery Funds, *less* any amount deducted from such funds for the purpose of paying Liquidation Fees and/or Workout Fees in respect of the German Loans on the Interest Payment Date falling immediately after such Calculation Date (it being specified that Liquidation Fees and Workout Fees in respect of the French Loans and the Spanish Loan shall have been paid by the French Issuer and the Spanish Issuer, as applicable, and shall have already been deducted from the above amounts), if any (together, "**Available Principal**").

Prior to service of Note Enforcement Notice and no Sequential Redemption Event

On each Interest Payment Date, prior to the service of a Note Enforcement Notice by the Trustee and when a Sequential Redemption Event is not outstanding, Available Amortisation Funds, Available Redemption Funds, Available Principal Recovery Funds, 50 per cent. of Available General Prepayment Funds, and 100 per cent. of Available Sebastopol Prepayment Funds will, to the extent of available funds, be applied in accordance with the following order of priority:

(a) in paying principal on the Class A Notes until all the Class A Notes have been redeemed in full;

(b) in paying principal on the Class B Notes until all the Class B Notes have been redeemed in full;

(c) in paying principal on the Class C Notes until all the Class C Notes have been redeemed in full;

(d) in paying principal on the Class D Notes until all the Class D Notes have been redeemed in full; and

(e) in paying principal on the Class E Notes until all the Class E Notes have been redeemed in full.

Then, on the same Interest Payment Date and after the application of Available Amortisation Funds, Available Redemption Funds, Available Principal Recovery Funds, Available General Prepayment Funds as described above, all remaining Available General Prepayment Funds will be applied in redeeming, *pro rata* and *pari passu*, principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (within the limits set out under the section headed "*Condition to redemption of the Class E Notes*" below) in proportion to:

(i) if any of the Class A Notes are then outstanding, the Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes as at the Closing Date;

(ii) if the Class A Notes have been redeemed in full but any of the Class B Notes are then outstanding, the same proportion as the Principal Amount Outstanding of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes as at the Closing Date bears to the aggregate Principal Amount Outstanding of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes as at the Closing Date;

(iii) if the Class A Notes and the Class B Notes have been redeemed in full but any of the Class C Notes are then outstanding, the same proportion as the Principal Amount Outstanding of the Class C Notes, the Class D Notes and the Class E Notes as at the Closing Date bears to the aggregate Principal Amount Outstanding of the Class C Notes, the Class D Notes and the Class E Notes as at the Closing Date;

(iv) if the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in full but any of the Class D Notes are then outstanding, the same proportion as the Principal Amount Outstanding of the Class D Notes and the Class E Notes as at the Closing Date bears to the aggregate Principal Amount Outstanding of the Class D Notes and the Class E Notes as at the Closing Date; and

(v) if the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in full but any of the Class E Notes are then outstanding, the Principal Amount Outstanding of the Class E Notes.

The Class X Notes will not be redeemed until the date on which all the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been redeemed or extinguished in full. The Class X Notes will be redeemed in full out of the credit balance of the Class X Collateral Account.

Prior to service of Note Enforcement Notice but for so long as there is a Sequential Redemption Event continuing

On each Interest Payment Date prior to the service of a Note Enforcement Notice by the Trustee but when a Sequential Redemption Event is continuing, the Issuer will apply the Available Amortisation Funds, Available Redemption Funds, Available Principal Recovery Funds, Available General Prepayment Funds and Available Sebastopol Prepayment Funds, to the extent of available funds, in accordance with the following order of priority (in each case only if payments of a higher priority have been paid in full):

(i) in paying principal on the Class A Notes until all the Class A Notes have been redeemed in full;

(ii) in paying principal on the Class B Notes until all the Class B Notes have been redeemed in full;

(iii) in paying principal on the Class C Notes until all the Class C Notes have been redeemed in full;

(iv) in paying principal on the Class D Notes until all the Class D Notes have been redeemed in full; and

(v) in paying principal on the Class E Notes until all the Class E Notes have been redeemed in full.

A "**Sequential Redemption Event**" shall occur if, on any Interest Payment Date, any of the following circumstances then applies:

(a) there is a debit balance on the Principal Deficiency Ledger; or

(b) the relevant loan facility agent under a Credit Agreement has declared an event of default and the acceleration of the relevant Loan (a "**Loan Event of Default**"), and the relevant Servicer has notified the Cash Manager, the Issuer and the Trustee of such declaration of a Loan Event of Default, provided that, in determining whether a Loan has been subject to a default for the purposes of this paragraph (b):

    (i) such determination shall be made solely on the basis of the terms of the relevant Credit Agreement as at the Closing Date and without regard to any subsequent amendments to such

Credit Agreement or waivers granted in respect thereof; and

(ii) a Loan Event of Default shall not be deemed to have occurred in respect of a Loan if: (a) the default is with respect to payment and such default has been remedied or cured within three (3) Loan Business Days of such default; and/or (b) the default is other than with respect to payment, the default has been remedied or cured by the relevant Borrower(s) within the applicable grace period under the relevant Credit Agreement; and/or (c) enforcement procedures have been completed and the principal amount outstanding of such defaulted Loan and all amounts of interest, fees, expenses and any other amounts payable by the relevant Borrower(s) in respect of such defaulted Loan have been received in full or such Borrower(s) have prepaid the defaulted Loan in full (including, for the avoidance of doubt, all amounts of interest, fees, expenses and other amounts payable by the Borrower(s) in respect of the defaulted Loan); or

(c) the aggregate Principal Amount Outstanding of all Classes of Notes on such Interest Payment Date prior to the application of all amounts of Available Principal is *less than* ten (10) per cent. of their Principal Amount Outstanding as at the Closing Date.

(d) *Application of Available Interest Receipts*

Available Interest Receipts will, on any Interest Payment Date, be comprised of the following:

(a) all payments of:

(i) interest, fees, breakage costs (other than Basis Swap Agreement Breakage Receipts), if any, expenses, commissions and other sums (in each case including recoveries in respect of such amounts on enforcement of the German Loans or Loan Security) paid by German Loan Borrowers in respect of the German Loans or the Loan Security (other than any payments in respect of principal); and

(ii) interest paid by the French Issuer on the Class A FCC Units; and

(iii) interest paid by the Spanish Issuer on the FTA Note,

during the Collection Period ended immediately before such Interest Payment Date (the "**Relevant Collection Period**") (net of any Borrower Interest Receipts applied during such Collection Period in payment of any of the

Priority Amounts);

(b) the receipts received by the Issuer from the Basis Swap Counterparty in respect of such Interest Payment Date under the Basis Swap Transactions including any Basis Swap Agreement Breakage Receipts (but, for the avoidance of doubt, (1) excluding any equivalent securities which are to be returned by the Issuer to the Basis Swap Counterparty pursuant to the Basis Swap Credit Support Document in the event that the Basis Swap Counterparty has posted excess collateral thereunder, and (2) excluding any receipts received by the Issuer upon termination of the Basis Swap Agreement if and to the extent that the Issuer is required to apply such amounts in priority to enter into a replacement swap agreement);

(c) the proceeds of any Eligible Investments and any interest accrued upon the Issuer's Accounts and paid into the Issuer Transaction Account;

(d) any advances made (or to be made if necessary) under the Liquidity Facility Agreement in respect of a Senior Expenses Drawing made by the Issuer; and

(e) all other monies received by the Issuer in respect of the Relevant Collection Period and treated as being of a revenue nature,

(in the case of sums referred to in (a), (b), (c) and (e) being such amounts received during the Relevant Collection Period and in the case of sums referred to in (d) being such amounts received on the relevant Interest Payment Date in the case of a Senior Expenses Drawing) (such amounts being collectively the "**Available Interest Receipts**" in respect of such Interest Payment Date) and will be applied in the following order of priority (the "**Pre–Enforcement Interest 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), all as more fully set out in the Deed of Charge and Assignment;

(1) in or towards payment or discharge of any amounts due and payable by the Issuer on such Interest Payment Date to:

    (a) *pro rata* and *pari passu*, the Trustee and any receiver appointed under the Deed of Charge and Assignment;

    (b) Euro 100 to be retained by the Issuer and paid into the Issuer Domestic Account as a mandated profit (the "**Issuer Profit Amount**"); and

    (c) then, *pro rata* and *pari passu*, any amounts due and payable by the Issuer to: (i) the Paying Agents and the Agent Bank under the Agency Agreement; (ii) the Cash Manager under the

Cash Management Agreement; (iii) the Operating Bank under the Cash Management Agreement; (iv) the Corporate Services Provider under the Corporate Services Agreement; (v) the German Servicer and the German Special Servicer (including any amounts due to the German Special Servicer in respect of the Special Servicing Fee, but excluding any Liquidation Fee or Workout Fee in relation any German Loan, to the extent that the same have been paid from the Available Principal) pursuant to the German Loan Servicing Agreement, (vi) the Issuer Representative and the Issuer Special Representative, (vii) the Liquidity Facility Provider under the Liquidity Facility Agreement other than in respect of a Liquidity Subordinated Amount; (viii) the Basis Swap Counterparty under the terms of the Basis Swap Transactions, other than any amounts due to the Basis Swap Counterparty following an event of default or an early termination event under the Basis Swap Agreement where the Basis Swap Counterparty is the Defaulting Party or the Affected Party (as defined in the relevant Swap Agreement) or following a Downgrade Early Termination Event; (ix) the French Issuer or the Spanish Issuer, as applicable, in respect of the Issuer Fee Indemnity in relation to the FCC Units or the FTA Note, as applicable; and (x) the holder of the Class B FCC Units, upon the Issuer having agreed to purchase such Class B FCC Units at par pursuant to the FCC Units Subscription Agreement;

(2) in or towards payment or discharge of sums due to third parties (other than payments made to any third party as described in paragraph (a) (*Priority Amounts*) above) under obligations incurred in the Issuer's business, including provision for any such obligations expected to come due in the following Interest Period and the payment of the Issuer's liability (if any) to value added tax and to corporation tax;

(3) *pro rata* and *pari passu*, in or towards payment or discharge of interest due on the Class A Notes and interest on the Class X Notes;

(4) in or towards payment or discharge of interest due and interest deferred (and any interest due on such deferred interest) on the Class B Notes;

(5) in or towards payment or discharge of interest due and interest deferred (and any interest due on such deferred interest) on the Class C Notes;

(6) in or towards payment or discharge of interest due and interest deferred (and any interest due on such deferred

interest) subject to Condition 4(B) on the Class D Notes;

(7) in or towards payment or discharge of interest due and interest deferred (and any interest due on such deferred interest) subject to Condition 4(B) on the Class E Notes;

(8) on the first Interest Payment Date, in payment of an amount of Euro 300 to be credited to the Class X Collateral Account, and, if the Available Interest Receipts are insufficient for such purposes, on each subsequent Interest Payment Dates until such time as the aggregate amount standing to the credit of the Class X Collateral Amount (taking into account the proceeds of the Class X Notes deposited thereto) equals Euro 600;

(9) in or towards payment or discharge of any amounts due and payable by the Issuer on such Interest Payment Date to the Basis Swap Counterparty under the Basis Swap Agreement in respect of any payments due to be made by the Issuer following an early termination of any Basis Swap Transaction as a result of an event of default or an early termination event under the Basis Swap Agreement where the Basis Swap Counterparty is the Defaulting Party or the Affected Party (as both defined in the Basis Swap Agreement) or following a Downgrade Early Termination Event;

(10) in or towards payment or discharge of any amounts (i) in respect of increased costs, mandatory costs or tax gross up amounts payable to the Liquidity Facility Provider to the extent that such increased costs, mandatory costs or tax gross up amounts payable to the Liquidity Facility Provider exceed 0.125 per cent. per annum of the commitment provided under the Liquidity Facility Agreement; and/or (ii) in respect of any increase in the commitment fee payable to the Liquidity Facility Provider as a result of the imposition of increased costs directly attributable to the implementation of the Capital Requirements Directive, to the extent that such amounts exceed (in aggregate with any amounts referred to in (i) above) 0.25 per cent. per annum of the commitment provided under the Liquidity Facility Agreement (the amounts owing under this item 10 being together the "**Liquidity Subordinated Amount**" in respect of such Interest Payment Date);

(11) in repaying principal on the Most Senior Class of Notes then outstanding in an amount equal to the amount of the Borrower Principal Receipts previously applied by the Issuer towards the payment of Priority Amounts less the amount of Available Interest Receipts previously applied on an Interest Payment Date in accordance with this item 11; and

(12) any surplus to the Issuer.

"**Downgrade Early Termination Event**" means an additional termination event that occurs following a ratings downgrade of the Basis Swap Counterparty upon the failure of the Basis Swap Counterparty to comply with the ratings criteria and

downgrade provisions of each Rating Agency, as set out in the Basis Swap Agreement.

Condition to redemption of the Class E Notes

Notwithstanding any provision to the contrary, and until such time as the Castor & Pollux Loan has been fully amortised or has been retransferred to the Originator, or the sale of the Castor & Pollux Loan has been rescinded, then any redemption of the Class E Notes shall be conditional upon the Principal Amount Outstanding of such Class of Notes not falling below Euro 6,000,000.

Post–Enforcement of the Notes

The Issuer Security will become enforceable upon the Trustee delivering a Note Enforcement Notice.

Following enforcement of the Issuer Security by the Trustee declaring the Notes to be due and payable, the Trustee shall, to the extent that such funds are available, make payments in the following order of priority (the "**Post–Enforcement Priority of Payments**") (in each case only if and to the extent that the payments of a higher priority have been paid in full), and subject to applicable law:

(1) *pro rata*: (a) the remuneration payable to the Trustee and any costs, charges, liabilities and expenses (plus value added tax, if any) incurred by it under the provisions of or in connection with any of the Issuer Transaction Documents (including any amounts paid or payable in respect of indemnity protection); and (b) all amounts payable to any receiver or other similar agent of the Issuer appointed under the Deed of Charge and Assignment;

(2) *pro rata* and *pari passu*, any amounts due and payable by the Issuer to (a) the Paying Agents and the Agent Bank under the Agency Agreement; (b) the Cash Manager and the Operating Bank under the Cash Management Agreement; (c) the Corporate Services Provider under the Corporate Services Agreement; (d) the German Servicer or German Special Servicer under the German Loan Servicing Agreement; (e) the Issuer Representative and the Issuer Special Representative; (f) the Liquidity Facility Provider under and in accordance with the Liquidity Facility Agreement (other than in respect of a Liquidity Subordinated Amount); (g) the Basis Swap Counterparty under the terms of the Basis Swap Transactions, other than any amounts due to the Basis Swap Counterparty following an event of default or an early termination event under the Basis Swap Agreement where the Basis Swap Counterparty is the Defaulting Party or the Affected Party (as defined in the Basis Swap Agreement) or following a Downgrade Early Termination Event; (g) the French Issuer and the Spanish Issuer, as applicable, in respect of the Issuer Fee Indemnity in relation to the FCC Units or FTA Note, as applicable;

(3) *pro rata* and *pari passu* all amounts payable on the Class A Notes and all interest amounts payable on the Class X Notes;

(4) all amounts payable on the Class B Notes;

(5) all amounts payable on the Class C Notes;

(6) all amounts payable on the Class D Notes;

(7) all amounts payable on the Class E Notes;

(8) to the Liquidity Facility Provider in respect of a Liquidity Subordinated Amount under and in accordance with the Liquidity Facility Agreement;

(9) any amounts due to the Basis Swap Counterparty not provided for in item 2 above; and

(10) the surplus (if any) to the Issuer or any other person entitled to the surplus.

ENFORCEMENT OF THE ISSUER SECURITY

Upon enforcement of the Issuer Security, the Trustee will have recourse only to the rights of the Issuer to the German Loans and the Loan Security, the Class A FCC Units and the FTA Note and all other assets constituting the Issuer Security. Other than: (a) as provided in the German Loan Sale Agreement for material breach of warranty in relation to the German Loans and, in certain limited circumstances, the related Loan Security (as to which, see further "*Acquisition of the Loans– Originator's Representations and Warranties*" on page 177) and breach of other provisions specified in the German Loan Sale Agreement, and (b) in relation to the German Loan Servicing Agreement and the Note Subscription Agreement for breach of the obligations of the Originator, the Issuer and/or the Trustee will have no recourse to the Originator (whether as originator and seller of the German Loans or as German Servicer or German Special Servicer in respect thereof). Likewise, in relation to the French Loans and the Spanish Loan, neither the Issuer nor the Trustee will have direct recourse against the Originator. Only the FCC Manager or the FTA Manager, as applicable, is entitled to exercise the French Issuer's or the Spanish Issuer's rights in respect of the French Loans and the Spanish Loan (and their Loan Security) respectively. Other than: (a) as provided in the relevant Loan Sale Agreement for material breach of warranty in relation to the French Loans or the Spanish Loan, as the case may be, and, in certain limited circumstances, the related Loan Security (as to which, see further "*Acquisition of the Loans– Originator's Representations and Warranties*" on page 177) and breach of other provisions specified in the relevant Loan Sale Agreement, and (b) in relation to the relevant Loan Servicing Agreement for breach of the obligations of the Originator, the French Issuer or the Spanish Issuer, as the case may be, will have no recourse to the Originator (whether as originator and seller of the related Loans or as Servicer or Special Servicer in respect thereof).

The terms on which the Issuer Security will be held will provide that, upon enforcement, certain payments (including all amounts payable to any receiver and the Trustee, all amounts due to the German Servicer and the German Special Servicer, the Corporate Services Provider, the Operating Bank, the Paying Agents, the Agent Bank, all payments due to the Basis Swap Counterparty under the Basis Swap Transactions (other than in respect of amounts specified in "*Cash Flows – Cash Flows at the Issuer Level– Payments out of the Issuer Transaction Account -Post–Enforcement of the Notes*" on page 59) and all payments due to the Liquidity Facility Provider under the Liquidity Facility (other than in respect of any Liquidity Subordinated Amount specified in "*Cash Flows – Cash Flows at the Issuer Level– Payments out of the Issuer Transaction Account* " on page 52)) will be made in priority to payments in respect of interest and principal on the Class A Notes and payments in respect of interest on the Class X Notes. Upon enforcement of the Issuer Security, all amounts owing to the Class A Noteholders and all interest amounts owing to the Class X Noteholders will rank higher in priority to all

amounts owing to the Class B Noteholders, all amounts owing to the Class B Noteholders will rank higher in priority to all amounts owing to the Class C Noteholders, all amounts owing to the Class C Noteholders will rank higher in priority to all amounts owing to the Class D Noteholders, and all amounts owing to the Class D Noteholders will rank higher in priority to all amounts owing to the Class E Noteholders.

RISK FACTORS

The following is a summary of certain issues of which prospective Noteholders should be aware, but it is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this document and review the related documents referred to herein and reach their own views prior to making any investment decision. In particular, without limiting to the generality of the foregoing, the sections entitled "Risk Factors Relating to the Loans - Relevant Aspects of French Law" on page 70 which summarise certain aspects of French, Spanish and German laws and practice in force at the date hereof relating to the transactions described in this Prospectus respectively, do not purport to be a complete analysis and should not, therefore, be treated as a substitute for comprehensive professional, legal and tax advice on the relevant matters, nor on any such issue which may be relevant in the context of this Prospectus.

RISK FACTORS RELATING TO THE LOANS - NON–JURISDICTIONAL SPECIFIC RISK FACTORS

Default by Borrowers

The ability of the Issuer to meet its obligations under the Notes will be dependent on the receipt by it (including through the Class A FCC Units and the FTA Note) of funds from the Borrowers under the relevant Loan and the Loan Security and, where necessary and applicable, the Liquidity Facility under the Liquidity Facility Agreement. If, on default by the Borrowers and following the exercise by a Servicer or the Loan Security Agent, as the case may be, of all available remedies in respect of the Loans, the Issuer does not receive the full amount due from the Borrowers, the French Issuer and/or the Spanish Issuer, then Noteholders (or the holders of certain classes of Notes) may receive by way of principal repayment an amount less than the face value of their Notes and the Issuer may be unable to pay interest due on the Notes in full. The Issuer does not guarantee or warrant full and timely payment by the Borrowers, the French Issuer and/or the Spanish Issuer of any sums.

The Credit Agreements contain provisions requiring each Borrower to make a final repayment of principal on the Final Maturity Date. The Borrowers' ability to repay the Loans on the applicable Final Maturity Date will be dependent upon their ability to refinance the Loans or the Borrowers' ability to sell the Properties providing security for the Loans. None of the Borrowers, the Issuer or the Originator is under any obligation to provide any such refinancing and there can be no assurance that the Borrowers would be able to refinance the Loans or that a Borrower would be able to sell its Property.

Failure by the Borrowers to refinance the respective Loan or by a Borrower to sell its Property at final maturity may result in the Borrowers defaulting on the Loan. In the event of such a default, the Noteholders, or the holders of certain classes of Notes, may receive by way of principal repayment an amount less than the face value of their Notes and the Issuer may be unable to pay interest due on the Notes in full.

An insolvency of a Borrower would result in a Loan Event of Default under the respective Credit Agreement giving rise to an acceleration of the respective Loan and an enforcement of the Loan Security. In the event of such a default, the Issuer may be unable to pay to the Noteholders, or the holders of certain classes of Notes: (a) by way of principal repayment, the entire face value of their Notes; and (b) by way of interest payment, the full amount due on the Notes.

Following a Loan Event of Default, enforcement of the relevant Loan Security may not be immediate, resulting in significant delays in the recovery of amounts owed by the relevant Borrower under the relevant Loan. Additionally, there may be certain classes of creditors

entitled to receive the proceeds of secured assets before the Issuer (for example unpaid enforcement costs and taxes).

Limited Payment History

The Loans were originated in 2004 and in 2006. Out of six Loans, five Loans do not have a long-standing payment history and there can be no assurance that required payments will be made or, if made, will be made in a timely manner. In addition, most of the Borrowers acquired their related Properties contemporaneously with the origination of the Loans. Accordingly, there is a risk that the net cash flow of such Properties may vary from the cash flow generated by the Properties under prior ownership and management.

Other Indebtedness, Liabilities and Financing

The existence of indebtedness incurred by a Borrower other than the relevant 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 that 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 the relevant Credit Agreement. The Credit Agreements place restrictions upon the ability of the Borrowers to incur additional debt which is not permitted indebtedness (if applicable). Some of the Credit Agreements, in accordance with market practice, contain carve-outs for debt incurred in the regular course of trade or business and/or provide for market-standard threshold amounts. Credit Agreements relating to the Castor & Pollux Loan and the Crown Loan provide for capex facilities which may be drawndown from time to time by the relevant Borrowers after the Closing Date. Such capex facilities are secured and may rank *pari passu* with the related Loans. In addition, the Crown Borrower has issued a convertible instrument to a credit institution, the payment claims of which are subordinated to the senior debt incurred by the Crown Borrower. Upon conversion such payment claims may be converted into shares of the Crown Borrower. The credit institution has covenanted to create security over such shares for the benefit of the Finance Parties. However, such security will only become effective upon the entry of the credit institution into such security agreement.

Each Borrower has also incurred, or may also incur in the future, Subordinated Financings which may include intra-group indebtedness in favour of its shareholders and/or associated companies. This indebtedness is unsecured (save for the Mezzanine Financings incurred by the Castor & Pollux Borrower and the Crown Borrower, which are solely secured by a first-demand guarantee provided by a third party counterparty belonging to the Caisse d'Epargne group) and fully subordinated and postponed to both the respective Loan pursuant to separate Subordination Agreements.

Subordinated Creditors under the Subordinated Financings (in particular under any Mezzanine Financing) may not without the prior consent of the Loan Security Agent, acting on the instruction of the Lender under the relevant Loan: (i) take any enforcement action, (ii) request the acceleration of the Subordinated Financings, or (iii) present a petition for the opening of any insolvency proceedings against the relevant Borrowers.

In the context of property acquisitions only, certain Borrowers have also incurred indebtedness under VAT loans, which indebtedness is secured only by assignments by way of security of VAT receivables.

Litigation

There may be pending or threatened legal proceedings against any of the Borrowers and their affiliates. The Credit Agreements include obligations by the Borrowers to notify the Agent of any legal proceedings which might or could reasonably be expected to have a material adverse effect on the ability of the Borrowers to make payments under the Loan and consequently the Issuer's ability to make payments under the Notes.

The Properties

General

The Loans are secured by, among other things, French law lender's liens (*privilèges de prêteurs de deniers*), a Spanish law mortgage (*hipoteca*) and German law land charges (*Grundschulden*) over the Properties. The repayment of the Loans in part may be, and the payment of interest on the Loans is, dependent on the ability of the applicable Properties to produce cash flow. However, the income-producing capacity 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 or ratings downgrade 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 industry slowdowns and unemployment rates); (ii) local property conditions from time to time (such as an oversupply or undersupply of office space); (iii) retrospective changes in building codes or other regulatory changes; (iv) changes in governmental regulations, fiscal policy, planning/zoning or tax laws; (v) potential environmental legislation or liabilities or other legal liabilities; (vi) the availability of refinancing; and (vii) changes in interest rate levels.

In particular, a decline in the property market or in the financial condition of a major tenant 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 Borrowers to default on the Loans, reduce the chances of the Borrowers refinancing the Loans or reduce a Borrower's ability to sell a Property at a required price.

Offices

51% of the passing rent of the pool of assets financed derives from office properties.

The income from and market value of an office property and a borrower's ability to meet its obligations under a loan secured by an office property are subject to a number of risks. In particular, a given property's age, condition, design, access to transportation and ability to offer certain amenities to tenants, including sophisticated building systems (such as fibre-optic cables, satellite communications or other base building features) all affect the ability of such a property to compete against other office properties in the area in attracting and retaining tenants. Other important factors that affect the ability of an office property to attract and retain tenants include the quality of a building's existing tenants, the quality of the building's property manager, the attractiveness of the building and the surrounding area to prospective tenants and their customers or clients and access to public transportation and major roads. Attracting and retaining tenants often involves refitting, repairing or making improvements to office space to accommodate the type of business conducted by prospective tenants or a change in the type of business conducted by existing major tenants. Such refitting, repairing or improvements are often more costly for office properties than for other property types.

Local and regional economic conditions, changes in local and regional population patterns, sharing of office space and employment growth together with other related factors also affect the demand for and operation of office properties. In addition, an economic decline in the businesses operated by tenants can affect a building and cause one or more significant tenants to cease operation and/or become insolvent. The risk of

such an adverse effect is increased if revenue is dependent on a single tenant or a few large tenants or if there is a significant concentration of tenants in a particular business or industry.

Any one or more of the above described factors, amongst others, 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 Borrowers to default on the respective Loan, reduce the chances of the Borrowers refinancing the Loan or reduce a Borrower'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.

Leisure dominated Properties

46% of the passing rent of the pool of assets financed derives from properties dominated by retail/leisure tenants.

Residential Units

3% of the passing rent of the pool of assets financed derives from residential tenants. The value of a residential property is significantly affected by the quality of the tenants as well as fundamental aspects of the residential property, such as location and market demographics.

In particular, a Borrower's ability to service payment obligations in respect of the relevant Loan is likely to depend on the Borrower's ability to let the relevant properties on appropriate terms. There can be no assurance that the term of any tenancy which is granted will match the term of the Loan and/or that the rental income achievable from tenancies of the relevant property will be sufficient to provide the Borrower with sufficient income to meet the Borrower's payment obligations in respect of the Loan.

The collectability of amounts due in respect of residential properties will generally fluctuate in response to, among other things, general economic conditions, mobility of home occupants, changes in laws, inflation, the availability of financing, political developments, government policies, the financial standing of tenants and other similar factors. Other factors (which may not affect real estate values) may have an impact on the ability of tenants to pay under their leases. Loss of earnings, illness, divorce and other similar factors may lead to an increase in defaults and bankruptcy filings by tenants and could ultimately have an adverse impact on the ability of tenants to pay under their leases.

In addition, in the event of enforcement against a Borrower, the ability to dispose of a residential property at a price sufficient to repay the amounts outstanding under the relevant Loan will depend upon a number of factors, including the availability of buyers, the value of the property and residential property values in general at that time.

Furthermore, applicable law may restrict the increase of rents and the termination of leases by the landlord.

No Independent Investigation/Reliance on Warranties

None of the Issuer, the French Issuer, the Spanish Issuer, the FCC Manager, the FTA Manager, the Trustee or any Joint Lead Manager has undertaken or will undertake any

investigations, searches or other actions to verify the details of the Loans or the Loan Security or to establish the creditworthiness of any Borrower. Due diligence was undertaken and valuations were obtained prior to the origination of each Loan (see "*The Loans and the Loan Security - Origination of the Loans*" on page 148). No further due diligence will be undertaken in relation to the Loan and no further or updated valuations will be obtained in connection with the sale and purchase of the Loan. The reports issued by the valuers or legal advisors in respect of the Properties are addressed to and may be relied upon in most cases by the Originator and/or the Loan Security Agent. The benefit of such reports will not be assigned to the Issuer. The Issuer will instead rely solely on the warranties given by the Originator in respect of such matters in the Loan Sale Agreements.

If any breach of warranty relating to any Loan and the respective Loan Security is material and (if capable of remedy) is not remedied, the relevant Purchaser may require the Originator to repurchase the Loan together with the Loan Security. However, this does not limit any other remedies available to the Issuer and/or relevant Purchaser if the Originator fails to repurchase a Loan and the respective Loan Security when obliged to do so.

Valuations

The Valuations in respect of the Properties have been provided by reputable valuers following the standards established by the Royal Institute of Chartered Surveyors. The Valuations express the professional opinion of the relevant valuers on the relevant Property and are not guarantees of present or future value in respect of such Property. One valuer may, in respect of any Property, reach a different conclusion than the conclusion in relation to a particular Property that would be reached if a different valuer were appraising such Property. Moreover, valuations seek to establish the amount that 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 existing property owner. There can be no assurance that the market value of a Property will continue to equal or exceed the valuation contained in the relevant report compiled for the purposes of ascertaining the Valuation in respect of each Property prior to advancing any amounts under each Loan. If the market value of a Property fluctuates, there can be no assurance that the market value will be equal to or greater than the relevant portion of unpaid principal and accrued interest on each Loan and any other amounts due under the respective Credit Agreement. If the Property is sold following an event of default in respect of the respective Loan, there can be no assurance that the net proceeds of such sale will be sufficient to pay in full all amounts due in respect of the respective Loan, irrespective of the value ascribed to it.

Property Manager

The net cash flow realised from and/or the residual value of the Properties may be affected by management decisions. While the property managers for each of the Properties are experienced in managing commercial property, there can be no assurance that decisions taken by them or by a future property manager will not adversely affect the value and/or cash flows of the Property.

Capital Improvements to Properties

In the event that the relevant Borrower fails to pay the costs for work completed or materials delivered in connection with any capital improvements, such Borrower could be the subject of legal action by the relevant contractors to recover the costs of such capital improvements and/or materials. The existence of construction or capital improvements at a Property may disrupt the day-to-day activities of the tenants and, accordingly could have a negative effect on net income.

Risks relating to Loan Concentration

In relation to any pool of loans, there is a risk that loan losses will be more severe if the pool is comprised of a small number of loans, each with a relatively large principal amount, or if losses relate to loans that account for a disproportionately large percentage of the pool's aggregate principal balance. There will be six underlying Loans. Losses on any Loan may have a substantial adverse affect on the ability of the Issuer to make payments under the Notes.

Geographic Concentration

The Properties are located in France, Germany and Spain and, as such, the performance of the Properties will be dependent upon the strength of the local economies of such regions and of the economy generally. The level of economic activity in general will affect net absorption of commercial and retail space and increases in rental rates. A weakening of the retail and business sectors in the relevant regions or in the relevant country generally may adversely affect demand for space at the Properties and thus affect each such Property's operation and lessen its market value. Conversely, strong economic conditions could lead to increased building and increased competition for tenants. In either case, the operation of the Properties could be adversely affected.

Tenant Concentration

A deterioration in the financial condition of a tenant of a Property can be particularly significant if a Property is leased to a small number of tenants or a sole tenant. Properties leased to a small number of tenants, or a sole tenant, also are more susceptible to interruptions of cash flow 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.

If there is a concentration of tenants which operate in the same or related industries as one another at one or more Properties, risks related to such tenants may be increased. If a Property is leased predominantly to tenants in a particular industry, the relevant lender may not have the benefit of risk diversification that would exist in a case where tenants were not so concentrated.

Assignment of the German Loans to the Issuer

Some German Credit Agreements require certain formalities to be fulfilled upon transfer of the Loans to the Issuer *e.g.* the completion of transfer certificates and the performance of know your customer checks. Until such formalities have been complied with, the Agent is not obliged to recognise the assignee as having any rights and there is a risk that legal title to such Loans is not transferred to the Issuer.

Borrower Indemnity/Gross–up

In relation to the Loans, the Borrowers are only obliged to make additional payments (for example a gross–up obligation) to the relevant Purchaser to the extent that it would have been obliged to make such payments to the Originator if the assignment had not occurred. The same principle applies if the Lender (including the relevant Purchaser) changes its lending office and such change gives rise to an obligation to make additional payments.

It is not anticipated that there will be any circumstances existing at the date of the assignment to the relevant Purchaser that would give rise to such an obligation to make additional payments and the provision is not considered by the Originator to be material in the context of the transaction. The position cannot be anticipated in future circumstances where the relevant Purchaser might assign its interest in the Loan to a third party, and the extent to which this provision might affect the range of possible potential assignees.

Yield and Prepayment Considerations

The yield to maturity of the Notes of each class will depend on, among other things, the amount and timing of payment of principal (including prepayments, release amounts, sale proceeds arising on enforcement of Loan Security and repurchases due to breaches of representations and warranties) on the Loan and the price paid by the holders of the Notes. Such yield may be adversely affected by a higher or lower than anticipated rate of prepayments on the Loans and the timing of such prepayments.

The likelihood of any voluntary prepayments in part and the prepayment in full of a Loan cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the buoyancy of the commercial property market, the availability of alternative financing and local and regional economic conditions. Therefore, no assurances can be given as to the level of prepayment that the Loans will experience.

Partial voluntary prepayments in respect of a Loan will result in a reduction in interest receipts on such Loan by the Issuer and therefore may result in a shortfall in the monies available to be applied by the Issuer in making payments of interest on the Notes as a result of the Issuer still being required to pay certain payments prior to any payment of interest on the Notes. This risk is known as "Available Fund Cap". The prepayment risk will, in particular, be borne primarily by the holders of the most junior classes of Notes then outstanding.

Hedging risks

The Credit Agreements relating to the Loans contain obligations of the Borrowers to enter into hedging arrangements as the interest on Loans is payable by the Borrowers at a floating rate, whilst income received by the Borrowers is received out of rental payments that do not change to reflect changes in the prevailing rate of interest. Such interest rate hedging arrangements are in the form of interest rate swaps and/or caps entered into for the duration of the respective loans. All the Borrowers are either fully or almost fully hedged for the duration of their financing.

However, in certain circumstances, the hedging arrangements may be terminated and as a result the Borrowers may be unhedged if replacement hedging arrangements cannot be entered into. In particular, except where there is a partial or full prepayment of a Loan, the Lender may suffer a loss if one or more of the hedging arrangements is terminated and the Borrower swap counterparty is, as a result of such termination, required to pay amounts upon termination to the loan swap counterparty.

Risks relating to Conflicts of Interest

Conflicts of interest may arise between the Purchaser and the Originator because (i) the Originator intends to continue actively to finance real estate-related assets in the ordinary course of its business, and (ii) the Originator is a creditor under the other Serviced Financings. During the course of its business activities, the Originator may operate, service, acquire or sell properties, or finance loans secured by properties, which are in the same markets as the Properties. In such cases, the interests of the Originator may differ from, and compete with, the interests of the Issuer, and decisions made with respect to those assets may adversely affect the value of the Properties and therefore the ability to make payments under the Notes.

There are no restrictions on the Servicers, the Special Servicers, the Loan Administrator or the Loan Special Administrator preventing them from acquiring Notes or servicing loans for third parties, including loans similar to the Loans. The properties securing any such loans may be in the same markets as the Properties. Consequently, personnel of the Servicers, the Special Servicers, the Loan Administrator or the Loan Special Administrator, as the case may be, may perform services on behalf of the relevant Purchaser with respect to the Loans at the same time as they are performing services on behalf of other persons with respect to similar loans. Despite the requirement on each of

the Servicers, the Special Servicers, the Loan Administrator or the Loan Special Administrator to perform their respective servicing obligations in accordance with the terms of the Servicing Agreements, such other servicing obligations may pose inherent conflicts for the Servicers, the Special Servicers, the Loan Administrator or the Loan Special Administrator.

The Servicing Agreements require the Servicers and the Special Servicers to service the relevant Loans in accordance with the Servicing Standard. Certain discretions are given to the Servicers and the Special Servicers in determining how and in what manner to proceed in relation to the Loan. Further, as the Servicers and the Special Servicers may each acquire Notes, either of them could, at any time, hold any or all of the Most Junior Class of Notes outstanding from time to time, and the holder of that class may have interests which conflict with the interests of the holder of the senior Notes.

Appointment of Substitute Servicer

Prior to or contemporaneously with any termination of the appointment of a Servicer (to the extent that such termination is legally possible), it would first be necessary for the relevant Purchaser to appoint a substitute Servicer approved, in the case of the Issuer, by the Trustee (such substitute Servicer to be the same entity for all the Serviced Financings). The ability of any substitute Servicer to administer the loan portfolio successfully would depend on the information and records then available to it. There is no guarantee that a substitute Servicer could be found who would be willing to administer the loan portfolio at a commercially reasonable fee, or at all, on the terms of the Servicing Agreement (even though this agreement provides for the fees payable to a substitute 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 Servicer performing services in this way would be payable in priority to payment of interest under the Notes.

Furthermore, on the termination of the appointment of the Servicer, the appointment of the Loan Administrator will automatically terminate and there can be no assurances that a replacement Loan Administrator could be found.

Compulsory Purchase

Subject to the applicable local law in France, Germany and Spain any Property may at any time be acquired by, *inter alios*, a local authority or state, generally in connection with proposed redevelopment or infrastructure projects.

In the event that all or part of a Property becomes subject to a compulsory purchase, compensation would be payable to the relevant Borrower and, as the case may be, the occupational tenants according to their respective interests. However, there is often a delay between the compulsory purchase of a property and the payment of compensation which is, *inter alia*, dependent on the parties' ability to agree upon the open market value of the property and compensation in relation to compulsory purchase may be less than the open market value of the property. As the occupational tenants' obligations to pay rent would cease upon completion of the compulsory purchase (unless the relevant Borrower has other funds available to it) it may be unable to meet its obligations under the related Credit Agreement. The Credit Agreements require the Borrowers to apply any compulsory purchase compensation towards repayment of principal on the Loan to which the compensation relates. However, the amount of compensation may be insufficient to repay all sums due under the related Loan.

Insurance

Although the Credit Agreements require each Property to be insured at appropriate levels and against the usual risks, there can be no assurance that any loss incurred will be of a type covered by such insurance and will not exceed the limits of such insurance. In addition, there are certain types of losses (such as losses resulting from wars, terrorism,

nuclear radiation, radioactive contamination, heave, settling of structures or severe storm or floods etc.) which may be or become either uninsurable or not economically insurable, or are otherwise not covered by the required insurance policies. Other risks might become uninsurable (or not economically insurable) in the future.

Should an uninsured loss or a loss in excess of insured limits occur at or in relation to a Property, a Borrower and therefore potentially the Issuer, could suffer disruption of income from the Property, potentially for an extended period of time, while remaining responsible for any financial obligations relating to the Property and the Borrower's ability to repay the Loan may be affected adversely. In addition, the Borrowers and the Issuer are relying on the creditworthiness of the insurers providing insurance with respect to the Property and the continuing availability of insurance to cover the required risks, in respect of neither of which assurances can be made.

RISK FACTORS RELATING TO THE LOANS - RELEVANT ASPECTS OF FRENCH LAW

Considerations Relating to French Loans and the French Loan Security

Enforcement of security interests

A reform of the French law applicable to security interests was passed by Ordinance (*Ordonnance*) n°2206–346 dated 23 March 2006 (the "**March 2006 Reform**"). The March 2006 Reform took effect on 25 March 2006 and applies automatically to all security interests constituted after that date.

The security interests granted by the Crown Borrower under the Crown Loan and the Castor & Pollux Borrower under the Castor & Pollux Loan were granted after the March 2006 Reform, and the security interests granted by the Sebastopol Borrower under the Sebastopol Loan were granted prior to the March 2006 Reform.

Therefore, the new regime set out by the March 2006 Reform applies to the security interests granted by the Crown Borrower under the Crown Loan and the Castor & Pollux Borrower under the Castor & Pollux Loan.

To the extent that the security documents setting out the security interests granted under the Sebastopol Loan have not been amended to have the new reform applied to them, the description of the enforcement of French security interests set out below describes the state of the law applicable to security interests created prior to the March 2006 Reform.

The below description also sets out the state of the law applicable to security interests created after the March 2006 Reform, which applies to the security interests granted under the Crown Loan and the Castor & Pollux Loan.

Lender's lien (*privilège de prêteur de deniers*)

A lender's lien (*privilège de prêteur de deniers*) is conferred on a creditor who lends a sum of money for the financing of the purchase of real property in accordance with articles 2324 and 2374–2 of the French Civil Code.

A lender's lien is subject to the specific rules of article 2374–2 of the French Civil Code. In the context of a refinancing of a loan, a lender's lien granted in favour of the 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 lender's lien will rank ahead of all unsecured creditors (*créanciers chirographaires*) of the grantor of the security but will rank after the prior ranking creditors in the context of a bankruptcy and after any claim of the manager of the condominium (*copropriété*) if the mortgaged property is comprised within a condominium.

Secured amounts comprise the principal amount of the loan as well as its accessories. It should be noted, however, that only three (3) years of interest at the contractual rate can be secured by a lender's lien. Since the lender's lien can only be conferred on a lender as security to the loan made available to finance the purchase price of the real property, the secured debt is limited to the obligations of the borrower under such loan. Any further obligations can be secured by a second ranking mortgage.

Droit de suite, droit de préférence. The secured creditor's enforcement action consists of the possibility to continue to benefit from the lender's lien, even if the property is transferred by the debtor to a third party. This right is known as *droit de suite*. In the event of the sale of the property by the debtor, the secured creditor may have the debts owing to him satisfied from the proceeds of the sale of the property in the order of priority of the liens and mortgages encumbering such property (*droit de préférence*), in accordance with article 2461 of the French Civil Code. If the secured creditor wishes to exercise this right, it must cause an order to pay to be served on the debtor by a bailiff and, in addition, cause a notice to be served on the third party to whom the property subject to the lender's lien was transferred with a view either to pay the debt secured by the lender's lien or mortgage granted over the property or to surrender such property in an auction sale, where a minimum bid exceeding 10 % of the price paid by such third party shall be made by the creditor.

Peculiarities of Lender's Lien. In order for a lender's lien to be validly created, the following two conditions must be satisfied: (a) the loan must be granted for the purchase of real property and the deed evidencing the loan (*acte d'emprunt*) must expressly stipulate the purpose for which the loan was intended; and (b) the discharge receipt (*quittance*) given by the vendor of the relevant real property must certify that, up to the principal amount of the relevant loan, the payment was made out of the moneys borrowed. Both the deed evidencing the loan and the discharge receipt must be in a notarised form (*acte authentique*).

Registration of Lender's Lien. In order to be enforceable against third parties, pursuant to the provisions of article 2377 of the French Civil Code, lender's liens must be registered at the land registry office ("*Bureau des Hypothèques*") situated in the same geographical district where the relevant real property is situated.

A lender's lien is retrospectively perfected from the date of the deed of conveyance of the relevant real property if the registration of the lien occurs within a period of two (2) months after the signing of the deed of conveyance (under article 2379 of the French Civil Code). If this deed fails to be registered within this two (2) month period, rules applicable to mortgages will apply to the lender's lien.

Enforcement of Lender's Liens

Rules applicable to the attachement procedure by secured creditors (*saisie immoblilière*) have been recently modified by an Order (*ordonnance n° 2006–461 réformant la saisie immobilière*) dated 21 April 2006 and its enacting decree no. 2006-936 of 26 July 2006 as amended. This new legislation (article 2190 et seq. of the French Civil Code) entered into force on 1 January 2007 and applies automatically to all foreclosures by secured creditors executed after that date on properties situated in France.

Since 1 January 2007, lender's liens can be enforced either through (i) a court–supervised public auction (*vente aux enchères*) or (ii) a request for a judicial attribution.

Court–supervised public auction. The first step is the seizure of the property (*saisie immobilière*) starting with a bailiff (*huissier*) delivering to the debtor an enforcement notice which is filed at the relevant land registry office having jurisdiction over the district in which the relevant real property is situated. The next step is to instruct a lawyer (*avocat*) to prepare the terms of sale at public auction (including the reserve price of the relevant real property) and the notices to be given prior to the sale. The debtor may file objections

against such enforcement (including the reserve price), the validity of which will be decided by a competent court.

If no bid is made at the public auction, and, provided there is only one secured creditor, such secured creditor will be deemed to be the highest bidder and is thus obliged to purchase the property at the reserve price specified in the terms of the sale. Any interested party may re–open the auction by offering to purchase the property for a sum of 10 per cent. higher than the highest bid, within ten (10) days of the auction sale. The Court must then verify each creditor's claim and its respective rank (*procédure d'ordre*), preferred creditors ranking first. The last step is to obtain the proceeds from the escrow agent where the auction proceeds have been kept on deposit.

Sale without recourse to law. The debtor may request the mortgaged property to be sold by way of a sale without recourse to law ("*vente amiable*"). The debtor's application for authorisation of sale without recourse to law may be presented to and judged by the Court even prior to service of the writ of summons, provided that the debtor has joined the registered creditors as a party. If the debtor fails to undertake a sale without recourse to law and to account for this sale to the plaintiff-creditor when the latter so requires, the creditor may summon the debtor in court at any moment with a view to recording his default and obtaining an order for the resumption of the public auction.

Enforcement of other security prior to insolvency proceedings

Insurance delegation (délégation légale d'assurances). Pursuant to the provisions of article L.121–13 of the French *Code des assurances*, the benefit of certain insurance proceeds in relation the Castor & Pollux and Sebastopol properties has been transferred automatically to the lenders under the Castor & Pollux Loan and the Sebastopol Loan as beneficiaries of the lender's liens (*privilèges de prêteur de deniers*). Under each of the Castor & Pollux Loan and the Sebastopol Loan, the notary before which such French Credit Agreement was executed was given all powers to notify the insurance delegation to the insurer for acknowledgement. Following the service of such notification, the lender under such French Credit Agreement would benefit from the undertaking of the relevant insurer to pay it directly.

There is no need for enforcement of an insurance delegation as the transfer of the relevant insurance proceeds to the secured creditor is automatic.

Pledge over Shares (nantissement de parts sociales) of sociétés à responsabilité limitée (SARL). Shares (*parts sociales*) issued by a société à responsabilité limitée (*SARL*) can be pledged in accordance with article 2333 of the French Civil Code and article L. 521-1 of the French Commercial Code.

There are two options available to the secured creditor for the enforcement of the pledge over shares: (i) request the competent court to sell the shares by way of public auction (*vente publique*), or (ii) request the attribution by a court of the shares (*attribution judiciaire*).

The enforcement of the pledge of shares requires the approval by the shareholders of the company whose shares are pledged of the assignee of the shares becoming a new shareholder.

If the SARL has previously approved the pledge by a shareholder resolution, in which the secured creditor of the pledge is identified, the secured creditor will not have to be approved again in case of an enforcement of the share pledge agreement. If the SARL has not approved the pledge, in case of the enforcement of such pledge the approval procedure provided for by article L. 223–14 of the French Commercial Code will have to be followed. In any case the SARL will be able to redeem the shares itself, for the purpose of cancelling them.

Pledge over Shares (nantissement de compte d'instruments financiers) of société par actions simplifiée. There are two options available for the enforcement of the pledge over the shares (*compte d'instruments financiers*): request the public sale (*vente publique*) of the shares, or (b) request the attribution by a court of the shares (*attribution judiciaire*).

Pursuant to the March 2006 Reform, the secured creditor can also in accordance with article L. 521–3 of the French Commercial Code, if it has been expressly provided for in the share pledge agreement, appropriate the pledged shares and their cash proceeds without a court order on the date on which it exercises its pledge.

Pledge over Bank Accounts. A pledge over the credit balance of a bank account (*nantissement de solde de compte bancaire*) is a pledge over intangible assets (consisting of the claim which the pledgor has against the bank which holds the account in the name of the pledgor) which, under French law, does not confer a right of retention in favour of the pledgee. In practice, under a pledge over the credit balance of a bank account, the pledged account is opened in the name of the pledgor and the pledgor retains title to the amounts standing to the credit of the pledged bank account at the time the pledge is enforced.

A pledge over the credit balance of a bank account may be granted in accordance with articles 2355 et seq. of the French Civil Code and L. 521–1 of the French Commercial Code and, with respect to pledges granted before the March 2006 Reform, articles 2071 et seq. of the French Civil Code (as previously drafted), and with respect to pledges granted after the March 2006 Reform, articles 2360 et seq. of the French Civil Code (as newly drafted). So as to ensure the validity and the perfection of the security interest granted, the pledge agreement needs to be registered with the tax authorities (*Recette des Impôts*) and either notified by *huissier* to the bank in the books of which the pledged account is opened, or accepted in a notarised deed by the bank in the books of which the pledged account is opened.

The enforcement of a pledge over the credit balance of a bank account can be made by requesting the competent court to allow appropriation of the credit balance subject to the pledge (*attribution judiciaire*) and the application of the proceeds in satisfaction of the debt (article 2078 et seq. of the French Civil Code, as previously drafted).

Furthermore, pursuant to the March 2006 Reform, which applies only to the pledge over bank account granted by the Castor & Pollux Borrower under the Castor & Pollux Loan, the secured creditor can also in accordance with article 2365 of the French Civil Code, if it has been expressly provided for in the pledge agreement, appropriate the credit balance of the pledged bank account on the date on which it exercises its pledge (after taking account of debits and credits previously initiated but not yet completed) in satisfaction of its claim against the debtor without a court order.

Assignment of receivables by way of security (Dailly law assignments governed by articles L. 313–23 *et seq.* of the French Financial Code). The Dailly law assignment provides for the transfer of receivables (together with any security interests, guarantees and accessory rights relating thereto) through the remittance to the assignee (the secured creditor) of a transfer deed (*bordereau*) describing the amount of the type of receivables subject to such assignment by way of security. The assignment comes into effect as between the assignee and the assignor and is binding upon third parties as from the date of the transfer deed. The ownership of the receivables is transferred as from the date of the transfer form notwithstanding the fact that such assignment is made by way of security.

The enforcement of such security is achieved through notifying the assigned debtors of the assignment of the receivables. Upon receipt of such notice, the assigned debtors must pay their debt directly to the assignee instead of paying the assignor. However, as long as the assigned debtor has not formally accepted the assignment in the form

prescribed in article L. 313-29 of the French Financial Code, such debtor will be entitled to raise against the assignee any defence it could invoke against the assignor.

However, even after such a notice is served on an assigned debtor, set–off may still take place (or be ordered by a court) if such claims are related (*créances connexes*), i.e., according to French case law, when claims arise from the same contract, or from separate contracts linked together by a master agreement or, failing which, forming a coherent contractual framework entered into in view to the achievement of a single economic transaction ("*ensemble contractuel unique*").

Cash Collateral Arrangements. As security of its obligations towards any creditor, it is generally admitted under French law that any debtor may deposit cash (*remise d'espèces à titre de garantie or gage-espèces*) on a bank account opened in the name of such creditor. Until the execution of its obligations by the debtor, title to the deposited cash is transferred to the creditor which is entitled to use it for its general purposes and such cash deposited gives rise to a repayment right (*créance de restitution*) of the debtor against such creditor.

The enforcement of such security interest is achieved through the right to set–off the obligation incurred by the secured creditor to the borrower to redeliver that amount against the debt due without any need for judicial proceedings or public auction. However, the enforcement is valid only to the extent that the relevant account has been opened and the money is credited to it.

In addition, with respect to the rights to any cash–collateral arrangement transferred to the French Issuer as related Loan Security attached to a French Loan, as the cash–collateral is posted in a bank account opened in the name of the related Loan Security Agent, the French Issuer bears a credit risk on the related Loan Security Agent.

Pledge of receivables (nantissement de créances)

A pledge over receivables may be granted in accordance with (i) for pledges granted before the March 2006 Reform, articles 2071 et seq. of the French Civil Code (as previously drafted), and (ii) for pledges granted after the March 2006 Reform, articles 2356 et seq. of the French Civil Code (as newly drafted). So as to ensure the validity and the perfection of the security interest granted, the pledge agreement needs to be registered with the tax authorities (*Recette des Impôts*) and notified by *huissier* to the debtor of the pledged receivables.

The enforcement of a pledge over receivables can be made by requesting the competent court to allow: the public sale (*vente publique*) of the pledged receivables, or the attribution by a court of the shares (*attribution judiciaire*).

Pursuant to the March 2006 Reform, which applies to the pledge of receivables granted by the Castor & Pollux Borrower under the Castor & Pollux Loan, the secured creditor can also in accordance with article L. 521–3 of the French Commercial Code, if it has been expressly provided for in the share pledge agreement, appropriate the pledged receivables on the date on which it exercises its pledge (after taking account of debits and credits previously initiated but not yet completed) in satisfaction of its claim against the debtor without a court order.

Delegation Agreements (délégation)

A delegation consists of a person (the *délégué*) incurring payment obligations to another person (the *délégant*), where the *délégué* is obliged to pay those amounts to a third person (the *délégataire*) upon instructions of the *délégant* in satisfaction of a debt owed by the *délégant* to the *délégataire*. A delegation is called *imparfaite* where the *délégué* continues to be bound to pay the *délégant* so that there is no *novation* under French law (in which case the *délégué* would no longer be bound to pay the *délégant* but only the *délégataire*).

Enforcement of Luxembourg law security

As a general rule, Luxembourg law security interests over shares or claims will not be affected by the opening of Luxembourg insolvency proceedings against the pledgor.

In respect of such security interests, the law dated 5 August 2005 on financial collateral arrangements (the "**Financial Collateral Law**") creates a "safe haven" and disapplies the provisions of Luxembourg and foreign insolvency proceedings (including controlled management and bankruptcy proceedings in the section "*Insolvency – Luxembourg Borrowers*" below) and ensures validity and enforceability of financial collateral arrangements even after the opening of such proceedings (except in the case of fraud).

Pledge over shares and pledge over bank accounts

Shares issued by a Luxembourg law *société à responsabilité limitée* (S.àr.l.) can be pledged in accordance with the terms of the Financial Collateral Law.

Bank accounts may also be pledged and, depending on whether the pledged account is a cash account or a securities account, such pledge will be treated as a pledge over claims (to the credit balance of the account) or a pledge over securities.

Pledge over shares of Boulevard de Sébastopol 31/39 S.àr.l. (the "Company").

This pledge agreement was entered into on 14 December 2004 between Boulevard de Sébastopol 31/39 Holdings S.àr.l. as pledgor (the "**Parent**"), Société Générale as security agent (the "**Security Agent**") and the Company (the "**Share Pledge Agreement**").

Without having to give prior notice, the Security Agent shall, upon the occurrence of an Event of Default (as such term is defined in the Share Pledge Agreement) and during the continuation thereof, be entitled to enforce the pledge in the most favourable manner provided for under Luxembourg law and in particular:

(a) appropriate the assets at a price determined by application of the valuation method agreed between the parties (the secured obligations being discharged up to such amount). In this respect, the Share Pledge Agreement provides for appropriation at a price equal to the book value of the shares as determined on the basis of the last published annual accounts of the Company by a *réviseur d'entreprises* designated by the Security Agent (as defined therein) or, in the absence of published annual accounts, at their nominal value;

(b) sell the assets or arrange for the assets to be sold in a private sale at normal commercial conditions, by way of sale on the stock exchange or by public sale;

(c) request attribution in court of the assets in discharge of the secured obligations, following valuation by an expert;

(d) carry out a set-off, in accordance with the provisions of the pledge agreement, between the secured obligations and the assets (which also supposes a valuation); and

(e) if applicable, appropriate the assets at their market price (if the assets are admitted to the official list of a stock exchange located in Luxembourg or abroad, or if they are traded on a regulated market functioning regularly, recognised and open to the public).

Pledge over bank accounts

A pledge over bank accounts agreement was entered into on 14 December 2004 between the Company as pledgor, the Security Agent and Société Générale,

Luxembourg branch (the "**Account Bank**") (the "**Account Pledge Agreement**"). Such pledge has been granted both over cash accounts and securities accounts.

Cash Accounts

Operation of Accounts

Until the occurrence of an Event of Default, the Accounts (as such term is defined in the Account Pledge Agreement) shall not be blocked and the Company shall be allowed to continue to operate the Accounts in accordance with the terms of the Sebastopol Loan Agreement. Following the occurrence of an Event of Default, this authorisation may at any time be revoked by the Security Agent by giving written notice to the Account Bank in order to block any transaction on the Accounts by the Company and the Security Agent may require payment to the Security Agent of (a) the balances of the Accounts and (b) the sale proceeds of the securities on the Accounts.

Enforcement

Without having to give prior notice, the Security Agent shall, upon the occurrence of an Event of Default, be entitled to enforce the pledge in the most favourable manner (as determined by the Security Agent in its sole discretion). The enforcement of the pledge over any cash amounts in the Accounts must be enforced by the pledgor giving instruction to the Account Bank to transfer to the Security Agent the amount indicated by the Security Agent for off-setting purposes against the Secured Obligations (as such term is defined in the Account Pledge Agreement).

Pursuant to the Financial Collateral Law, the Security Agent would be entitled to request itself direct payment of such amounts from the Account Bank. The application of this enforcement right is uncertain as the Account Pledge Agreement was entered into prior to the enactment of this law.

Securities Accounts

Without having to give prior notice, the Security Agent shall, upon the occurrence of an Event of Default, be entitled to enforce the pledge in the most favourable manner (as determined by the Security Agent in its sole discretion) and in particular:

(a) appropriate the securities at a price equal to the book value of such non-listed securities at the time of enforcement of the Pledge;

(b) sell the securities or arrange for the assets to be sold in a private sale at normal commercial conditions, by way of sale on the stock exchange or by public sale;

(c) request attribution in court of the assets in discharge of the secured obligations, following valuation by an expert; and

(d) carry out a set-off, in accordance with the provisions of the pledge agreement, between the Secured Obligations (as such term is defined in the Account Pledge Agreement) and the assets (which also requires a valuation).

Risks Relating To Property

Commercial Property Leases

Legal Issues related to Commercial Leases; Security of Tenure - The aim of French law relating to commercial leases (leases where the tenant is a corporate or an individual duly registered at the relevant commercial and company registry and duly carrying out a commercial undertaking in the premises) is to grant tenants security of tenure ("*propriété commerciale*") so that they may ensure the continuation of their businesses and the retention of clientele. At the end of the term of a lease (generally at the end of a nine–year period), the commercial tenant is entitled either to have his lease renewed on the same terms and conditions for a term of at least nine (9) years or to receive compensation if the landlord refuses to renew the lease.

Such an eviction compensation is based, mainly, on the value of the business undertaking or of the lease if its value is greater than the value of the business undertaking (which may be the case in particular if the business is in deficit), increased by moving and reinstallation costs, unless the landlord can show the actual damage suffered by the tenant corresponds to a lesser amount. This compensation is more or less important depending on whether or not the non–renewal of the lease will result in the loss of the tenant's clientele. For this reason, eviction compensations for the non–renewal of office leases are generally less important.

The benefit of the security of tenure is subject to certain conditions. In principle, the tenant must have carried on the same business in the rented premises during the three (3) years preceding the expiry of the lease and this business must have been registered with the relevant commercial and company registry.

Duration and tenant's right to terminate the lease - Commercial leases are entered into for a statutory minimum period of nine (9) years. If the term provided for in the lease exceeds twelve (12) years, the lease must be published at the land registry office ("*Bureau des Hypothèques*") and be in the form of a notarial deed.

Unless the parties provide otherwise, the tenant has a three (3)–yearly right to terminate the lease provided he gives the owner at least six months prior notice by means of a process server. In practice, the tenant often waives this right, at least for the first triennial period, and is bound to stay in the premises for six (6) years.

Rent Review - Under French law, the provisions regarding the rent review during the course of a commercial lease are of public interest and cannot be contracted out. They thus limit the flexibility of the owners to increase the rent so that it correspond to the market rent.

Most of the leases provide for a contractual annual indexation of rent which is usually based on the variation in the National Cost of Construction Index (*Indice du Coût de la Construction*).

Rent on renewal of a lease - Upon renewal of a lease, the new rent must be fixed in accordance with the current rental value of the rented premises. Various criteria are to be taken into account in fixing the market rent on renewal.

The increase in rent may, however, be limited, depending upon the activity carried out in the premises and the duration of the lease. If the initial duration of the lease as stipulated in the initial contract is more than nine (9) years and the actual duration of the lease does not exceed twelve (12) years, then the rent will be subject to an upper limit. The maximum rent which the landlord may apply for is based on the basis of variation in the National Cost of Construction Index (*Indice du Coût de la Construction*) over the same period as the period of the lease.

This upper limit can be excluded, in particular, where (i) a party to the lease can produce evidence of a substantial change in local commercial factors, (ii) the premises are used exclusively for office use, (iii) the premises can only be used for a specific activity ("*locaux monovalents*") such as premises used for hotels or cinemas, or (iv) the lease has a term of more than nine (9) years.

In these cases, the rent for the renewed lease must correspond to the rental value of the premises upon the date of the renewal of the lease.

Subletting - In certain circumstances, sub-leases which have been authorised by the landlord also give the sub-tenant a right of renewal. Where the head lease is not renewed, the sub-tenant will be able to claim the renewal of its lease directly from the landlord.

Transfer of the Lease by the Tenant - The possibility for the tenant to transfer the lease is generally limited in lease agreements. However, article L. 145-16 of the French Commercial Code declares null and void all clauses which prohibit the transfer of the lease by the tenant to the purchaser of the tenant's business.

Lease agreements frequently provide that assignor and assignee will remain jointly liable for the payment of the rents and charges and for the performance of obligations under the lease. This joint liability is however only applicable until the end of the current lease, and not during any renewed term.

Liability of Landlords to Third Parties - The liability of landlords to third parties can arise in a variety of ways. For example, in the case of premises situated in a building subject to co-ownership regulations, the landlord is responsible to the other co-owners for compliance by the tenant with the co-ownership regulations. The landlord may also be jointly liable with the tenant for the payment of the *taxe professionnelle* (business tax) where the tenant leaves the premises without paying this tax and if the landlord fails to inform the tax authorities of the move by the tenant.

Statutory Rights of Tenants - A number of statutory rights of tenants under the leases may affect the net cash flow realised from a property or cause delay in the payment of the rental income.

Such rights may include in particular (but without limitation) the following:

(a) where a borrower as landlord is in default of its obligations under a lease, the tenant may have the right under general principles of French law (*principe d'exception d'inexécution*) to retain its rental payments until the default is cured or refrain from performing its other obligations thereunder, if the breach results in an impossibility for the tenant to use the premises;

(b) a legal right of set–off (*droit de compensation légale*) could be exercised by a tenant of a property in respect of its rental obligations under the relevant lease if a reciprocal debt is owed to this tenant by the borrower as landlord or otherwise;

(c) French Courts may in some circumstances grant time to the tenants in respect of their payment obligations under the leases, taking into account their financial standing and the needs of the relevant borrower as landlord or may reschedule the debt of the tenants (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 leases to the contrary; and

(d) a tenant who owns a going–concern (*fonds de commerce*) which has been legitimately carried out in a property for the three (3) years preceding the expiry of the relevant lease 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 lease. The compensation for eviction must compensate the tenant for any losses and costs incurred by it. As long as the parties have not agreed this compensation or the Court has not fixed it, the tenant is entitled to stay in the rental premises in consideration for the payment of an occupation compensation. It should be borne in mind that the landlord has only two (2) years as from the termination of the lease to claim for occupation compensation from the tenant.

It must be noted that in case of offices, the current French case law considers that the tenant will not loose its clients and, therefore, its ongoing concern, if it has to move into new premises, so that the eviction compensation amounts to the costs incurred in connection with the removal of the tenant and its installation into new premises. Compensation is not payable, however, if the tenant is in serious breach of its obligations under the lease.

The exercise of any such rights may affect the ability of the borrower to meet its obligations under the mortgage loan.

Compulsory Purchase and Expropriation - Property in France may at any time be compulsorily acquired by, among others, a local or public authority or a governmental department on public interest grounds, for example, a proposed redevelopment or infrastructure project.

In the absence of exceptional circumstances (such as war), the expropriation proceedings that would apply in the case of the French Loan French Properties would be the standard expropriation proceedings provided for by the French *Code de l'expropriation pour cause d'utilité publique.*

French administrative authorities ascertain and assert the existence of a public interest in order to justify the expropriation of the contemplated property. The notion of public interest is objectively determined and may not be constituted by the purely economic interests of a specific local authority. The law provides that public interest shall apply to various projects pertaining to public health, education, transport and town planning (*i.e.* in France, most compulsory acquisition proceedings concern motorway or zone development projects). In any case, the notion of public interest is subject to the control of the administrative courts.

The decision to deprive a private owner of its property may only be taken by the judicial courts (as opposed to the administrative courts mentioned in the paragraph above). Such judicial court will also determine the amount of the compensation payable to the owner of the relevant property. There is no time limit for this judicial procedure. The judgment so rendered can be challenged before a court of appeal and then the French Supreme Court (*Cour de Cassation*).

The expropriated owner must receive fair compensation for the loss of its property. Fair compensation is compensation for the full direct loss suffered by the expropriated owner, including the fair market value of the property as at the date of the first instance judicial decision relating to the expropriation based on all relevant circumstances as at one year prior to the beginning of the preliminary public enquiry.

Pre-emption Rights, Right of First Refusal (*droit de préemption urbain*) or Right of First Reinforced Refusal (*droit de préemption urbain renforcé*) - In certain circumstances, French local planning authorities may hold a right of first refusal (*droit de préemption urbain*) or a right of first reinforced refusal (*droit to préemption urbain renforcé*) in respect of the sale of the French Loan French Properties. While the right of first reinforced refusal may apply to both direct asset sales, and in certain circumstances, sales of real estate companies (*sociétés civiles immobiliéres*). This right of first refusal only applies to direct asset sales. Such right may be exercised by the authorised French local planning authorities within a two-month period following the mandatory filing of the

offer for sale of the French Loan French Properties (the "**DIA**") and for a different price than the offer price (in which case the authorised French local planning authority must inform the seller of its intention to request judicial determination of the acquisition price).

The authorised French local planning authorities may exercise their right of first refusal at the same price than the one mentioned in the DIA. In such case, the seller cannot refuse the exercise of right of first refusal and is obliged to sell its property at the price set out in the DIA. If the authorised French local planning authorities decide to exercise their right of first refusal at a lower price than the one mentioned in the DIA, then the seller may refuse to sell at the offered price and may request the acquisition price to be fixed by the Court.

Environmental regulations - Property located in France is subject to regulations relating to the environment and public health. The environmental and occupational health and safety obligations and liabilities of real property landlords under the applicable French laws and regulations essentially include the following:

Land investigation and monitoring - Landlords have no direct obligations as regards land investigation and monitoring but must inform a potential purchaser of (a) the current or prior operation of authorised regulated activities on the site and (b) of any environmental damage, risk or inconvenience such activities may have generated or generate. Responsibilities with respect to land remediation and monitoring lie with the title operator of the regulated activities and installations located thereon. Since a 30 July 2003 amendment of applicable laws, municipal authorities may also under certain circumstances require not only the operator but also the landlord to carry out clean up works of a polluted site. For contractual responsibility reasons, it is now customary but not mandatory for landlords to assess the environmental condition of the land in order to determine whether past activities are likely to have been a source of environmental conditions which may eventually require soil and/or groundwater investigation, monitoring or clean up.

Classified facilities - Industrial facilities or equipment that are likely to present a risk to human health and safety, the protection of the natural environment, or other legally protected interests, are listed in a schedule of classified facilities ("*nomenclature des installations classées*"). The operation of such classified facilities is subject to the granting of an operating permit by the local authority (*Préfet*). The granting of the permit may be subject to either a declaration or an authorisation procedure, depending on the level of risks for the environment the facility may represent. The administrative authority may require specific prescriptions and inform the operator of the general rules applying to the concerned facility. Failure of the title operator of the above installations to comply with applicable prescriptions may result in administrative sanctions, including for example a permit suspension (preceded by an injunction to comply within a given timeframe) (see article L. 514–1 of the French *Code de l'environnement*) and/or criminal prosecution (see *id.,* article L. 514–6 et seq. of the French *Code de l'environnement*).

It should be noted that the seller of a classified facility must inform the purchaser of any danger or nuisance resulting from previous operations on the site, to the extent that he is aware thereof. If the seller fails to provide this information, the purchaser can rescind the sale or obtain the reimbursement of a part of the purchase price. The purchaser may also require that the site be cleaned up at the seller's expense, when such cost is superior to the purchase price (article L.514-20 of the French *Code de l'environnement*). Also, when a classified facility ceases its activity, the local authority (*Préfet*) orders the last operator to clean up the site.

Pursuant to a law dated 30 July 2003 known as the "Bachelot Law", a seller which operates a classified facility must provide the purchaser with an information memorandum if during the facility's activity, chemical or radioactive products were handled or stored.

To the best of the Originator's knowledge, no classified facilities are included in the French Loan French Properties.

Asbestos - Domestic laws and regulations further require that the borrower, as the owner of a property, check the premises for the presence of asbestos–containing materials ("**ACMs**"). The owner must check the state of preservation and carry out any protective measures and, if necessary, removal of or isolation works on these materials and products. Article L. 1334–13 of the French *Code de la santé publique* requires that an asbestos investigation report ("*Dossier technique amiante*") detailing the presence or absence of ACMs and, as the case may be, information relating to the exact location of the materials and products containing ACMs, be appended by the seller to any promise or deed of sale of a building. In the absence of such documentation, no liability waiver may validly be stipulated to the benefit of the seller. The French *Code de la santé publique* provides that information duties shall apply only to those buildings which building permits were issued prior to 1 July 1997.

Legionella - Standard occupational health and safety regulations also require that water-cooling and heating systems be checked for the presence of legionella (the bacteria causing legionnaire's disease – a form of pulmonary infection).

Planning permissions and work declarations - As a general rule, construction works of a real estate asset require that appropriate planning permissions be obtained or that the requisite works declarations be filed. Should these permissions or this filing not be completed, the following sanctions shall apply.

During a time period of three (3) years from the completion of the works, criminal sanctions (fine and/or imprisonment) may be taken against the user of the property (*utilisateur du sol*), the beneficiary of the works, the architect, the building contractors and any other people in charge of the carrying out of the works, together with other sanctions such as demolition of the erected building, restoration of the initial use, if: (i) works have been carried out or a change in the use initially authorised has been made without obtaining the relevant authorisation, and (ii) the works carried out do not comply with the relevant authorisation. Imprisonment is rare and only in case of repeated offense. Likewise, the demolition of the building is also rare.

A recent reform of the French *Code de l'urbanisme* dated 13 July 2006 provides that if construction works have been completed in compliance with a building permit, the landlord may be required to demolish such works, and the building contractor may be liable to pay damages, in the event that (i) the building permit breaches a planning rule or a public easement, and (ii) where the building permit has been nullified or declared illegal by the administrative jurisdiction. Any such action against the landlord is available for a two (2)–year period as from the date of the decision by the administrative jurisdiction. Any such action against the building contractor is available for a two (2)-year period as from the date of the completion of the works.

Where works are carried out without planning permission or a work declaration and in the case of a change of use without the above mentioned authorisation, third parties may obtain damages and may ask for the demolition or the restoration of the initial use if the claiming third party has suffered a prejudice and there is a direct link between the prejudice and the breach invoked (*i.e.* absence of the relevant authorisation or the failure of the works or the use to comply with the relevant authorisation). This risk is statute–barred after a ten (10)–year period as from the date the works have been completed. Again, the forced demolition of the works is rare.

Generally, any third party who objects to the granting of planning permissions has to bring an action before the administrative courts within two months from the latest of the two following dates: the first day of the publication of the planning permission at the town hall and the first day of the publication of such a permit on the site. If, at the expiry of this time period, no objection has been raised by any interested third party the permit becomes definitive and cannot (in most cases) be attacked (subject to the administrative control which expires two months after the decision to grant the planning permission was transmitted to the appropriate authority and subject to the right of withdrawal of such

decision by the administrative authority having delivered the permit, which right expires four months after the permit was delivered).

In the case of breach of the above regulations, the successive owners of the property could be held liable. The consequence of such breach could entail the payment of a substantial fine as well as demolition of the relevant property.

Force Majeure -The laws of France recognise the doctrine of *force majeure*, permitting a party to a contractual obligation to be freed from it upon the occurrence of an event which renders impossible the performance of such contractual obligation. There can be no assurance that the tenants of a property will not be subject to a *force majeure* event leading to their being freed from their obligations under their leases. This could undermine the generation of rental income and hence the ability of the relevant borrower to pay interest on or repay the principal of the relevant mortgage loan or its portion of the relevant mortgage loan.

Considerations relating to French Loan Borrowers and Luxembourg Borrower

Insolvency of French Loan Borrowers

French insolvency law is governed by (i) law No 2005–845 dated 26 July 2005; (ii) Decree n° 2005–1677 dated 28 December 2005; (iii) Decree n° 2005–1756 dated 30 December 2005, and (iv) Circular (*Circulaire*) dated 22 July 2005 which are applicable as from 1 January 2006 (together, the "**French Insolvency Law**"). French Insolvency Law provides for (a) two (2) pre–insolvency proceedings and (b) three (3) insolvency proceedings.

Pre–insolvency proceedings

Pre–insolvency proceedings are proceedings which do not trigger a stay of claims and of actions and in which debtors which are not yet in a state of "*cessation of payments*" (i.e. inability to meet its due and payable debts with its available assets) or which are in such state for less than forty–five (45) days, request from the court the appointment of a third party in order to come to an agreement with its creditors.

Mandat ad hoc. The *Mandat ad hoc* is an informal and confidential procedure. It consists of the appointment by the Court, at the request of the debtor, of a third party, with the view to assisting a business which is in difficulty, but not yet insolvent. The purpose is in most cases to facilitate an agreement that aims at settling the difficulties the business may face. The appointed *mandataire ad hoc* is generally not vested with specific powers, but can exert in practice a substantial influence on the outcome of the discussions. The President of the Court has discretion to determine the scope of the office of the *mandataire ad hoc*.

The *Mandat ad hoc* does not trigger an automatic stay of action or of payments. However, pursuant to article 1244–1 et seq. of the French Civil Code, the President of the Court may order a stay or deferral of payments due to certain creditors for up to two (2) years (except for certain specific debts: salaries, alimony, certain social security contribution and taxes).

Conciliation Procedure (procédure de conciliation). If a French debtor faces actual or expected legal, economic or financial difficulties and has not been under cessation of payments (*cessation des paiements*) for more than forty–five (45) days, it may apply for a conciliation procedure (*procédure de conciliation*) with the competent French court. This conciliation procedure may not last for a period exceeding four months subject to a one–month extension and implies the appointment of a conciliation agent (*conciliateur*) whose duty is to facilitate the negotiation of an amicable arrangement (*accord amiable*) between the debtor and its main creditors.

Insolvency proceedings

Types of proceedings. The three (3) proceedings are: (i) the protection procedure (*procédure de sauvegarde*); (ii) the rehabilitation procedure (*plan de redressement*); and (iii) the liquidation (*liquidation judiciaire*).

Protection Procedure (*procedure de sauvegarde*)[3]. The protection procedure is only available to debtors who, although not being in an actual state of "cessation of payments", establish that they are unable to overcome difficulties, which are of a nature to lead to a "cessation of payments". It is applied for at the sole discretion of the debtor. It aims to allow the debtor to benefit from the protection of insolvency law to facilitate its restructuring at an early stage of its difficulties. The Court orders the commencement of a time period called observation period (*période d'observation*) allowing continuation of the operations of the debtor whilst an arrangement with creditors is sought which can last for up to twelve (12) months with a possible extension up to a maximum total duration of eighteen (18) months. The Court appoints one or several judicial administrators (*administrateur judiciaire*), a representative of the creditors (*représentant des créanciers*) and two creditors' committees are created (if certain conditions are met, one composed of credit institutions, and the other of main suppliers of goods and services).

During the period of the protection procedure, the rights of the creditors of the insolvent debtor are restricted, *inter alia*, as follows: (i) the payment of debts incurred prior to the insolvency judgment is prohibited, except in limited cases; court actions for payment initiated prior to the judgment commencing the procedure can only aim at liquidating the amount of the debt, which will be treated as pre–insolvency judgment debt (*i.e.* stayed); (ii) the commencement of insolvency proceedings freezes enforcement of security and also freezes the right to perfect security through registration of such security, with only limited exceptions in both cases; (iii) contractual clauses providing for automatic termination or acceleration of the contract in the event of the occurrence of insolvency proceedings are ineffective; (iv) contracts cannot be terminated for reasons originating prior to the judgment starting the procedure; (v) creditors must file a statement of their claims against the debtor; and (vi) the right to set off reciprocal debts with the insolvent debtor is limited to "related" debts (*créances connexes*).

Assets subject to a lien, a pledge or a mortgage may be sold by the administrator and the secured creditors will be (partially) paid from the proceeds of the sale in accordance with their respective rank. If a protection plan of the debtor is adopted, the security interests will remain in force to secure the payments rescheduled by the court and the delays of payments fixed by the court would also be applicable to the beneficiaries of the security interests, who would be prevented from enforcing their security for so long as the rescue plan and the rescheduling of the indebtedness are complied with.

The protection procedure ends either with: (a) the approval by the Court of a protection plan, (ii) the conversion of the protection procedure (*procedure de sauvegarde*) into a rehabilitation procedure (*règlement judiciaire*); or (b) a conversion of the protection procedures into a judicial liquidation (*liquidation judiciaire*).

Rehabilitation Procedure (plan de redressement). The rehabilitation procedure is available to businesses which are in a state of "cessation of payments", but appear viable. Most of the organisational provisions of the protection procedure apply to the rehabilitation procedure. The rehabilitation procedure aims at drawing up a rehabilitation plan (*plan de redressement*), the main features of which are substantially similar to those

[3] In this Prospectus, *protection procedure* is classified as part of the insolvency proceedings section mainly because of its aim and effects, which are substantially similar to those of the rehabilitation procedure. Please note however that the protection procedure is only available for debtors that are not in cessation of payments and, as such, should be classified as a pre-insolvency procedure.

of a rescue plan. The rehabilitation procedure ends with either: (i) the approval of the rehabilitation plan; (ii) a sale–of–business plan; or (iii) a judicial liquidation when no viable rehabilitation plan is available.

The approval of the rehabilitation plan by a court judgment ends the procedure. For a rehabilitation plan to be approved by the Court, the court must be shown on the basis of the past and forecast trading accounts that the debtor will be able to generate sufficient operational profit to repay the rescheduled liabilities and finance its day–to–day operations and business plan. The rehabilitation plan can also feature partial termination or disposal of the business. If no rehabilitation plan appears viable and if the Court has received offers for the purchase of the business of the debtor as a going concern, the Court can decide to order a Sale–of–Business Plan as in the case of judicial liquidation (see below). Alternatively and at any time during the observation period, the Court can order a Liquidation Procedure if in its view no viable rehabilitation plan is available.

Judicial Liquidation (liquidation judiciaire). The judicial liquidation is available for companies which are in a state of "cessation of payments" and for which a recovery through a rehabilitation plan is obviously impossible. The Court appoints a liquidator, who replaces the directors and exercises all the powers of management. The liquidator is also the representative of the creditors. Any substantial decision during the procedure is made by, or submitted for the approval of the Court.

The provisions mentioned above relating to the limitation of the rights of the creditors and antecedent transaction also apply to judicial liquidation.

The Court decides either to order the sale of part or all of the business and assets of the debtor as a going concern (*i.e.* pursuant to a *plan de cession* ("**Sale–of–Business Plan**")) or realises the assets either individually or by sale of self–contained groups of assets. For companies which: (i) do not employ more than five (5) employees; (ii) have no real estate assets; and (iii) have sales inferior or equal to Euro 750,000, the assets are sold piece by piece by private sale and, the rest, by public auction.

If the Court decides that the debtor's business can be sold as a going concern (*i.e.* together with its contracts, employees and assets) pursuant to a Sale–of–Business Plan, the liquidation judgment provides for a time period decided by the Court for the implementation of such sale (*i.e.* the law provides for a three (3) month period, renewable one time for the same duration, upon the request of the Public Prosecutor). During such period the debtor operates its business in the same manner as in the framework of an observation period.

The Court may also order the sale of the entire business of the debtor, or of substantial part thereof to third party, including possibly creditors, but excluding the managers and their relatives.

A Sale–of–Business Plan is in essence an asset transaction. Therefore, the purchaser is only liable to: (i) pay the price as accepted by the Court; and (ii) comply with the commitments included in the offer. As a general rule, and subject to certain exceptions, the purchaser of the business in the framework of a Sale–of–Business Plan does not assume the liabilities of the debtor (either pre or post insolvency judgment liabilities). The creditors are repaid from the proceeds of sale and accounts receivables. The payment of the price clears all mortgages, charges and other security over the assigned assets, except security interests in relation to the financing of the acquisition of such assets. In such case, failing agreement with the secured lender, the purchaser of the relevant asset must assume the instalments which fall due as from the date of its possession.

The Sale–of–Business Plan judgment accelerates company's debts and the residual assets are realised piece–by–piece or by self–contained groups of assets.

Under the liquidation procedure, secured creditors do not, as a general rule, pursue their individual rights of action. Security rights are enforced by the liquidator and the proceeds

distributed according to the order of payments provided by the law. In such case, except for certain pledges featuring a right of retention, the secured creditors may be superseded by preferential creditors (such as employees). However, in certain types of pledge, the pledgee can be attributed ownership of the relevant asset. Creditors secured by a lien, a pledge or a mortgage are allowed to enforce their security if the liquidator has not taken steps to realise the secured assets within 3 months from the judgement ordering liquidation. If the Court has authorized the debtor to continue its operations during the liquidation proceeding with the view to implementing a Sale–of–Business Plan, no enforcement can take place before the expiry of the time period imparted to carry out such plan.

Antecedent transactions – preferences. Certain transactions entered into between the actual date of suspension of payments ("**cessation of payments**") (which the Court can "backdate" up to 18 months prior to the judgment opening insolvency proceedings) and the judgment opening insolvency proceedings can be held null and void (and for transactions made for no consideration, the period can be extended up to an additional six months). A transaction made during such period is automatically void in the following cases: (i) made without consideration; (ii) "unbalanced" transaction i.e. the obligations of the debtor are notably in excess of those of the other party; (iii) payments of debt not yet due; (iv) payments made otherwise than in a manner commonly accepted in business transactions; (v) a deposit or an escrow of money without a final court decision; (vi) security granted for a pre–existing debt; (vii) attachment (*mesure conservatoire*) or other compensatory measure in favour of a creditor; or (viii) authorisation, exercise or resale of "stock options". Furthermore, any payment and any act or transaction for consideration made after the date of "cessation of payments" can be nullified by the Court, if those who dealt with the debtor were aware of its cessation of payments.

Creditor's priorities. The law provides an order of priority as follows: (i) unpaid salaries and related items originating prior to the insolvency judgment; (ii) legal fees in connection with the proceedings; (iii) debt in connection with new money made available pursuant to a court–approved conciliation agreement (*procédure de conciliation*) prior to the insolvency judgment; (iv) if unpaid when due, liabilities incurred after the insolvency judgment for the purpose of the insolvency proceedings or the operation of the business of the debtor during the insolvency proceedings; (v) certain legal cost originating prior to the insolvency judgment; (vi) liabilities originating prior to the insolvency judgment with a general security (*e.g.* tax) or special security: pursuant to their chronological order of registration; and (vii) unsecured liabilities originating prior to the insolvency judgment. It is specified that the Borrowers under the French Loans do not have any employees.

Assets subject to a lien, a pledge, or a mortgage may be sold by the Court appointed administrator. An amount equal to the lesser of the sale price and the secured debt, must be deposited in an account at the *Caisse des Dépôts et Consignations*. The secured creditors will be paid from this account in accordance with their respective rank as described above, it being specified that the proceeds of the sale may be insufficient to pay the secured creditors in full.

If a rehabilitation/protection plan of the debtor is adopted, the security interests will remain in force to secure the payments rescheduled by the court. The delays of payments fixed by the court would also be applicable to the beneficiaries of the security interests, who would be prevented from enforcing their security for so long as the continuation plan and the rescheduling of the indebtedness are complied with. If no rehabilitation/protection plan of the debtor is adopted, the secured creditors will be paid in the context of the Liquidation Procedure (i.e. Sale of Business Plan or liquidation of assets or group of assets).

Insolvency consolidation. In accordance with article L.621–2 of the French Commercial Code, a Court may extend bankruptcy proceedings of one company to another, even when the second company is not insolvent in the case of: (i) the merging of assets and liabilities between the companies (*confusion des patrimoines*); and (ii) the fictitious nature of the companies (*fictivité*).

Insolvency of Luxembourg Borrowers

Insolvency

As a matter of Luxembourg law, a company (the "**Debtor**") being, or deemed to be, in a state of cessation of payments (*cessation de payments*) and having lost its commercial creditworthiness (*ébranlement de credit*) may be declared bankrupt (*en faillite*) under articles 437 ff. of the Luxembourg Code of Commerce.

The standard insolvency procedures for commercial companies are the bankruptcy proceedings. There exist other restructuring proceedings available to commercial companies, such as (i) composition arrangements with creditors proceedings (*concordat judiciaire*) - this procedure is rarely used in practice - and (ii) controlled management and suspension of payments proceedings (*gestion controlée et sursis de paiement*).

Controlled management and suspension of payments proceedings (*gestion contrôlée et sursis des paiements*) are governed by the Grand Ducal Decree, dated May 24, 1935 relating to controlled management. Controlled management procedures are available to entities that do not satisfy the conditions for the opening of bankruptcy proceedings (*faillite*) but having lost their credithworthiness or the integral execution of whose undertakings is compromised and aim to ensure either an orderly liquidation of the assets or a reorganisation of the company.

Controlled management proceedings are opened by the commercial court of the district where the Debtor is established, upon the application of the Debtor, who must be able to show that its commercial creditworthiness is tainted or is experiencing difficulties meeting all of its commitments. This procedure aims at reorganising the company or, if reorganisation is not possible, achieving a better realisation of the assets. Controlled management is not available (i) if bankruptcy proceedings have already been opened against the debtor, or (ii) if the court considers that the controlled management proceedings would not have the purported effect or (iii) if the court becomes convinced during the proceedings that the applicant is in fact in cessation of payments (in which case bankruptcy proceedings may be opened immediately).

The procedure is subject to two different phases:

During the first phase, while the management of the company remains in place, the Debtor will in principle not be able to take any measures regarding its assets (in particular any measures of disposal) without the consent of the supervising magistrate appointed by the court. During this phase, the rights of creditors (including secured creditors except where specific laws provide differently) will be frozen. The approval of the appointed supervising judge will be required for all acts to be carried out by the debtor.

During the second phase, and following the nomination of a commissioner (*commissaire*), the approval of the commissioner will be required for either all or certain categories of decisions (as determined by the appointing judgment). The rights of creditors will continue to be frozen (as above). The commissioner draws up a reorganisation plan or a plan for distribution, which is subject to approval by a majority of creditors. It must then be approved by the court before becoming compulsory for the Debtor and the creditors.

Bankruptcy proceedings (*faillite*)

The standard insolvency proceedings available for commercial companies in Luxembourg are bankruptcy proceedings (governed by the Luxembourg Code of Commerce), which result in the liquidation of the company's assets and the payment of creditors. Neither specific insolvency procedures (such as for credit institutions or other professionals of the financial sector managing third party funds, insurance undertakings, investment funds, or other regulated entities) nor certain non-commercial procedures, which are only rarely used, are analysed herein.

Bankruptcy proceedings can be commenced against a Debtor which is in a state of cessation of payments and who has lost its creditworthiness. In addition, the failure of controlled management proceedings may also constitute grounds for opening bankruptcy proceedings.

Proceedings can be initiated by a creditor, the Debtor itself (the Debtor, or in case of a company, the directors are obliged to file for bankruptcy within one month of having knowledge of the Debtor's cessation of payments) or *ex officio* by the court. Once the court has declared the company bankrupt, creditors must file and prove their claims and are no longer allowed to take any individual actions against the debtor (including by secured creditors, subject to the exception discussed below). The proceedings will take place under the supervision of an appointed judge (*juge commissaire*), and an insolvency receiver (*curateur*) appointed by the court will act for the debtor and the creditors. The insolvency receiver is in charge of carrying out the administration of the bankrupt company under the supervision of the judge and, subject to court approval, arranges for the realisation of the Debtor's assets and the distribution of the proceeds among the creditors whose claims have been accepted. The satisfaction of the creditors is made in accordance to their preferential rights after the deduction of the receiver's fees and the administration costs of the bankruptcy. No statutory time limit is imposed to complete the liquidation. A committee representing the largest unsecured creditors may be established to assist the liquidator, but its powers are limited. However, in practice, under creditors' pressure, an average liquidation can be completed in a few months in simple cases. However, longer delays may be expected in more complex cases, in particular if the assets of the Luxembourg debtor are located abroad.

Certain preferential transactions entered into during the so-called suspect period (generally 6 months and 10 days prior to opening of insolvency proceedings) may be subject to voidance or voidability. The same applies, regardless of their date, to transactions carried out in fraud of other creditors' rights.

Effects of insolvency proceedings on security

The following sets out the effects of insolvency proceedings on Luxembourg pledges over shares and Luxembourg pledges over claims which are the only ones relevant in this context. These are subject to the law dated 5 August 2005 on financial collateral arrangements (the "**Financial Collateral Law**") provides in article 20 that the provisions of Luxembourg and foreign insolvency proceedings (including controlled management and bankruptcy proceedings provided for herein) do not affect financial collateral arrangements, which hence remain enforceable after the opening of such proceedings.

Similarly and except the case of fraud, such financial collateral arrangements will not be affected by the Luxembourg rules on the suspect period.

European Council Regulation No. 1346/2000 on Insolvency Proceedings (the "Insolvency Regulation")

Any Luxembourg law insolvency proceedings (as described above) will be subject to the Insolvency Regulation. In particular, if a court determines that the centre of main interests of a Luxembourg Borrower is located in a country where the Insolvency Regulation is applicable other than Luxembourg, then no Luxembourg insolvency proceedings may be opened but the courts of such other country would have jurisdiction to bring insolvency proceedings that would be governed by the laws of such country.

Any controlled management proceedings or bankruptcy proceedings will hence be subject to the terms of the Insolvency Regulation, where applicable.

RISK FACTORS RELATING TO THE LOANS - RELEVANT ASPECTS OF SPANISH LAW

The following is a summary of certain issues of which prospective Noteholders should be aware, but it is not intended to be exhaustive. Prospective Noteholders should also read the detailed information set out elsewhere in this document and review the related documents referred to herein and reach their own views prior to making any investment decision.

SPANISH MORTGAGE CERTIFICATE

General

The Originator is to transfer the Spanish Loan to the Spanish Issuer by means of a Spanish Mortgage Certificate of a nominal value of Euro 107,835,000 on the Spanish Closing Date in accordance with the terms and conditions set forth in the Spanish Deed of Incorporation.

The Spanish Issuer, as subscriber of the Spanish Mortgage Certificate, will be vested with the right to receive the principal amounts (including prepayments), interests and any other payment to which the Originator is entitled under the Spanish Loan. The Spanish Mortgage Certificate represents the whole amount (100%) of the Spanish Loan.

Definition and Legal Nature of Spanish Mortgage Certificate

Fifth Additional Disposition of Law 3/1994, of 14 April (as amended by law 44/2002 of 22 November) defines Spanish Mortgage Certificates as mortgage participations ("*participaciones hipotecarias*", "PHs") that are grouped in asset securitisation funds ("*fondos de titulización de activos*") and correspond to loans or credits not conforming with the requirements to qualify as PHs contained in Section II of Law 2/1981, of 25 March, on regulation of the mortgage market (Law 2/1981).

Moreover, Spanish Mortgage Certificates are regarded as tradeable securities ("*valores negociables*") in accordance with Article 3.2 (d) of Royal Decree 1310/2005, of 4 November, on listing securities in secondary markets and initial public offerings.

To the extent that the Spanish Issuer qualifies as an institutional investor for the purposes of Article 64.1 of Royal Decree 685/1982, the Spanish Mortgage Certificate is issued with no specific formalities except that it is represented by means of a physical title stating, *inter alia*, the law governing the Spanish Mortgage Certificate and the percentage of participation in the principal amount of the Spanish Loan.

Insolvency of the Originator

To the extent that the Originator is a French entity, any insolvency proceedings in respect of the Originator would be conducted in France by the French courts.

It is worth noting that in accordance with Spanish law the holder of a Spanish Mortgage Certificate is vested with the right to separate the assigned mortgaged loan from the insolvency estate of the issuer (Article 15 of Law 2/1981). Accordingly, upon insolvency of the issuer of a Spanish Mortgage Certificate, the assigned mortgaged loans will be regarded as an asset owned by the holder of the Spanish Mortgage Certificate and the insolvency officials will be required to deliver the relevant mortgaged loan to the holder of the Spanish Mortgage Certificate at its request (Article 80 of Law 22/2003, the Spanish Insolvency Law).

On the reorganisation or winding up of the Originator, French courts should apply the provisions of Article L. 613-31-6 of the French Financial Code (implementing the Directive 2001/24/EC of the European Parliament and of the Council dated 4 April 2001 on the reorganisation and winding up of credit institutions). Whilst there is no obligation on the

French courts to recognise the right of the Spanish Issuer to separate the Spanish Loan in case of insolvency of the Originator (in the terms that such separation right is vested by Spanish law) and there is no case law dealing with this issue, it might be well argued that the Spanish Issuer's right of separation has a nature similar to a right *in rem* and therefore, the decision to adopt a reorganisation or winding up measure against the Originator should not affect the Spanish Issuer's right of separation.

Servicing and Administration of the Spanish Loan

In accordance with Spanish law, the Originator remains liable for the servicing and administration of the Spanish Loan. Therefore, the Spanish Servicer must carry out any acts necessary to preserve the effectiveness of the Spanish Loan and it is under the obligation to pay the Spanish Issuer the principal and interest amounts received from the Spanish Loan Borrower (Article 61 of Royal Decree 685/1982).

Rights vested on holder of a Spanish Mortgage Certificate

In case that the Originator defaults its payment obligations under the Spanish Mortgage Certificate by a reason other than a default by the Spanish Loan Borrower, the Spanish Issuer is entitled to initiate foreclosure actions against the Originator (Article 65 of Royal Decree 685/1982).

If the Spanish Loan Borrower defaults its payment obligations under the Spanish Loan and, therefore, the Originator does not comply with its payment obligations under the Spanish Mortgage Certificate, Article 15 of Law 2/1981 confers to the Spanish Issuer certain protection measures, including the power to:

(i) compel the Originator to commence foreclosure of the mortgage;

(ii) participate with the same rights as the Originator in a foreclosure pursued against the Spanish Loan Borrower, appearing for this purpose in any foreclosure proceedings commenced by the former;

(iii) if the Administrator does not commence the proceedings within sixty (60) calendar days from the notarial notice demanding payment of the debt, the Spanish Issuer will be entitled to initiate foreclosure proceedings in relation to the Spanish Loan and the Originator will be obliged to issue a certificate of the existing balance of the Spanish Loan; and

(iv) if the proceedings pursued by the Originator are halted, the Spanish Issuer may be subrogated to the position of the former and continue the foreclosure proceedings without the need to wait for the stipulated time limit to expire.

In the events provided in subparagraphs (ii) and (iv), the Spanish Issuer may apply to the competent court to initiate or continue the relevant mortgage foreclosure proceedings, submitting the original certificate of the Spanish Mortgage Certificate, the notary demand stipulated in subparagraph (iii) above, the registry certificate of registration and survival of the mortgage and the document evidencing the balance claimed.

Law Governing the Issue of the Spanish Mortgage Certificates

The issue of the Spanish Mortgage Certificate in Spain by the Originator is governed by Spanish law.

CONSIDERATIONS RELATED TO THE SPANISH LOAN AND RELATED SECURITY

Security Interests

The Spanish Loan is secured by means of a mortgage over the Spanish Property and pledges over certain movable assets.

Mortgage (Hipoteca)

The process of creation of a mortgage over real estate property (*hipoteca inmobiliaria*) requires, *inter alia*, the following:

(a) execution by mortgagor and mortgage of a public deed (*escritura pública*) before a Spanish Public Notary; and

(b) registration of the public deed with the relevant Spanish land registry.

Under Spanish law, a perfected security interest over a property is only created upon registration of the public deed with the relevant Land Registry. It is worth noting that the Registrar may oppose the registration of the public deed on the grounds of the lack of compliance with the substantive provisions of Spanish law. On this regard, a distinction is made between clauses of a mortgage which are enforceable against third parties and those which have personal effect. Whilst the latter is not subject of registration in the Land Registry, the Registrar must grant access to the Land Registry to those clauses enforceable against third parties.

The mortgage related to the Spanish Loan has been registered with the Spanish Land Registry and the corresponding stamp duty satisfied. Accordingly, the mortgage securing the Spanish Loan has created a valid security interest on the Spanish Property upon registration at the Spanish Land Registry, fully enforceable vis-à-vis third parties.

Pledges (*prendas*) Over Moveable Assets

Under Spanish law, it is possible to create a security interest over quotas (*participaciones*) and credit rights by means of a pledge (*prenda*). Generally, the process of creation of a pledge fully effective vis-à-vis third parties requires, *inter alia*, the following:

(a) execution by pledgor and pledgee of a public deed (*escritura pública*) before a Spanish Public Notary; and

(b) dispossession by the pledgor of the pledged assets.

The dispossession of the pledged asset implies the physical delivery of the assets to the pledgee or to a third party depository (appointed by both pledgor and pledgee). However, in respect of the dispossession of credit rights, Spanish courts have admitted that the dispossession requirement is duly complied with by means of a notice to the underlying debtor (i.e., in the case of a pledge over the right to recover the amounts deposited in bank accounts, a notice to the account bank). In the case of quotas (which are not represented by means of physical titles), the dispossession requirement is fulfilled by means of serving notice to the Spanish company issuing the quotas.

In accordance with the terms of the Spanish Loan, pledges over the quotas issued by the Spanish Loan Borrower, over the credit rights resulting from certain bank accounts and over rental payments resulting from the existing lease agreements have been granted. Moreover, the Spanish Loan Borrower is under the obligation to grant a pledge over the rental payments resulting from the lease agreements entered into from time to time.

Enforcement

Enforcement of Mortgages

The foreclosure procedures are regulated by Spanish Law 1/2000 dated 7 January 2000, Ley de Enjuiciamiento Civil (hereinafter the "**Civil Procedure Law**" or "**LEC**").

A creditor holding a mortgage or a pledge as security would have the option to choose amongst four different possible procedures for enforcement of the credit.

(i) ordinary declarative procedure ("*Procedimiento declarativo ordinario*") (Art. 248 et seq LEC);

(ii) executive procedure ("*Procedimiento de ejecución dineraria*") (Art. 517 et seq LEC);

(iii) judicial mortgage foreclosure procedure ("*Procedimiento de ejecución dineraria sobre bienes hipotecados o pignorados*") (hereinafter "**summary judicial procedure**") (Art. 681 et seq LEC); and

(iv) extra-judicial mortgage foreclosure procedure ("*Procedimiento ejecutivo extrajudicial*") ("**extra-judicial procedure**") (Final Disposition 9 LEC).

Ordinary declarative procedure

The ordinary declarative procedure requires a preliminary phase known as "cognición". Such phase is basically a process whereby the competent court verifies the actual existence of the debt and the creditor's right to claim repayment.

Executory procedure

Executory procedure does not require the "*cognición*" phase. The steps under this procedure could be briefly summarised as follows:

(a) The proceedings are commenced by a claim filed by the creditor at (a) the courts of first instance of the place where the obligation must be fulfilled, (b) the debtor's address or (c) the place where the property is located.

(b) The court will consider the documents and, if appropriate, will admit the lawsuit and order the attachment ("*embargo*") of the debtor's assets.

(c) Where the debtor does not satisfy the due amount as requested by the court, the court will instruct the continuation of the attachment proceeding. It is worth noting that the debtor is entitled to oppose the lawsuit within four (4) days as from the notification on the grounds of the limited reasons fixed in the law.

(d) The assets of the debtor will be the subject of a valuation and subsequent auction.

Summary judicial mortgage foreclosure procedure

In this procedure, the mortgage creditor shall request the competent court to auction the mortgaged or pledged asset(s) in order to repay the secured debt.

Since this is a formal procedure, the following is an outline of the steps which are involved:

(a) The proceedings are commenced by a claim filed by the mortgage creditor at the courts of first instance of the place where the mortgage property or the pledged asset is located.

(b) The court will consider the claim and, if appropriate, will admit such claim. The court will order the relevant demand for payment to be served upon the debtor (if not already served). Simultaneously, the judge will request a certificate from the Land Registry containing a literal transcription of text of the last title registration and a list of all mortgages, charges, etc. to which the property is subject.

The Land Registry will record details of the date and existence of the summary judicial proceedings commenced.

The assets may be sold by three different procedures: (i) "*Subasta Judicial*", auction conducted by the court Secretary; (ii) "*Convenio de realización*", agreement for execution (the assets are sold in accordance with the procedure agreed by the parties and approved by the Court); (iii) "*Realización por persona o entidad especializada*", sale by an expert or specialised entity.

(i) Auction conducted by the court Secretary

The auction must be advertised in public places by means of "*edictos*" (edicts) (although the parties may request additional publicity measures) at least twenty (20) days before it is due to take place, setting out details of the place, date and time of the auction.

If, at the creditor's request or otherwise, the proceedings evidences the existence of third parties in the mortgaged real estate, such third parties shall be notified of the execution so that those may, within a 10-day term, evidences to the court its rights over the property.

The creditor, before the auction is announced, may request the court to declare that the occupant(s) are not entitled to remain in the property, once it is transferred as part of the execution proceedings. The court's decision may not be appealed whenever the occupancy is deemed to be a mere fact or lacking sufficient title.

The sale by auction(s) shall operate as follows:

(a) Any intending bidder (other than the creditor) is required to deposit 30% of the property value estimated by the court.

The creditor may only take part in the auction when other bidders are present and may improve any bid without having to make any deposit whatsoever.

During the period between announcing and holding the auction, bids may be made in writing, in a closed envelope, complying with the aforementioned requirements. A written bid shall have the same effect as a verbal one.

(b) The auction shall be carried out before the court Secretary. The auction shall end with an announcement of the best bid and the name of the bidder.

Whoever is eventually awarded the property shall accept the continuation of any prior charges and encumbrances, if any, and shall subrogate any liability derived therefrom.

At any time prior to approval of the successful bid or award in favour of the creditor, the mortgagor may free its assets by paying any amount owed to the creditor in full, for principal, interest and cost.

Once the bid or award has been verified and the relevant price deposited, a court order ("auto") will be issued by the judge approving the same and ordering the cancellation of the mortgage and its removal from the Land Registry. Testimony of these circumstances given by the successful bidder with the approval of the judge, comprising the terms of the "auto", and the circumstances necessary to verify the registration will be necessary in order to achieve such registration.

(ii) Agreement for execution

The creditor, mortgagor and whoever proves a direct interest in the execution may request the Court to summon a hearing for the purpose of agreeing on the most effective way to execute the mortgaged assets.

If the creditor were in agreement with the appearance and the Court did not find any reasons for rejection it shall accept the proposal made by the parties. At the hearing, the attending persons may introduce a potential acquirer of the property and evidence that

the offered price would reasonably exceed the amount obtained through an auction process.

Consent from the creditors and third-party owners who had registered or entered their rights at the Land Registry after the encumbrance currently being executed would be required.

(iii) Sale by an expert or specialised entity

At the request of the creditor or at the mortgagor's request with the consent of the creditor, and when the characteristics of the asset deem appropriate, the court may decide that the asset be executed by a specialised person with knowledge of the market in which those assets are bought and sold.

When the assets to be executed are real estate, the person or entity and the conditions for the sale shall be determined after holding a hearing to which the parties and those interested in the proceedings shall be summoned.

The court shall not authorise any transfer for a price lower than seventy percent (70%) of the value given to the real estate, unless both parties declare their consent.

As soon as the execution is carried out, the funds shall be delivered to the court (net of expenses and fees payable to the professional conducting the sale). Where a period of six (6) months from the court order has elapsed and the sale through a professional has not been conducted, then the court shall revoke the order (unless the professional may evidence the reasons for the delay in carrying out the sale). The court shall grant an extension for the execution period which may not exceed six (6) months.

Extra-judicial mortgage forec[2]losure procedure

Public auctions conducted by a Spanish public notary are an alternative to court supervised public auctions. These proceedings are available to the extent that the secured debt exists and is determinable at the date of execution of the mortgage. The public notary will review the claim and request certain information from the relevant property registry and, if the claim complies with all technical legal requirements, will request the debtor to pay the outstanding debt within ten (10) days. The mortgage over the Spanish Property expressly contemplates the possibility to initiate notarial enforcement procedures.

Enforcement of Pledges

Enforcement of a pledge over moveable assets must be carried out by a public auction through a court or by a public notary. Notwithstanding this, Spanish case-law has admitted the possibility to enforce a pledge over bank deposits by means of set-off or direct acquisition.

Accordingly, in the case of a pledge over credit rights, enforcement should be carried out by notifying the debtors to pay to the pledgee directly. However, a court order may be required to be able to effect these instructions.

RISKS RELATING TO SPANISH PROPERTY

Commercial Property Leases

General

The Spanish Landlord and Tenant Act (Act 29/1994, dated 24 November) (*Ley de Arrendamientos Urbanos*) states that the parties are free to agree the terms and conditions of lease agreements for commercial premises.

Therefore, the Landlord and Tenant Act (except for the sections governing the statutory rent deposit and certain litigation aspects) only applies to commercial premises if the parties have not agreed in the relevant lease agreement matters already governed in the Landlord and Tenant Act.

The information contained herein is based on the information extracted from the Spanish Loan Borrower's due diligence report on the Spanish Property.

Basic Obligations of Landlords

According to the applicable Spanish rules, landlords have the following main obligations:

(a) the obligation to deliver the premises to the tenant;

(b) the obligation to carry out any repairs required (including structural) on the premises in order to ensure such premises are adequate for the purposes for which they were leased; and

(c) the obligation to guarantee the quiet enjoyment of the premises by the tenant.

Basic Obligations of Tenant

According to the applicable Spanish rules, landlords have the following main obligations:

(a) the obligation to pay the rent and expenses in the relevant period agreed; and

(b) the obligation to use the premises in a diligent manner and only for the permitted purposes under the relevant lease agreement.

Unilateral termination

Although a lease agreement may or may not allow unilateral termination by the tenant, tenants are always entitled to terminate the lease early (it being specified that where such early termination is not allowed, it may trigger claims from the landlord *vis-à-vis* the tenant as described under item (c) below). Therefore, the following scenarios exist:

(a) The lease agreement includes a clause allowing unilateral termination by the tenant (generally, provided that it serves prior notice). The consequences may be:

  (i) That the tenant must pay all rents and common expenses for all the term remaining under the lease. In this scenario, Spanish Courts mitigate (as a general rule) the rent compensation agreed in the lease agreement if they deem that it amounts to unfair enrichment or double compensation on the part of the landlord.

  (ii) That the tenant must pay a fixed amount which is inferior to all outstanding rents and common expenses. Again, in this scenario, Spanish Courts mitigate (as a general rule) the rent compensation agreed in the lease agreement if they deem that it amounts to unfair enrichment or double compensation on the part of the landlord.

  (iii) That the tenant must not pay any amount for such early termination.

(b) The lease agreement does not include any mention to unilateral termination by the tenant: in this scenario, the sum to be paid by the tenant to unilaterally terminate the lease is subject to negotiation between landlord and tenant.

(c) The lease agreement expressly does not allow unilateral termination by the tenant: the tenant is entitled, pursuant to general rules of Spanish Civil Code, to terminate

the agreement, but the landlord is entitled to claim vis-à-vis the tenant for damages and losses. Spanish Courts determine (as a general rule) such damages and losses to avoid any unfair enrichment or double compensation on the part of the landlord.

In particular, some of the most relevant lease agreements existing in the Spanish Property allow the tenant to terminate the lease at certain moments before the initial term has expired and at no cost for the tenant (e.g. for some leases with an initial term of five or more years there are breaks in favour of the tenants after the end of the third year of the term of the lease). Such early termination is permitted provided that the tenant serves the relevant prior notice, and tenants are not generally obliged to pay any amount for such break option. This possibility does not concern the four largest lease agreements by rent.

Statutory Rent Deposit

According to the applicable rules, tenants must deliver to the landlord a rental deposit equal to two-month rent, as security for the fulfillment of their obligations under the lease agreements.

The landlords must then deposit such statutory rent deposits with certain regional bodies (in the case of the Spanish Property, the INCASOL) that will hold the amounts until the termination of the lease agreements. Failure to make the deposit with the relevant regional body implies certain monetary penalties accruing.

Licences of the Tenants

The tenants of the Spanish Property must obtain, at their own cost, all the licences necessary to run their activities within the Spanish Property. Lack of the relevant activity licences could entail the closing of the activities carried out within the premises.

No analysis has been provided to the Originator in relation to the granting of such licences.

Maintenance Obligations

The Spanish Loan Borrower, as owner of the Spanish Property, will have to maintain the Spanish Property in appropriate conditions for its use and, therefore, will have to carry out any maintenance or repairing works relating to the structure, exterior walls, beams, roof, ceilings, foundations, floor and installations of the Spanish Property, including the adaptation of the structure if it is imposed by a regulation.

Subletting and Assignment

Under general Spanish law, the tenant will be entitled to sublet the relevant premises or assign the lease agreement, without the prior written consent of the landlord. The landlord would then be entitled to increase the then passing rent by 10 per cent (for partial subletting) or 20 per cent (for full subletting or assignment of the agreement).

The Originator understands that the general rule for the lease agreements of the Spanish Property is that tenants cannot assign the lease agreements or sub-let the premises without the prior consent of the landlord. However, certain tenants are entitled to assign the lease agreement or sublease the premises to third parties without the landlord's consent and with not increase of rent resulting thereof.

Pre-emption Rights

Under Spanish law, the tenant of the relevant premises has a pre-emption right in case of a transfer of the leased property.

Notwithstanding that, this general rule is not applicable when the asset being transferred is not the premises but the building where the premises are located at (as in the case of the acquisition of the Spanish Property by the Spanish Loan Borrower).

Planning and Licences

General

Under the Spanish applicable rules, generally, it is necessary to obtain certain municipal and regional licences to construct and operate buildings and premises.

Municipal Licences

From a municipal point of view, the first licence to be obtained is the Building Licence (Licencia de Obras), required for any type of construction, including the remodelling or fitting-out of existing buildings, as well as for demolition or the construction of new buildings. There is usually another licence (the so-called first occupation licence) that confirms that the construction has been built strictly in accordance with the technical specifications contained in the relevant Building Licence and its grant is usually preceded by an inspection of the building by the Local Council's technical experts.

With regard to the activity, an Opening Licence (Licencia de Apertura) is necessary in order to be able to install items in the building such as lifts, air-conditioning, fire prevention systems and, in general, any items necessary for the correct use of the building in accordance with the purpose for which it was constructed. Finally, the Operating Licence (Licencia de Funcionamiento) would definitively authorise the operation of the buildings, commercial premises or fittings covered by the Opening Licence, following a check by the Local Council that the relevant measures have been taken in relation to any qualified activities, and also that development, environmental and safety conditions have been adhered to.

It is important to highlight that the number of licences required and the names thereof can vary from municipality to municipality. In Barcelona, the general municipal licences and authorisations necessary to operate a retail and leisure centre as the Spanish Property are (i) the Environmental Licence and (ii) the Opening Minutes, instead of the Opening and Operating Licences.

The Originator has not been provided with any evidence of (i) the relevant First Occupation Licence with regard to some works carried out in the Spanish Property in 2004 and 2005 and (ii) the Environmental Licence. The lack of such licences may imply certain economic penalties for the entity running the activity.

Regional Licences

Spanish and Catalonia's applicable rules, foresee the need to obtain a regional large retail establishment licence for retail centres as the Spanish Property. The Originator understands that the regional large establishment licence for the Spanish Property has been obtained.

Any works carried out in the Spanish Property aimed to increase the area for retail uses (such as those that, according to the Spanish Loan Borrower's due diligence report, were carried out in 2004 in the Spanish Property) must not involve the total retail area of the Spanish Property exceeding the total retail area permitted under the regional licence, which must be considered as a total maximum.

It is also necessary to notify to the Catalonia's regional authorities the transfer of the Spanish Property to third parties. The transfer of the Spanish Property to the Spanish Loan Borrower was notified to the regional authorities.

Additional Specific Authorisations

The Factory Outlet and the Hotel existing within the Spanish Property are subject to additional regional authorisations, in this case, to be obtained by the relevant tenants.

Administrative Concession

According to the Spanish Loan Borrower's due diligence report, the Town council of Barcelona granted an "Administrative Concession" in favour of a former owner of the Spanish Property whereby the latter was authorised to construct and operate six (6) car access-ramps to the underground car park area in the Spanish Property area.

The beneficiary of the referred administrative concession must be at all times the owner of the Spanish Property (i.e. the Spanish Loan Borrower). Therefore, upon the transfer of the Spanish Property to the Spanish Loan Borrower (or as soon as possible thereafter), the Spanish Loan Borrower should have been appointed as beneficiary of the administrative concession.

Compulsory Purchase

Any property (either a plot or a construction) in Spain may at any time be compulsorily acquired by, among others, a public entity on public interest grounds.

The applicable Spanish rules foresee a procedure that the relevant public entity must have to follow in order to enforce the purchase. The aforementioned procedure is time consuming and a completion date may not be determined in advance (in general terms, a period of approximately two or three months since the request is filed until the land is at disposal of the beneficiary of the expropriation could be estimated on average). Once the procedure is fulfilled, the owner and occupiers of the relevant property will be entitled to receive a market value based price for the property (justiprecio).

INSOLVENCY OF THE ORIGINATOR AS ISSUER OF THE SPANISH MORTGAGE CERTIFICATE

As Société Générale, Sucursal en España has no legal personality, any insolvency proceeding in respect of the Originator would be conducted in France by the French courts. Notwithstanding the above, by way of background, certain considerations must be made with regard to the previous Spanish bankruptcy regime contemplated in the Code of Commerce of 1885 (the Previous Bankruptcy Regime) currently derogated by the Spanish Insolvency Law. In particular, under the Previous Bankruptcy Regime, the judge was entitled to back-date the effects of the bankruptcy to a date prior to the date when the bankruptcy was declared nullifying all the acts carried out by the insolvent debtor after such date (absolute claw-back, retroacción absoluta) without the need to establish fraud, intention to prejudice the creditors or bad faith. The Previous Bankruptcy Regime did not establish any limitation or maximum back-dating period.

In the context of the Previous Bankruptcy Regime the special rules on insolvency contemplated in Law 2/1981 as amended by Article 4 of Law 19/1992 afforded to the issue of Spanish Mortgage Certificates specific bankruptcy protection against the effects of the absolute claw-back period. Thus, in accordance with such provision, the issue of the Spanish Mortgage Certificates and its subscription could only be reversed by the relevant judge back-dating the effects of the declaration of bankruptcy if the creditors' representatives (*Síndicos*) evidenced that the issue of the Spanish Mortgage Certificates and its subscription was fraudulent.

As of 1 September 2004, the Spanish Insolvency Law came into force eliminating the absolute claw-back regime referred to above. In the context of the Spanish Insolvency Law, the applicability of the special rules on insolvency protection contemplated by Article 15 of Law 2/1981 is not a clear. Although such protection is expressly foreseen by the Spanish Insolvency Law, de facto there is no longer an absolute claw-back regime to be

protected against that could potentially jeopardise the issue of the Spanish Mortgage Certificates and its subscription.

Thus, to date it is unclear whether (a) the specific insolvency privileges of Article 15 of Law 2/1981 are applicable by way of exception to the Spanish Insolvency Law; or (b) the general provisions of the Spanish Insolvency Law apply.

If the insolvency privileges established by Article 15 of Law 2/1981 apply, the issue of the Spanish Mortgage Certificates and its subscription could only be rescinded if the person exercising the relevant rescission action evidenced that the issue by Originator and the subscription by the Spanish Issuer were (a) conducted on a fraudulent basis or (b) detrimental to the assets of the insolvent entity (as per Article 71.1 of the Spanish Insolvency Law referred to below).

The alternative view however, is that Article 15 of Law 2/1981 was meant to apply in the context of the Previous Bankruptcy Regime and therefore, may not be upheld by a court in relation to the Spanish Insolvency Law. Assuming that the specific rules providing protection to the issue of Spanish Mortgage Certificates are not applicable, the general provisions of the Spanish Insolvency Law would apply if Originator is declared insolvent.

In particular, according to Article 71.1 of the Spanish Insolvency Law, actions which are detrimental to the assets (*masa activa*) of the insolvent company, carried out during the two years preceding the date of declaration of the insolvency, may (in principle) be rescinded even in the absence of fraudulent intention. There is therefore a hardening period of two years from the date of subscription of the Spanish Mortgage Certificates and, once this two year period has elapsed the subscription of the Spanish Mortgage Certificates could not be challenged in this context.

A detriment to the assets of the insolvent company is presumed and cannot be rebutted, in the event that:

(a) disposals are made without consideration (subject to limited exceptions); and/or

(b) payments or other actions are made which discharge obligations with a date of maturity subsequent to the date of declaration of the insolvency proceedings.

In addition, detriment is presumed but may be rebutted in the event that:

(a) disposals are made to a party related to the insolvent party (i.e. intragroup transactions, between the insolvent and its shareholders, directors, etc) with consideration; and/or

(b) security is created with respect to previous obligations or in respect of new obligations designed to replace previous obligations.

In the case of actions not included in the categories described above, the detriment must be proved by the person bringing the action of rescission (i.e. the insolvency administrator). However, the Spanish Insolvency Law provides that ordinary actions carried out by the insolvent party in the course of its business or professional activity, on an arm's length basis, may not be rescinded.

CONSIDERATIONS RELATING TO THE SPANISH LOAN BORROWER

Insolvency Proceedings

Spanish Insolvency Law 22/2003, dated 9 July ("**Spanish Insolvency Law**") which entered into force on 1 September 2004, introduced a number of innovations with no prior precedent in our jurisdiction. This Law regulates Court insolvency proceedings, as opposed to out-of-Court liquidation, which is only available when the debtor has sufficient assets to meet its liabilities. The same insolvency proceedings, namely "*concurso de*

acreedores", are applicable to all persons or entities (excluding Public Administrations). These proceedings may lead either to the restructuring of the business or to the liquidation of the assets of the debtor.

The Spanish Insolvency Law distinguishes between voluntary proceedings ("*concurso voluntario*") and compulsory proceedings ("*concurso necesario*").

Those Insolvency Proceedings initiated by the debtors are regarded as "Voluntary Proceedings" ("*concurso voluntario*"). The debtor must apply for the opening of an Insolvency Proceeding where it is actually insolvent (i.e., where the debtor cannot satisfy its debts as they become due) and is entitled to apply where it is facing difficulties of such nature that they could lead to the insolvency of the debtor ("*estado de insolvencia inminente*"). The Spanish Insolvency Law requires the directors of any company to file a voluntary insolvent proceeding within two (2) months as from when the debtor has (or should have) become aware of the insolvency situation. Failure to comply with such obligation may result in the insolvency proceedings being qualified as "guilty" (*culpable*), in which case those directors may face (i) joint and several liability with the company's liabilities; and (ii) sanctions (either of a civil nature or in the criminal field).

Those Insolvency Proceedings initiated by the creditors are regarded as "Compulsory Proceedings" ("*concurso necesario*"). When the creditors file the application, they must provide evidence of its credit as well as of the insolvency situation. The latter may be proven as follows:

(a) When certain circumstances generally deemed as evidence of insolvency concur (such as failure to meet obligations with employees or Public Administrations during at least three months, among others). In these cases, the debtor may challenge the petition either because the alleged facts do not concur or, even if they do, because the debtor is not insolvent.

(b) When enforcement proceedings have been carried out against the debtor in which assets have not been found to cover the amount claimed. In this case, the debtor would have no grounds to challenge the petition.

When the Court declares insolvency ("*auto de declaración de concurso*") (Opening Judgment), the Opening Judgments determines the scope of the restrictions imposed on the debtor and the identity of the Administrators appointed by the Court (a lawyer, an economist and a creditor). The Administrators act as court auxiliaries, supervising the activity of the debtor.

The Insolvency Proceeding is divided into two phases: the aim of the first stage ("*fase común*") is to determine the assets and liabilities of the debtor; the second phase may lead either to an arrangement between debtor and creditors ("*fase de convenio*") or to the liquidation of the debtor's assets ("*fase de liquidación*").

A rescheduling arrangement ("*convenio*") (a "**Rescheduling Agreement**") may be entered into between the debtor and the majority of the creditors, involving a delay in payment or a partial cancellation of the credits (with the limit of three years or one half of the credits, respectively). As a general rule, the arrangement is approved with the support of half of the ordinary creditors. The Rescheduling Agreement is not effective until the insolvency court gives its approval: the insolvency court may refuse to do so when it feels that the debtor will not be able to fulfil the arrangement in question, or when the creditors oppose it due to the reasons established by law. Once approved, no further appeals against the Rescheduling Agreement are possible. Although upon approval of the Rescheduling Agreement most effects of Insolvency Proceedings cease, the proceedings do not terminate until the terms of the Rescheduling Agreement are completely fulfilled.

In case of liquidation (Judicial Liquidation), the insolvency administrators will liquidate the debtor's assets by selling them, in order to distribute the funds among the creditors according to the rules established by the Law. It is worth noting that the Insolvency Law

intends that on-going business are liquidated unitarily rather than through a liquidation of assets piecemeal or by self–contained group of assets.

Moratorium on Enforcement of Security

The Spanish Insolvency Law imposes a moratorium on the enforcement of secured creditor's rights. Article 56 of the Spanish Insolvency Law states that no security interests over assets of an insolvent company which are "attached to its business" (*afectos a su actividad empresarial*) can be enforced after the adjudication of the bankruptcy (and any enforcement proceedings commenced before the adjudication of the bankruptcy will also be held up) until the earlier of:

(i) the date on which a rescheduling agreement ("*convenio*") which does not prevent the enforcement of the relevant security interest has been reached between the insolvent company and their creditors;

(ii) the date on which one year has elapsed after the adjudication of the bankruptcy; and

(iii) the date on which the liquidation phase of the insolvency proceeding has commenced.

Hardening Period

The Spanish Insolvency Law provides for a hardening period starting on the date falling two (2) years prior to the date of adjudication of the insolvency. Pursuant to Article 71.1 of the Spanish Insolvency Law, any agreements entered into by an insolvent company within the two year period preceding the adjudication of the bankruptcy can be set aside by the relevant insolvency court if the insolvency officials can prove that they were prejudicial to the insolvency estate ("*perjudiciales para la masa activa*").

Ranking of Claims

In accordance with the provisions of the Spanish Insolvency Law, the order of priority of payments of the different claims is as follows:

(i) Claims against the insolvency estate (*créditos contra la masa*), which must be paid as they become due. It is worth noting that those assets attached to claims with a special preference (referred to in paragraph (ii) below) cannot be realised or otherwise applied for the payment of claims against the insolvency estate.

(ii) Claims with special preference, which must be paid out of the proceeds of the assets attached to those claims exclusively. Claims with special preference rank senior to any claims (including claims against the insolvency estate) in respect of the assets attached thereto.

It is worth noting that claims under secured loans will be regarded as "claims with special preference" and, therefore, proceeds obtained from the enforcement of the mortgaged or pledged assets will be distributed to the relevant secured creditor.

(iii) Claims with general preference. These creditors with a general privilege are paid with assets remaining in the insolvency estate in the order established for each sub-class of creditors with a general privilege, and pro-rata within each sub-class;

(iv) Ordinary claims (including the outstanding balance of any claims with special preference which cannot be paid out of the proceeds of the assets attached thereto), which must be paid pro rata with the assets remaining in the insolvency estate after the creditors with a general privilege have been paid; and

(v) Subordinated claims shall be paid with assets remaining in the insolvency estate in the order established for each sub-class of subordinated creditors, and pro-rata within each sub-class.

RISK FACTORS RELATING TO THE LOANS - RELEVANT ASPECTS OF GERMAN LAW

This section summarises certain aspects of German law and practice in force at the date hereof relating to the transactions described in this Prospectus. It does not purport to be a complete analysis and should not, therefore, be treated as a substitute for comprehensive professional, legal and tax advice on the relevant matters, nor on any such issue which may be relevant in the context of this Prospectus.

PROPERTY RELATED

Ownership of Properties

The respective Borrowers are the owners (*Grundstückseigentümer*) of the German Properties and the French Loan German Properties. As at the date of this Prospectus, the German Loan Borrowers are registered in the relevant land register and have therefore become legal owners of the Properties. In relation to the four (4) French Loan German Properties and the Deutsche Bahn Loan Property in Hannover, as of the date of this Prospectus, the transfer of ownership has not yet been registered in the relevant land registers. However, the relevant Borrowers' claims to transfer of title are secured by way of priority notices protecting conveyance of ownership (*Auflassungsvormerkungen*) registered in the relevant land registers.

Registration of German law Mortgages

As at the date of this Prospectus, German law Mortgages over the German Properties and three of the four French Loan German Properties were registered first ranking in section III of the land registers. With regard to the French Loan German Property in Poing, where registration of the mortgage has not yet been completed as first ranking security, as deletion of some senior ranking mortgages that have been refinanced is outstanding, a notary confirmed that he has filed the application for deletion of all prior ranking land charges with the relevant land registry.

For German law Mortgages which are certificated mortgages (*Briefgrundschulden*) either the relevant Loan Security Agent or its counsel on its behalf are holding the mortgage certificate or are entitled to receive such document from the land registries upon the certificate being issued.

Enforcement of German law Mortgages under German law

Enforcement of the German law Mortgages will be carried out in accordance with the German Compulsory Auction and Compulsory Administration of Immoveable Property Act ("**ZVG**"). The ZVG provides for two different types of enforcement of the German law Mortgages (a) compulsory sale (*Zwangsversteigerung*) of the German Properties and the French Loan German Properties; and/or (b) compulsory administration (*Zwangsverwaltung*) of the German Properties and the French Loan German Properties.

Compulsory Sale

In the case of a compulsory sale, the court will effect a public auction of the relevant German Property and the French Loan German 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 (*Insolvenzverwalter*) should request a suspension of the sale). If the highest bid at the auction is not at least 70 per cent. of the market value estimated by the valuer appointed by the competent court, any

person who has an interest in the outcome of the decision (*Berechtigte*), being a person who would receive a payment from the difference between the actual highest bid and a bid in the amount of 70 per cent. of the relevant market value, may require the court not to sell the property to the relevant bidder. The enforcing creditor may oppose such request by providing prima facie evidence that the non-acceptance of the bid would cause the creditor an unreasonable disadvantage. In no event may the court dispose of the property if the highest bid in the auction does not reach 50 per cent. of the estimated value of the property. If a second auction (to be held not earlier than three months but no later than six months after the first auction unless specific reasons require different timing) is necessary because the highest bid was too low, the highest bid in such further auction does not need to meet any threshold with regard to the estimated value of the property. The leases relating to the property will continue during and after the enforcement procedure, it being specified that the acquirer of the property has a right to terminate all or any of the leases but such right may only be exercised one time with the statutory notice period applying and with effect as of the first possible termination date after the acquisition.

Enforcement of the German law Mortgages is facilitated by the fact that each Borrower has personally agreed to an immediate total enforcement (*Unterwerfung unter die sofortige Zwangsvollstreckung*) of the German law Mortgages. Immediate enforcement is permitted against the owner of a German Property and a French Loan German Property at the relevant time with respect to such property (*dingliche Zwangsvollstreckungsunterwerfung*) and against the relevant German Loan Borrower with respect to any of its assets (*persönliche Zwangsvollstreckungsunterwerfung*). As a result, the mortgage deed serves as an executory title and, accordingly, enforcement proceedings may be initiated with respect to any asset of the relevant Borrower without having to obtain an executory title by way of court proceedings.

If the German law Mortgages are enforced and all or a part of the German Property and/or the French Loan German Property is sold, 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 German Loans and the Crown Loan), be applied against the sums owing from the Borrower to the extent necessary.

In case of a compulsory sale of a property, all rights ranking prior to such creditor will continue to be registered after a compulsory sale, whilst all rights ranking below the creditor will be deleted and satisfied with their claims from the enforcement proceeds after the creditor secured by the mortgage.

Compulsory Administration

In a compulsory administration, which can be initiated immediately after attachment (*Beschlagnahme*) of the relevant property by way of a court order, the court appoints an administrator for the property (*Zwangsverwalter*) to administer such property on behalf of the enforcing creditors. 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 rental income. The administrator, subject to the supervision of the court, passes the collected monies on to the creditors after deducting ongoing costs and enforcement costs calculated in accordance with the German Compulsory Administrator Remuneration Act.

Distribution of Proceeds

The proceeds of a compulsory sale or a compulsory administration will be used to pay all claims by allocating them to certain classes. There are eight classes, which rank according to their priority. Creditors whose claims fall within a certain class will only be paid upon satisfaction in full of the claims of creditors of higher classes, e.g. a creditor in class 6 will only be satisfied after all creditors in classes 1-5 have been satisfied.

In a compulsory sale of a German Property and/or a French Loan German Property (for example an enforcement of the German law Mortgages by compulsory sale), the relevant Loan Security Agent will rank in class 4. Class 4 consists of claims resulting from rights relating to the property (for example mortgages), but only to the extent they have not become ineffective *vis-à-vis* the enforcing creditor as a consequence of the attachment of the property, including all claims resulting from such amounts which are payable for a gradual repayment of a debt as an extra charge on the interest payments. Claims resulting from periodic charges, for example, interest, extra charges, administrative costs, annuities are in this class only for ongoing claims and arrears for the last two years.

Therefore, creditors falling into any class ranking higher than class 4 (if any) and creditors having prior-ranking rights in the respective German Property and/or the French Loan German Property falling into class 4 (including, any existing mortgages relating to a German Property and/or a French Loan German Property) must be fully satisfied out of the proceeds of the compulsory sale or compulsory administration before amounts can be paid to satisfy the obligations of the Borrower i.e. under the respective Credit Agreement. The claims specified in classes 1 to 3, i.e. the costs of the proceedings, certain costs incurred in the compulsory administration proceedings, public charges such as development contributions and real property taxes etc. always have priority over the claims of the creditor enforcing the German law Mortgage.

The right to satisfy claims secured by the mortgage also includes the disbursement of costs triggered by the termination of a mortgage (but does not include costs for acceleration of the claims) and the legal costs. In principle, the claims within each class rank pari passu amongst themselves. However, satisfaction of the claims in class 4 will occur in the order in which such claims rank amongst themselves.

The rights relating to the property in class 4 are such rights which are registered in the land register relating to the property. A creditor secured by a mortgage forms part of such class. In the case of a compulsory sale, it will be satisfied in such class, to the extent its claim is covered by the nominal value of the mortgage plus interest for the last two years. Depending on the due dates for interest up to three years of interest may effectively be covered.

In the case of a compulsory administration, in principle, the same rules and systems of classes apply. However, in such case, prior to distributing (in the above order) the proceeds resulting from the usage of the property to the enforcing creditor, the ongoing costs and charges and costs of administration, maintenance of the property and enforcement proceedings will be deducted. Only current periodic charges will rank in class 4. The mortgages will remain in place. Arrears and principal will rank in class 5 and therefore creditors will not receive payments in relation to this class before claims falling in class 4 are fully satisfied.

Obstacles to Enforcement of Mortgages under German law

Notwithstanding the registration of German law Mortgages in the land register, when a mortgage secures loans granted for the acquisition of properties, it cannot be enforced as long as the purchase price has not been paid to or, if initially paid to an escrow account, released to the seller of the property which is subject to such mortgage.

Senior Ranking Encumbrances

In relation to various German Properties and French Loan German Properties, encumbrances are registered in section II (*Abteilung II*) of the land register which rank senior of the relevant German law Mortgages. Encumbrances of this type are not uncommon for real estate such as the German Properties and French Loan German Properties and should generally (but always depending on the actual situation of such Properties) not have an adverse effect on the use or the value of the relevant Properties and the relevant German Mortgages. Many of them are limited personal easements (*beschränkte persönliche Dienstbarkeiten*) or land easements (*Grunddienstbarkeiten*)

securing the right of a third party or the respective owner of other real estate to use the relevant Property in certain respects (for example to have, maintain and use certain installations such as pipeline or to use way leaves).

Rent Increases and Non-recoverable Ancillary Charges

Most of the commercial leases provide for an indexation of rent which is usually based on the variation of a consumer price index. An automatic indexation is only legally permitted if the clause provides not only for rent increases but also for decreases. Index clauses may require a consent of an authority if the lease's term is less than ten years. In some lease agreements no rent adjustments are agreed or no valid rent adjustments are agreed (also see "*Restrictions for residential leases*" below). In addition, the Borrowers may not be able to recover all costs incurred in relation to German Properties and/or the French Loan German Properties from the tenants. As a tenant is not obliged to bear any costs if this has not been explicitly agreed, a Borrower may not recover certain costs incurred by it in relation to the property if such costs are not explicitly allocated to the tenant in the relevant lease agreement or limitations due to statutory law apply. Some lease agreements refer to certain types of costs being chargeable to the tenant which may not cover all types of costs incurred and may in particular not include costs such as taxes, insurance premiums. Also, where a lease contains a general reference stating that a tenant has to bear all costs or any costs not explicitly listed or only applicable in the future, such provision would not be regarded as valid.

According to recent jurisprudence, a landlord may only burden a tenant with costs of management and property administration and of maintenance and repair of common areas or facilities in general terms and conditions if the costs are capped.

If any costs are not chargeable to a tenant under the relevant lease agreement, the tenant may also be entitled to claim repayment costs paid by it in the past.

Early Termination of German Leases due to Defects with Regard to the Requirements of Written Form

Lease agreements with a term exceeding one year are subject to the requirements of written form under Section 550 of the German Civil Code (*Bürgerliches Gesetzbuch*). If the parties of the lease agreement do not observe the statutory requirements of written form, then the lease agreement continues for an indefinite period of time and can be terminated with six months prior notice with effect as per the end of a calendar quarter. Therefore, a contract may be terminated early despite an originally agreed fixed lease term of several years. As a result, also long-term lease agreements which would (if not terminated) generate a steady rental income may be terminated early. Financial losses due to vacancy periods may be incurred as a consequence.

The termination right normally only applies to commercial or retail lease agreements, because residential lease agreements are usually concluded for an indefinite period and may be terminated by the tenant at short notice. Therefore, the potential risk for the residential leases in place is considered to be low.

Restrictions for Residential Leases

Under German law, landlords are restricted in their ability to increase rents and, where increases are permissible, landlords are further restricted in relation to the amount of such increases. A landlord cannot terminate a lease unless the landlord has a legally valid reason for doing so and has complied with certain notice periods and other requirements, as the case may be. Further, the rate of increase of rent for unsubsidised residential properties is capped at 20 per cent. over any three year period. Restrictions also apply to increases following property improvements. A landlord may also be prohibited from terminating a lease entered into for an indefinite period of time in circumstances where a termination would inflict undue hardship on the tenant ("social clause" - *Sozialklausel*). Immediate termination of a lease is only possible in the case of

an immediate termination right of the landlord. In the event that a tenant is in default with rental payments, certain restrictions on termination rights (for example, minimum notice periods and social protection provisions) under German law could prohibit recovery of possession of the relevant property. Such restrictions in relation to rent increases and termination rights could cause a Borrower to experience delays in recovering rent due to it which may, in turn, affect its ability to meet its obligations under the relevant Loan. This could restrict the full economic value of the property and may lead to economic losses, which in turn may adversely affect the Borrower's ability to repay its indebtedness.

Repairing Obligations

To enhance the attractiveness of the premises for the prospective tenant, landlords often agree to pay for the completion/fit out of the leased premises. Furthermore, the landlords may face statutory or contractual repairing obligations for the German Properties and the French Loan German Properties. German civil law in principle obliges the landlord to maintain the leased premises in proper letting condition unless validly agreed otherwise. The costs related to such obligations of a landlord cannot always be recovered or cannot be fully recovered from tenants (or insurances), and would then have to be paid out of the capital expenditure accounts maintained by a Borrower.

Many commercial lease agreements oblige the tenants to carry out and/or pay for maintenance and repair of the relevant lease objects. Generally, such obligation has to be limited to parts of the lease object other than roof and structure (*Dach und Fach*) if the tenant does not lease an entire building.

Certain courts considered such clauses only to be valid, if the tenants' obligation to bear costs is limited to a certain amount per event and a certain portion of the annual rent for all costs per annum the tenants' obligation is part of general terms and conditions. As many lease agreements in relation to the German Properties and the French Loan German Properties do not contain such limitations, there is the risk that the landlord has to carry out maintenance and repair of the lease objects at its own costs. Residential leases frequently contain a sufficient restriction which limits the tenants obligation to minor maintenance and repairs. In particular for older lease agreement it is not uncommon that the tenants are not obliged to carry out maintenance and repair or are not obliged to pay for it. Also in such cases the Borrowers' ability to get recover costs is limited.

Under a residential or a commercial lease agreement in Germany, the tenant may be obliged to carry out decorative repairs during or at the end of the term of the lease. Such provisions must, however, comply with certain requirements determined by the German Federal Court of Justice (*Bundesgerichtshof*) which has ruled that lease agreements may not provide for fixed dates for decorative repairs but must consider the factual degree of wear and tear. In addition, an obligation of the tenant contained in general terms and conditions to carry out decorative repairs at the end of the term of a lease without taking into consideration the time when such repairs have been carried out during the term of the lease may be invalid. In this case, also the obligation of the tenant to carry out decorative repairs during the term of the lease agreement might be invalid and the landlord would have to carry out decorative repairs at its own expense.

Restrictions Applying to General Terms and Conditions

As most of the lease agreements in place in relation to the German Properties and the French Loan German Properties are based on general terms and conditions (*Allgemeine Geschäftsbedingungen*) the statutory limitations for such provisions apply. In particular, a contractual clause can be declared void if it significantly deviates from the statutory law to the disadvantage of the tenant. As the statutory law regime is generally favourable for the tenant, non-compliance with legal requirements may have a negative impact on the relevant Borrower's legal position vis-à-vis the tenant. It is not unusual for lease agreements in Germany, in particular residential lease agreements, to contain violations of the statutory provisions on general business terms and conditions of the nature

described in this section. The reason is that such provisions provide for a high standard of tenant protection which is continuously developed by the German courts to the benefit of tenants. Some lease agreements, which may be considered as general terms and conditions, stipulate that the relevant landlord's liability under the lease agreement shall be limited to intent (*Vorsatz*) and gross negligence (*grobe Fahrlässigkeit*). Various clauses are void and the landlord would therefore be liable without limitation as the relevant lease agreements do not stipulate that the limitation of liability does not apply to personal damages. See paragraphs "Non-recoverable Ancillary Charges", "Risks relating to Residential Properties and Repairing Obligations" above.

The Tenants and Landlord's Liability to Provide Services

A Borrower's ability to make payments under a Loan where the Property is let to tenants will generally be dependent on the receipt of rental income from tenants. If a Borrower is in default of its obligations as landlord, a right of set-off against rental obligations could be exercised by a tenant, notwithstanding that the terms of many of the tenancies specifically exclude such tenants' right of set-off.

Environmental Risks

Certain existing environmental laws impose liability for clean-up and other costs and compensation if a property is or becomes contaminated. A Borrower may be liable for the entire amount of such costs and compensation for a contaminated site regardless of whether the contamination was caused by it or whether the Borrower owned the Property at the time when the contamination was caused, thereby reducing its ability to make payments on its Loan. In addition, the presence of hazardous or toxic substances, or the failure to properly remedy adverse environmental conditions at a Property, may adversely affect the market value of the Property as well as the Borrower's ability to sell, lease or refinance the Property. 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 plaintiffs.

There can be no assurance that the Properties are free from and in the future will remain free from material environmental conditions which could result in a material adverse effect on the related Borrower's business or results of its operations. However, the environmental due diligence report for the German Properties and the French Loan German Properties confirmed that no contamination has been identified requiring remediation measures for such Properties.

Restrictions under German Planning Law

Under German planning law, the competent building authority may enact by-laws which are in particular intended to ensure a proposed redevelopment project or to preserve the existing urban or residential structures. This means that the sale, encumbrance and letting of German Properties and French Loan German Properties situated in such areas as well as reconstruction and refurbishment measures or the founding or proprietary are subject to special permits by the building authorities. As a consequence, reconstruction or refurbishment measures as well as letting, the sale or encumbrance of apartments may be delayed or even prevented. Relevant lease and other agreements or legal acts entered into without a consent being available are void. Furthermore, the authority may in particular be entitled to claim a compensation fee (*Ausgleichsbetrag*) to compensate expenditures incurred.

Development Costs and other Fees under German Public Law

Building authorities may decide to further develop certain areas of a city and public areas and installations, including in respect of the construction of new streets or pavements. The respective costs will then be charged to the adjacent or otherwise profiting property

owners. There can be no assurance whether such costs are due or will become due for developments which are completed, have been commenced or will be carried out.

Non-compliance Issues under German Public Law

Buildings have to be constructed and maintained in accordance with the respective building permit and other applicable German public law. In case of non-compliance with the building permits the competent authorities may make an administrative order requiring that the necessary action is taken to comply with the permit. If the non-compliance poses a threat to the occupants of the respective building, the authority can also issue an order prohibiting the future use of the building or parts thereof. In particular, under the relevant building permits the availability of a certain number of parking lots may be required and a shortfall may be sanctioned, e.g. by requiring compensation payments.

Insolvency Law

German Insolvency Code

Prospective Noteholders should note that the provisions of the German Insolvency Code (*Insolvenzordnung*) (the "**German Insolvency Code**") came into force on 1st January 1999 and consequently, court precedents with respect to these statutes are still only beginning to present a full picture of the interpretation of the German Insolvency Code by the German courts.

A security assignment of future lease claims for the time after opening of insolvency proceedings will, pursuant to Section 110 of the German Insolvency Code, only be valid to the extent the rental claims for the month in which insolvency proceedings are formally opened or earlier rental claims are concerned. If proceedings are opened after the fifteenth of the month, the security assignment will also be valid for the following month. However, an assignee who is also the mortgagee, may benefit from such claims in the case of enforcement of the mortgage over the relevant property by way of compulsory administration (*Zwangsverwaltung*).

Under German insolvency law, a creditor who is secured by the assignment of receivables by way of security has a preferential right to such receivables (*Absonderungsrecht*) if insolvency proceedings are opened in respect of its debtor. Enforcement of such preferential right is subject to the provisions set forth in the German Insolvency Code. In particular, the secured creditor may not enforce its security interest itself with respect to movables in possession of the insolvency administrator and receivables (*Forderungen*) that have been assigned by way of security. Instead, the insolvency administrator (*Insolvenzverwalter*) appointed in respect of the estate of the debtor will be entitled to enforcement. The insolvency administrator is obliged to transfer the proceeds from such enforcement less legal fees which may amount to up to 4 per cent. (for the determination of the relevant asset) plus (for the actual enforcement) up to 5 per cent. (in certain cases more than 5 per cent.) plus applicable VAT of the proceeds of realisation to the creditor.

Accordingly, if insolvency proceedings are instituted in respect of any of the Borrowers in Germany the Issuer as owner of the Loans and the Loan Security Agent as owner of the Loan Security will have a right to preferential satisfaction (*abgesonderte Befriedigung*) in respect of the Loan Security, to the extent that the Loan Security comprises moveable objects in possession of the insolvency administrator and/or receivables that have been assigned to the creditor by way of security. In that case, the cost sharing provisions will apply.

Pursuant to Section 103 of the German Insolvency Code (*Insolvenzordnung*), if a mutual contract is not, or not completely, fulfilled by both parties at the time of the commencement of insolvency proceedings, then the insolvency administrator has a right to confirm or reject such a mutually unfulfilled contract.

As far as executory agreements qualify as service agreements (*Dienstleistungsverhältnisse*), agency agreements (*Geschäftsbesorgungsverträge*) or mandates (*Vollmacht*), under Section 113 of the German Insolvency Code, the insolvency administrator of the principal is entitled to terminate service agreements and agency agreements and mandates would, according to Section 115 and 116 of the German Insolvency Code, extinguish with the opening of insolvency proceedings against the principal by operation of law. A number of Transaction Documents contain mandates or agency provisions which would be affected by the application of these provisions in an insolvency of the principal thereunder.

Under Section 104(2) of the German Insolvency Code (*Insolvenzordnung*), financial transactions which have a market or stock exchange price and which are to be settled on a fixed date (eg. hedge agreements entered into by a German Loan Borrower) will be terminated upon the opening of insolvency proceedings and replaced by a single compensation claim. Such compensation claim will be calculated in accordance with Section 104(3) of the Germany Insolvency Code, which would override any contractually agreed close-out provisions.

Other Aspects Of German Law

Over-Collateralisation

In relation to the German Loans pursuant to the rules of German law on taking security, there is a risk that security will be held void and unenforceable if a secured creditor holds security over assets of a value which, at the time the security is taken is disproportionate to the secured debt (*anfängliche Übersicherung*). If over-collateralisation arises subsequently (*nachträgliche Übersicherung*) because part of the secured debt is repaid but the security value remains the same or increases, the security remains valid as such. However, once the realisable value of the security exceeds the debt by more than 10 per cent., the excess security is subject to an obligation to be released by the creditor upon request of the debtor and, if subsequent over-collateralisation is significant, such release would occur automatically so as to reduce the value of the security to 110 per cent. of the secured claims. The Originator believes that the relevant Loan Security would not be deemed to be excessive (whether "initially" or "subsequently") as the realisable value of the Loan Security is not expected to substantially exceed the amount of debt owed by the German Loan Borrowers or the French Loan Borrowers, as applicable, to the French Issuer or the Issuer.

German Federal Data Protection Act (*Bundesdatenschutzgesetz*)

According to the German Federal Data Protection Act, a transfer of a customer's personal data is only permitted if (a) the relevant customer has consented to such transfer, (b) such transfer is permitted by law or (c) such transfer is (i) necessary in order to maintain the legitimate interests of the person storing the data and (ii) there is no reason to believe that the legitimate interests of the customer to prevent the processing and use of data should prevail over such other storer's interests. The German Federal Data Protection Act currently only provides for the protection of data relating to natural persons (including sole traders, professionals and any other natural person including as a partner in a partnership). A violation of the German Federal Data Protection Act can result in fines being asserted against the persons (including companies) responsible for such violation and may enable the affected natural person to assert damage claims (if actual damages have occurred) and request deletion of data transferred in violation of the German Federal Data Protection Act from the recipient of such data.

With respect to the security assignment of lease receivables, one could argue that the disclosure of tenant lists to the Loan Security Agent might constitute a breach of the German Federal Data Protection Act on the basis that personal data is transmitted to the Loan Security Agent in the context of the delivery of such list.

German Equitable Subordination

The German rules of equitable subordination apply to claims of a shareholder against the company in which it holds a shareholder interest exceeding a certain threshold. However, such rules may also apply to a lender, due to restrictive covenants in a Credit Agreement (relating to corporate measures in respect of the borrower, i.e. mergers), so that such lender would be regarded as taking control over the borrower and as being a quasi shareholder of the borrower. In this case, claims of the lender against such borrower may, in an insolvency of the borrower, be subordinated to the claims of other creditors of such borrower. If, as a result of the provisions of any document entered into between a German Loan Borrower and a Finance Party, the respective Finance Party is granted "de facto" control of the respective German Loan Borrower in respect of its management and/or business decisions, that Finance Party could be treated as being in a position similar to that of a shareholder of the respective German Loan Borrower with the result that its claims against the respective German Loan Borrower may be subordinated upon the insolvency of the German Loan Borrower. Whether or not the exercise and enforcement of its rights under such document by the relevant Finance Party constitutes taking control (for example, sole signing rights of the respective Finance Party) is a matter of fact.

Frustration

A German law agreement (including any lease agreement) could, in exceptional circumstances, be frustrated, whereupon the parties need not perform any obligation arising under the relevant agreement after the frustration has taken place. Frustration may occur where superseding events radically alter the continuance of the arrangement under the agreement for a party thereto, so that it would be inequitable for such an agreement or agreements to continue. If a lease agreement of a Property were to be frustrated, the relevant Borrower's ability to generate cash-flow would be compromised, as would its ability to make payments of interest and repayments of principal on its Loan.

German Tax Considerations Relating to the Crown Borrower and the German Loan Borrowers (the "German Loan Borrowers")

Real Property Tax

Each German Loan Borrower is liable for ongoing real property tax (*Grundsteuer*) on its real property. However, in general, the real property tax due will be predominantly recoverable from the tenants under the terms of their leases, as the real property tax is part of the costs which can be allocated to the tenants according to special provisions. However, there is a minor risk that the real property tax allocated to the tenants cannot be fully recovered due to, *inter alia*, vacancy or non-payment of amounts due by the tenants.

German Taxes on Profit (Corporation Tax and Trade Tax)

Irrespective of whether the German Loan Borrowers are German tax residents the income from their German Properties is subject to German corporate income tax (the "**CIT**") (*Körperschaftsteuer*). The CIT rate currently amounts to 26.375 per cent. (including solidarity surcharge (*Solidaritätszuschlag*)). If a German Loan Borrower is a non-German tax resident its rental income might also be subject to tax in the country in which it is a tax resident. However, a double taxation of rental income from its Properties is excluded if a double tax treaty between the country in which such Borrower is a tax resident and Germany is in place, the German Loan Borrower qualifies for treaty protection and one of these two countries waived the right to tax such rental income.

Whether German Loan Borrowers, which do not have their legal seat in Germany, are regarded as German tax resident persons, mainly depends upon, where their day-to-day management will be exercised, which is ultimately a matter of facts.

If a German Loan Borrower is a German tax resident or has a German permanent establishment, the respective German Loan Borrower is, in principle, subject to German trade tax (the "**German TT**") (*Gewerbesteuer*). Since German TT is a local tax, tax rates differ from municipality to municipality in a range of 10 per cent. to 20 per cent. For German TT purposes, only 50 per cent. of interest payable on long-term debt (*Dauerschulden*, i.e. the relevant Loan) can be deducted from the assessment base. Furthermore, interest payable under the relevant Loan may also for other reasons (e.g. because of the German thin capitalisation rules or to the extent the overwithdrawal provision of Section 4 para 4a Income Tax Act applies) not be tax deductible for corporation tax and trade tax purposes. It has to be noted that currently the interpretation and application of the German thin capitalisation rules is mainly based on certain tax decrees issued by the German tax administration and it can not be excluded that such tax decrees will be withdrawn by the German tax administration or may not be accepted by German fiscal courts.

For German Loan Borrowers with income predominately from leasing and letting of real property, an exemption from German TT is available, if a German Loan Borrower qualifies as a mere real estate administrating company for the purposes of such exemption. If a German Loan Borrower qualifies for this exemption, only the net income from leasing or letting, and not the income from other sources, is exempt from German TT. The sale of Properties or other activities (such as leasing or letting of fixtures) of the German Loan Borrowers could have the consequences that such exemption will not be available to the respective German Loan Borrower.

In Germany so-called minimum taxation rules exist, which might restrict the use of loss carry forwards and pursuant to which such lossess can be carried forward for an indefinite period of time, but only used up to an amount of EUR 1 milllion per year without any restriction and any amount exceeding EUR 1 million is only to 60 per cent. off-seetable against profit in any calendary year/ assessment period.

Real Estate Transfer Tax

The sale and the acquisition of German real estate is, in general, subject to German Real Estate Transfer Tax (*Grunderwerbsteuer*) (the "**RETT**"). The RETT rate amounts generally to 3.5 per cent. of the agreed purchase price, but the German Federal States (Bundesländer) have the right to increase such rate. If German real estate is sold in a private sale, the parties typically agree that the purchaser has to bear the RETT. However, pursuant to German tax law, the seller and the purchaser are, in principle, jointly and severally liable for the RETT triggered by a private sale.

VAT

In general, a recovery of input-VAT paid on services received from other entities or persons is possible only if and to the extent that the German Loan Borrower provides services that are subject to German VAT (*Umsatzsteuer*). In this context, Section 15a of the German Value Added Tax Act (*Umsatzsteuergesetz*) (the "**German VAT Act**") provides for a scheme to correct or amend German input-VAT. If a German Loan Borrower sells a Property within a period of ten years after its acquisition, the German Loan Borrower might have to repay the German input-VAT pro rata temporis if it had a claim to recover German input-VAT when it acquired the relevant Property. To the extent the activities of the German Loan Borrowers are focused on leasing real property to tenants for residential purposes, their rental income is exempt from German VAT; therefore, the relevant German Loan Borrower has no refund claim on German input-VAT.

Proposed German tax reform

A draft with regard to the so called "business tax reform 2008" has been decided by the German Government on Tuesday 6 February 2007. The draft will serve as the basis for legislatory procedure discussion and it is not foreseeable if and to what extent such draft

will be actually implemented. It has to be noted that under German trade tax law pursuant to such draft the "long-term debt"-system will be abolished and replaced by a system of partial non-deductibility not only of interest payable under "long-term debt", but also on interest in general (i.e. also on "short-term" debt), leasing payments and licence fees. However, whereas under the current system 50% of the interest payments are not deductible, under the new system only 25% of the interest payments would not be tax deductible for trade tax purposes (irrespective whether paid under long-term debt or not).

Furthermore, an "interest cap rule" is proposed in the draft tax law, which applies both for corporation tax purposes and for trade tax purposes: According to this new proposal, interest expenses of a taxpayer will be deductible (a) to the extent they do not exceed the interest income of such taxpayer in the same fiscal year and (b) the exceeding interest expenses ("Annual Negative Interest Balance", "**ANIB**") are only deductible up to 30 % of the sum of the taxable profit (determined without having regard to the "interest cap rule") of the taxpayer in the respective fiscal year and the amount of ANIB. With regard to the German Loan Borrowers this would mean that from the interest payable under the Loans only an amount of approx. 30% of the rental income of the German Loan Borrowers would be deductible for corporation or trade tax purposes (if the respective German Loan Borrower is subject to trade tax) at the level of the German Loan Borrowers.

If the taxpayer (i.e. under the respective transaction the respective German Loan Borrowers) is consolidated for IFRS or German GAAP purposes, the above restrictions do not apply, if:

(a) ANIB does not exceed EUR 1 million (so called "Threshold") whereby the restrictions apply to the entire amount of ANIB, if ANIB exceeds EUR 1 million; or

(b) the taxpayer's equity ratio equals or exceeds the equity ratio of the group (consolidated balance sheet of the group is relevant and the relevant date is the end of the preceding financial year).

Therefore, the respective German Loan Borrowers falls outside the scope of the new interest cap rule, if the relevant equity ratio of the respective German Loan Borrowers is not lower than the equity ratio at group level or if the equity ratio of the respective German Loan Borrower falls short of the equity ratio of the group by only up to 1 % (de-minimis-rule).

It has to be noted that the carve-out rule as outlined in (ii) above requires that there is evidence that not more than 10 % of the ANIB is paid to shareholders which hold directly or indirectly more than 25 % in the respective company, parties related to such shareholders or parties which can take recourse to such shareholders or related parties, whereby only interest expenses are taken into account which are reflected in the consolidated accounts based on which the equity ratio is determined. It is not clear whether cross-collateralisation under the respective structure of each Loan is detrimental for the application of the exemption under (ii) above.

That part of ANIB, which is not deductible pursuant to the new "interest cap rule", can be carried forward and - subject to the above rules - be deducted in the following years.

The interest expenses, which according to the new rules cannot be deducted, increase the taxable profit of the respective German Loan Borrower for corporation tax and -if applicable- for trade tax purposes. It has to be noted that many uncertainties exist in relation to the interpretation and the application of the interest cap rule. Therefore, it cannot be excluded that the interest cap rule is applied differently than mentioned above.

Furthermore, it has to be noted that pursuant to the draft tax law trade tax is no longer tax deductible for corporation tax purposes.

As a tax decreasing measure it is planned to decrease both the German corporation tax rate and a specific multiple, which is relevant in order to determine the applicable trade tax rate.

German Taxation of the Issuer

Based on the limited activities of the Servicer and Special Servicer under the Servicing Agreement in Germany and the fact that also the other transaction parties under the transaction documents will only act outside Germany for the benefit of the Issuer, the Issuer, incorporated in Ireland, is not tax-resident in Germany for German CIT purposes as neither its statutory seat nor its place of effective management and control is located in Germany and thus will not be subject to unlimited corporate income tax liability in Germany. Notwithstanding that, the Issuer will be subject to limited corporate income tax liability by virtue of earning interest secured by Mortgages on the German Loan Borrowers' real property according to Sec. 2 no. 1 of the German Corporation Income Tax Act (*Körperschaftsteuergesetz*) and Sec. 49 para 1 no. 5 lit. c) aa) German Income Tax Act (*Einkommensteuergesetz*). However, if the Issuer is resident in Ireland for tax purposes such that it enjoys tax treaty protection, according to the double tax treaty between Germany and Ireland the aforementioned double taxation treaty assigns the exclusive right to impose (corporate) income tax on interest income to the country of residence of the recipient of such interest income, i.e. Ireland. Germany as the country of source under the German-Irish double taxation treaty has forfeited its right to tax interest income. It should be noted that under German domestic tax law, a domestic treaty-override provision exists, which may overrule the German-Irish double taxation treaty, if the Issuer is regarded as not having "economic substance". If the treaty-override provision applies, interest income earned by the Issuer under the German Loans would be subject to German corporation tax. The Issuer would be entitled to deduct interest payable under its debt financing.

In principle, the payments of interest paid by German Loan Borrowers are not subject to German withholding tax, if the Issuer files a German tax return and fulfils its other obligations under German tax law.

Based on the same reasons as for German corporation tax purposes the Issuer is not a tax-resident in Germany for German TT purposes as neither its statutory seat nor its place of effective management and control is located in Germany. In addition, the business activities of the Issuer, which are executed by the Servicer and Special Servicer, should not create a permanent establishment in Germany and thus the Issuer should not be subject to trade tax in Germany.

Since the Originator is not a German tax resident for VAT purposes and did not hold the Loans via a German permanent establishment, the acquisition of the Loans is not subject to German VAT. In addition, the other Issuer's business activities are German VAT exempt in Germany. German VAT exempt activities generally do not allow for the recovery of German input-VAT relating to services received from other entities or persons. Thus, the Issuer is not entitled to recover German input-VAT imposed on supplies received from other parties.

RISK FACTORS RELATING TO THE ISSUER AND THE NOTES - RELEVANT ASPECTS OF IRISH LAW

Not a Bank Deposit

Any investment in the Notes does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Financial Regulator. The Issuer is not regulated by the Financial Regulator by virtue of the issue of the Notes.

Preferred Creditors under Irish Law and Floating Charges

Under Irish law, upon an insolvency of an Irish company such as the Irish Issuer, when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the Irish courts (See the Section entitled "*Examinership*" below).

The holder of a fixed security over the book debts of an Irish tax resident company (which would include the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those which the holder received in payment of debts due to it by the company.

Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of any Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

The essence of a fixed charge is that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to the Issuer any charge constituted by the Issuer Security Documents may operate as a floating, rather than a fixed charge.

In particular, the Irish courts have held that in order to create a fixed charge on receivables it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the monies standing to the credit of such account without the consent of the chargee.

Depending upon the level of control actually exercised by the chargor, there is therefore a possibility that the fixed security over the Issuer's assets would be regarded by the Irish courts as a floating charge.

Floating charges have certain weaknesses, including the following:

(a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the Issuer Transaction Documents) and the chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;

(b) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up;

(c) they rank after certain insolvency remuneration expenses and liabilities;

(d) the examiner of a company has certain rights to deal with the property covered by the floating charge; and

(e) they rank after fixed charges.

Examinership

Examinership is a court procedure available under the Irish Companies (Amendment) Act, 1990, as amended (the "**1990 Act**") to facilitate the survival of Irish companies in financial difficulties.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after this appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to this appointment. Furthermore, the examiner may sell assets, the subject of a fixed charge. However, if such power is exercised the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to the holders of the fixed charge out of the proceeds of the sale.

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when at least one class of creditors has voted in favour of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions agreed to by the Issuer in the Issuer Transaction Documents), the Trustee would be in a position to reject any proposal not in favour of the Noteholders. The Trustee would also be entitled to argue at the Irish High Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Noteholders, especially if such proposals included a writing down to the value of amounts due by the Issuer to the Noteholders. The primary risks to the holders of Notes if an examiner were appointed to the Issuer are as follows:

(a) the potential for a compromise or scheme of arrangement being approved involving the writing down or rescheduling of the debt due by the Issuer to the Noteholders as secured by the Issuer Security Documents;

(b) the potential for the examiner to seek to set aside any negative pledge in the Issuer Transaction Documents prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and

in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to each of the Secured Parties under the Notes or the Issuer Transaction Documents.

RISK FACTORS RELATING TO THE NOTES

Liability under the Notes

The Notes and interest on the Notes will not be obligations or responsibilities of any person other than the Issuer. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by the Originator, the Joint Lead Managers, the Trustee, the Servicers, the Special Servicers, the Loan Security Agents, the Loan Administrator, the Loan Special Administrator, the Issuer Representative, the Issuer Special Representative, the French Issuer, the FCC Manager, the FCC Custodian, the FCC Account Bank, the Spanish Issuer, the FTA Manager, the FTA Account Bank, the FTA Paying Agent, the Corporate Services Provider, the Share Trustee, the Paying Agents, the Agent Bank, the Liquidity Facility Provider, the Basis Swap Counterparty, the Cash Manager or the Operating Bank or any company in the same group of companies as any of them and none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

Limited Resources of the Issuer

The ability of the Issuer to meet its principal and interest obligations under the Listed Notes and to pay interest on the Class X Notes will be dependent on the receipt by it of principal and interest from the Borrowers under the Loans (through, with respect to the French Loans and the Spanish Loan, the Class A FCC Units and the FTA Note, respectively) and the receipt of funds (if due) from the Basis Swap Counterparty under the Basis Swap Transactions. In addition, the Issuer will have available to it (subject to satisfaction of the conditions for drawing) drawings under the Liquidity Facility Agreement. Other than the foregoing, prior to the enforcement of the Issuer Security, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes and in respect of making any payment ranking in priority to, or *pari passu* with, the Notes.

Monitoring of compliance with representations, warranties and covenants and the occurrence of a Loan Event of Default

Each Purchaser is a special purpose entity, therefore it will not, nor does it possess the resources actively to monitor whether a Loan Event of Default has occurred, including, for this purpose, the continued accuracy of the respective representations and warranties made by the relevant Borrowers and compliance by the relevant Borrowers, with their respective covenants and undertakings under the relevant Credit Agreement.

The Loan Security will provide that the Loan Security Agent will be entitled to assume, unless it is expressly informed otherwise by the Borrowers, that no Loan Event of Default has occurred which is continuing. The Loan Security Agent will not itself monitor whether any such event has occurred but will rely on notices delivered by the relevant Servicer to determine whether a Loan Event of Default has occurred. For further details concerning Loan Events of Default see "*The Loan and the Loan Security*" below.

Each Loan will require the relevant Borrowers to inform the relevant Purchaser, the Servicer and/or the Loan Security Agent of the occurrence of any Loan Event of Default promptly upon becoming aware of the same.

The occurrence of a Loan Event of Default will entitle the Loan Security Agent to pursue any of the courses of action available to it in respect of the affected Borrower and its Property.

Under each Loan Servicing Agreement, the Servicers and (in relation to a Specially Serviced Loan) the Special Servicers have (subject to any approvals that may be required from the FCC Manager or the FTA Manager, as the case may be) full power and authority, acting alone, to exercise the rights and powers of the Loan Security Agent in exercising its rights in relation to the Serviced Financings and the Loan Security (other than the right to enforce the Loan or the Loan Security, which rights shall be exercised by

the Loan Security Agent at the direction of the Servicers or, in the case of a Specially Serviced Loan, the Special Servicers) and to do or cause to be done any and all things in connection with such servicing and administration which it may deem necessary or desirable. The Servicers and the Special Servicers will exercise such power and authority in a manner which is consistent with the Servicing Standard.

Enforcement on default

Failure by the Issuer to pay interest on the Most Senior Class of Notes (other than the Class X Notes) when due and payable may result in the Trustee enforcing the Issuer Security.

Deferral of Interest on Junior Notes

If, on any Interest Payment Date, prior to delivery of a Note Enforcement Notice, there are insufficient funds available to the Issuer to pay accrued interest on any Class of Notes other than the then Most Senior Class of Notes (other than the Class X Notes), the Issuer's liability to pay such accrued interest will be treated as not having fallen due and will be deferred until the earlier of: (a) the next following Interest Payment Date on which the Issuer has, in accordance with the Pre–Enforcement Interest Priority of Payments, sufficient funds available to pay such deferred amounts (including any interest accrued thereon); and (b) the date on which the relevant Notes are due to be redeemed in full. Interest will, however, accrue on such deferred interest.

Rights Available to Holders of Notes of Different Classes

In performing its duties as trustee for the Noteholders, the Trustee will have regard to the interests of all of the Noteholders. If, however, there is a conflict between the interests of the holders of one Class of Notes and the holders of another Class of Notes, in the sole opinion of the Trustee, the Trustee will be required to have regard only to the interests of the holders of the Most Senior Class of Notes (other than the Class X Notes) then outstanding.

Ratings of Notes and Confirmations of Ratings

The ratings assigned to the Notes by the Rating Agencies are based on the Loans (reflected, for the Spanish Loan and French Loans, through the FTA Note and the Class A FCC Units), the Loan Security, the Properties and other relevant structural features of the transaction, including, amongst other things, the short term unsecured, unguaranteed and unsubordinated debt ratings of the Liquidity Facility Provider, and reflect only the views of the Rating Agencies. The ratings address the likelihood of full and timely receipt by any of the Noteholders of interest on the Notes and the likelihood of receipt by any Noteholder of principal of the Notes by the Legal Final Maturity. 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 any of the Rating Agencies as a result of changes in or unavailability of information or if, in the judgement of the Rating Agencies, circumstances so warrant. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the value of the Notes.

Agencies other than the Rating Agencies could seek to rate the Notes and if such "unsolicited ratings" are lower than the comparable ratings assigned to the Notes by the Rating Agencies, those shadow ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt and unless the context otherwise requires, any references to "ratings" or "rating" in this Prospectus are to ratings assigned by the specified Rating Agencies only.

Absence of Secondary Market; Limited Liquidity

Application has been made to the Financial Regulator, as Competent Authority under the Prospectus Directive, for the Prospectus to be approved. Application has been made to

the Irish Stock Exchange for the Listed Notes to be admitted to the Official List and trading on its regulated market. There can be no assurance that a secondary market in the Listed Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment, or that it will continue for the life of the Listed Notes. In addition, the market value of certain of the Listed Notes may fluctuate with changes in prevailing rates of interest. Consequently, any sale of Listed Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Listed Notes.

Availability of Liquidity Facility

Pursuant to the terms of the Liquidity Facility Agreement, the Liquidity Facility Provider will provide a revolving committed facility for drawings to be made in the circumstances described in "Credit Structure — Liquidity Facility". The Liquidity Facility will be available to cover Senior Expenses and interest payable on the Notes, other than Prepayment Interest Arrears, to the extent that there is a shortfall (a "**Senior Expenses Drawing**"). Any Senior Expenses Drawing will be made on an Interest Payment Date.

As any amount to be established on a Calculation Date may be adjusted to take account of amounts received on or before the next Interest Payment Date, it is possible that a notice of drawing may be served under the Liquidity Facility (in respect of a Senior Expenses Drawing on the Calculation Date for the relevant Interest Payment Date) and subsequently funds received that would make the Liquidity Facility drawing unnecessary. However, the Issuer will still be obliged to draw, and pay interest on, the relevant amounts under the Liquidity Facility until the relevant amounts are repaid on an Interest Payment Date.

EU Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**") EU Member States are required 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 during that period they elect otherwise) 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).

Withholding Tax under the 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 or principal on the Notes to Noteholders, the Issuer is not obliged to gross–up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of such withholding or deduction.

Change of Law

The structure of the issue of the Notes and the ratings which are to be assigned to them are based on English law and administrative practice in effect as at the date of this document. No assurance can be given as to the impact of any possible change to English 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 Notes.

Implementation of the Basel II framework

On 26 June, 2004, the Basel Committee on Banking Supervision (the "**Basel Committee**") published the text of a new capital accord under the title Basel II: *International Convergence of Capital Measurement and Capital Standards: a Revised Framework* ("**Basel II**"); a revised version was published on 15 November, 2005. Basel II

replaces the 1988 Basel Capital Accord and places enhanced emphasis on risk–sensitivity and market discipline. The Basel Committee has suggested that the various approaches under Basel II should be implemented in stages, some from year–end 2006; the most advanced at year–end 2007. National implementation dates may differ depending on the relevant implementation process. If implemented in accordance with its current form, Basel II could affect the risk weighting of the Notes in respect of investors which are subject to Basel II in the form of any national legislative implementation thereof including, in respect of EU financial institution investors, via Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions and Directive 2006/49/EC on the capital adequacy of investment firms and credit institutions (the "**Capital Requirements Directive**").

The Capital Requirements Directive will in turn have to be transposed into national law or regulation by the EEA member states. The new requirements could affect the risk weighting of the Notes in respect of certain investors if those investors are regulated in a manner that would be affected by the requirements. Consequently, prospective investors in the Notes should consult their own advisers as to the consequences to and effect on them of the application of the revised Basel framework and the Capital Requirements Directive. The Issuer cannot predict the precise effects of potential changes that might result if the proposals were adopted in their current form.

Hedging risks

The interest rate (3–month EURIBOR, except for the first Interest Period, which is calculated on an interpolated basis) in respect of the Loans (and, with respect to the French Loans and the Spanish Loan, as reflected in the interest paid on the Class A FCC Units and the FTA Note subscribed or purchased, as the case may be, by the Issuer) will be determined on dates that are different to the dates on which the floating interest rate will be determined in respect of the Notes for the corresponding interest period. As a result the rates of interest on the Loans (and, with respect to the French Loans and the Spanish Loan, as reflected in the interest paid on the Class A FCC Units and the FTA Note subscribed or purchased, as the case may be, by the Issuer) may not equal the floating rates applicable to the Notes. Accordingly, the interest paid under the Loans (through, with respect to the French Loans and the Spanish Loan, the interest paid on the Class A FCC Units and the FTA Note, respectively) may be insufficient to meet the floating rate interest payments payable on the Notes. In order to provide the Issuer with protection against any difference or shortfall that might arise as a result of such matters, the Issuer will enter into Basis Swap Transactions. Under these Basis Swap Transactions, the Issuer will be obliged to pay to the Swap Counterparty an amount calculated by reference to the interest payable to the Issuer in respect of the Loans, and (assuming payment of the amount scheduled to be due in full from the Issuer), the Swap Counterparty will be obliged to pay to the Issuer an amount calculated by reference to the floating rates of interest payable on the Notes. When one or more of the Basis Swap Transactions are terminated on a date other than an Interest Payment Date, and the Issuer is, as a result of such termination, required to pay break costs amounts to the Basis Swap Counterparty, such break costs are subordinated to any payments to be made to the Noteholders both before and after enforcement of the Issuer Security. For further information see "*Credit* Structure – *The Basis Swap Agreement*" on page 226 below.

Transparency Directive

In December 2004, Directive 2004/109/EC (the "**Transparency Directive**") was formally adopted. The Transparency Directive relates to information about the issuers whose securities are admitted to trading on a regulated market in the European Union ("EU") such as the Irish Stock Exchange. The Transparency Directive is required to be implemented in EU member states by 20 January, 2007. The Transparency Directive is being implemented in Ireland through a combination of primary legislation (the Investment Funds, Companies and Miscellaneous Provisions Act 2006) and secondary legislation. The substantive provisions of the Transparency Directive are expected to be transposed

in the latter half of 2007. Should the Transparency Directive impose requirements on the Issuer that it in good faith determines are unduly burdensome, the Issuer may de–list the Notes in accordance with the rules of the Irish Stock Exchange. The Issuer will use its best endeavours to obtain an alternative admission to listing, trading and/or quotation for the Notes by another listing authority, exchange and/or system or market outside the EU (or on an alternative non–regulated market in the EU) and outside the United States, as it may decide, in any case such that the Transparency Directive would not apply to the Issuer. If such an alternative admission is not available to the Issuer or is, in the Issuer's good faith opinion, unduly burdensome, an alternative admission may not be obtained. Although no assurance is made as to the liquidity of the Notes as a result of the listing on the Irish Stock Exchange, de–listing the Securities from the Irish Stock Exchange may have a material effect on the ability to resell the Notes in the secondary market.

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

THE ISSUER

The Issuer, White Tower Europe 2007–1 plc, was incorporated in Ireland on 15 March 2007 (registered number 436366), as a public company with limited liability under the Irish Companies Acts 1963-2006. The registered office of the Issuer is at 25 – 26 Windsor Place, Lower Pembroke Street, Dublin 2, Ireland, and its telephone number is + 353 16 47 15 50. The Issuer has been created as a special purpose vehicle for the purpose of issuing the Notes. The Issuer has no subsidiaries.

Principal Activities

The principal objects of the Issuer are set out in clause 2.1 of its memorandum of association and are, amongst other things, to carry on the business of securitisation, including purchasing, acquiring, holding, collecting, discounting, financing, negotiating, managing, selling, disposing of and otherwise trading or dealing directly or indirectly in real or personal property of whatsoever nature (including, without limitation, securities, instruments or obligations of any nature whatsoever, howsoever described and financial assets of whatsoever nature howsoever described and trade accounts, receivables and book debts of whatsoever nature howsoever described and currencies) and any proceeds arising therefrom or in relation thereto and any participation or interest (whether legal or equitable) therein and any certificates of participation or interest (whether legal or equitable) therein and any agreements in connection therewith.

The Issuer has not commenced operations and has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and registration as a Public Limited Company under the Irish Companies Acts 1963-2006, the authorisation of the issue of the Notes and of the other documents and matters referred to or contemplated in this Prospectus and matters which are incidental or ancillary to the foregoing.

The Issuer will covenant to observe certain restrictions on its activities, which are detailed in Condition 3(A) (*Restrictions*) of the Notes, the Deed of Charge and Assignment and the Trust Deed. In addition, the Issuer will covenant in the Trust Deed to provide written confirmation to the Trustee, on an annual basis, that no Event of Default (or other matter which is required to be brought to the Trustee's attention) has occurred in respect of the Notes.

Directors and Secretary

The directors of the Issuer and their respective business addresses and other principal activities are:

Name	Business Address	Principal Activities
Frank Heffernan	25 – 26 Windsor Place Lower Pembroke Street Dublin 2, Ireland	Company Director
Karen Mc Crave	25 – 26 Windsor Place Lower Pembroke Street Dublin 2, Ireland	Company Director

The company secretary of the Issuer is Structured Finance Management (Ireland) Limited, company number 331206, with a registered office at 25 - 26 Windsor Place, Lower Pembroke Street, Dublin 2, Ireland. Frank Heffernan and Karen McCrave are directors of the Issuer.

Capitalisation and Indebtedness

The capitalisation and indebtedness of the Issuer as at the date of this Prospectus, adjusted to take account of the issue of the Notes, is as follows:

Share Capital

Authorised Share Capital EUR	**Issued Share Capital EUR**	**Value Of Each Share Eur**	**Shares Fully Paid Up**	**Paid Up Share Capital EUR**
38,100	38,100	38,100	38,100	38,100

38,100 of the issued shares (being ordinary shares of Euro 1 each, each of which is fully paid up) in the Issuer are held on trust by Structured Finance Management Corporate Services (Ireland) Limited (registered number 432236) under the terms of a Share Declaration of Trust under which Structured Finance Management Corporate Services (Ireland) Limited holds the shares on trust for charity.

Loan Capital

Class A Commercial Mortgage Backed Floating Rate Notes due 2015 .... Euro 258,750,000
Class X Commercial Mortgage Backed Floating Rate Notes due 2015 .... Euro 300
Class B Commercial Mortgage Backed Floating Rate Notes due 2015 .... Euro 25,450,000
Class C Commercial Mortgage Backed Floating Rate Notes due 2015 .... Euro 25,200,000
Class D Commercial Mortgage Backed Floating Rate Notes due 2015 .... Euro 25,000,000
Class E Commercial Mortgage Backed Floating Rate Notes due 2015 .... Euro 15,150,000
Total Loan Capital .... Euro 349,550,300

Except as set out above, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities and the Issuer has not created any mortgages or charges nor has it given any guarantees as at the date of this Prospectus.

Financial Statements

The Issuer has not prepared financial statements as of the date of this Prospectus. It intends to publish its first financial statements in respect of the period ending on 28 February 2008. The Issuer will not prepare interim financial statements.

The auditors of the Issuer are Ernst & Young of Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2, who are chartered accountants and are members of the Institute of Chartered Accountants in Ireland (ICAI) and are qualified to practise as auditors in Ireland.

THE ISSUER RELATED PARTIES

Société Générale

Société Générale is the originator of the Loans and, in addition, the Loan Hedge Counterparty and the Basis Swap Counterparty.

Société Générale is a French limited liability company (*Société Anonyme*) having the status of a bank and is registered in France in the Commercial Register under number 552 120 222. It has its registered office at 29 Boulevard Haussman, 75009 Paris and its head office at Tour S.G., 17 Cours Valmy, 97972 Paris La Defense. Société Générale was incorporated by deed approved by the decree of 4 May, 1864.

Société Générale has a share capital of 576,780,702.50 divided in 461,424,562 shares with a par value of Euro 1.25 each, all of which were fully paid up as at 31 December 2006. The total of the consolidated balance sheet of Société Générale and its subsidiaries (the "**Société Générale Group**") were Euro 956,800,000,000 as at December 2006.

The short–term unsecured obligations of Société Générale are rated "A-1+" by S&P, "F1+" by Fitch and "P-1" by Moody's and the long–term obligations are rated "AA" by S&P, "AA" by Fitch and "Aa2" by Moody's.

The information contained in this Prospectus with respect to Société Générale has been obtained from publicly available information on its website.

The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Société Générale since the date of this Prospectus, or that the information contained or referred to in it is correct as of any time subsequent to its date.

German Servicer

The Originator will, pursuant to the terms of the German Loan Servicing Agreement, act as the servicer in respect of the German Loans (in such capacity, the "**German Servicer**").

On the Closing Date, the German Servicer has appointed and delegated to the Loan Administrator, certain of its management and administrative duties under the German Loan Servicing Agreement.

German Special Servicer

Hatfield Philips International Limited ("**Hatfield Philips**"), a limited liability company regulated in England and Wales whose principal office is at 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB, England, will, pursuant to the terms of the German Loan Servicing Agreement, act as the initial German Special Servicer of the German Loans (in such capacity, the "**German Special Servicer**").

Issuer Representative

Hatfield Philips (in such capacity, the "**Issuer Representative**"), will act as the Issuer Representative. The Issuer Representative will be responsible for exercising the rights of the Issuer in respect of the Class A FCC Units and the FTA Note, as described herein.

Issuer Special Representative

Hatfield Philips (in such capacity, the "**Issuer Special Representative**"), will act as the Issuer Special Representative. The Issuer Special Representative will be responsible for exercising the rights of the Issuer in respect of the Class A FCC Units or the FTA Note where any French Loan or the Spanish Loan, as applicable, has become a Specially Serviced Loan, as described herein.

Controlling Class

The "**Controlling Class**", at any time, will be the Most Junior Class of Notes (other than the Class X Notes) outstanding from time to time which class has a total Principal Amount Outstanding that is not less than 25 per cent. of the original Principal Amount Outstanding of that class, and if such Class of Notes ceases to have a total Principal Amount Outstanding that is not less than 25 per cent. of its original Principal Amount Outstanding, the next Most Junior Class of Notes (other than the Class X Notes) which satisfies such criteria shall become the Controlling Class. However, if no Class of Notes has an aggregate Principal Amount Outstanding that satisfies this requirement, then the Controlling Class will be the Most Junior Class of Notes then outstanding (other than the Class X Notes). The holders of the Controlling Class will have the right to elect a representative (the "**Controlling Class Representative**") who will have certain rights pursuant to the German Loan Servicing Agreement and the Conditions. As at the Closing Date, the Class E Notes will be the Controlling Class.

Operating Adviser

The Controlling Class Representative will have the right to appoint and remove an adviser (the "**Operating Adviser**") with respect to the German Loans, the Class A FCC Units and the FTA Note, where any Loan has become a Specially Serviced Loan. The Operating Adviser will have certain rights including, among other things, to be consulted by the German Special Servicer or the Issuer Special Representative, as applicable, in relation to certain actions relating to the servicing of the German Loans or to the exercise of the Issuer's rights in respect of the Class A FCC Units and the FTA Note, respectively, as more fully described in "*Loan Servicing – The Controlling Class Representative and the Operating Adviser - The Operating Adviser*" on page 204.

Liquidity Facility Provider

Lloyds TSB Bank plc acting through its corporate office located at 10 Gresham Street, London EC2V 7AE, will act as the Liquidity Facility Provider under the Liquidity Facility Agreement. Lloyds TSB Bank plc is regulated by the Financial Services Authority. The long term, unsecured, unsubordinated debt obligations of Lloyds TSB Bank plc are rated "Aaa" by Moody's, AA+ by Fitch and "AA" by S&P and the short term, unsecured, unsubordinated debt obligations of Lloyds TSB Bank plc are rated "P–1" by Moody's, F1+ by Fitch and "A–1+" by S&P.

Cash Manager

ABN AMRO Bank N.V., London Branch, will act as the Cash Manager under the Cash Management Agreement. See "*Cash Management*" on page 217.

Operating Bank

ABN AMRO Bank N.V., London Branch, will act as the Operating Bank pursuant to the Cash Management Agreement in relation to the Issuer Transaction Account, the Stand–by Account, the Cash Investment Account, the Class X Collateral Account and the Issuer Domestic Account, through its office located at 82 Bishopsgate, London EC2N 4BN, England. The short term, unsecured, unguaranteed and unsubordinated debt obligations of ABN AMRO Bank N.V. (London Branch) are rated "A–1+" by S&P, F1+ by Fitch and "P–1" by Moody's. The long term, unsecured, unguaranteed and unsubordinated debt

obligations of ABN AMRO Bank N.V. (London Branch) are rated "AA" by S&P, "AA–" by Fitch and "Aa2" by Moody's.

Principal Paying Agent and Agent Bank

ABN AMRO Bank N.V., London Branch, will be appointed as Principal Paying Agent and Agent Bank under the Agency Agreement.

Share Trustee

Structured Finance Management Corporate Services (Ireland) Limited, company number 432236, with a registered office at 25 - 26 Windsor Place, Lower Pembroke Street, Dublin 2, Ireland ("**SFMCSI**"), will be appointed as Share Trustee under the Share Declaration of Trust.

Irish Paying Agent

NCB Stockbrokers Limited whose principal office is at 3 George's Dock, International Financial Services Centre, Dublin 1, Ireland will be appointed as Irish Paying Agent under the Agency Agreement.

Corporate Services Provider

Structured Finance Management (Ireland) Limited will be appointed as Corporate Services Provider under the Corporate Services Agreement.

Among other things, the Corporate Services Agreement sets out when, and the terms upon which, each of the Issuer and the Trustee have the right to terminate the Corporate Services Agreement by removing the Corporate Services Provider if the Corporate Services Provider does any of the following:

(i) commits a material breach of any of the terms or conditions of the Corporate Services Agreement and fails to remedy the same within 30 days (or such other period as shall be agreed between the parties) of being required so to do; or

(ii) enters into liquidation whether compulsorily or voluntarily (other than for the purpose of amalgamation or reconstruction) or compounds with any of its creditors or has a receiver, administrative receiver or examiner appointed over all or any part of its assets or takes or suffers any similar action in consequence of its debt; or

(iii) ceases or threatens to cease to carry on its business or a substantial part of its business; or

(iv) purports to assign the Corporate Services Agreement or any rights under it without the express written consent of the Issuer and the Trustee, such consent not to be unreasonably withheld; or

(v) consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity or if control of the Corporate Services Provider changes.

In addition, the Corporate Services Agreement may be terminated by not less than 90 days' prior written notice given jointly by the Issuer and the Trustee to the Corporate Services Provider or by the Corporate Services Provider to each of the Issuer and the Trustee.

The Corporate Services Provider may terminate the Corporate Services Agreement by giving notice to the Issuer, copied to the Trustee, if the Issuer commits a material breach

and this is not remedied in accordance with the terms of the Corporate Services Agreement.

Any termination of the Corporate Services Agreement shall not take effect until a successor corporate services provider has been appointed (and approved in writing by the Trustee) and such of the Directors and/or Secretary (as the case may be) as the Issuer and the Trustee jointly require, tender their resignation provided that such resignations are not effective until after the appointment (and approval in writing by the Trustee) of the successor corporate services provider.

Trustee

ABN AMRO Trustees Limited has its registered office at 82 Bishopsgate, London EC2N 4BN, England. The Trustee will be appointed pursuant to the Trust Deed to represent the interests of the Noteholders. The Trustee will agree to hold the benefit of the covenants of the Issuer contained in the Trust Deed on trust for the Noteholders and the Issuer Security for the benefit of, *inter alios*, the Noteholders.

Among other things, the Trust Deed:

(a) sets out when, and the terms upon which, the Trustee will be entitled or obligated, as the case may be, to take steps to enforce the Issuer's obligations under the Notes (or certain other relevant documents) or to enforce the Issuer Security;

(b) contains various covenants of the Issuer relating to repayment of principal and payment of interest in respect of the Notes, to the conduct of its affairs generally and to certain ongoing obligations connected with its issuance of the Notes;

(c) provides for the remuneration of the Trustee, the payment of expenses incurred by it in the exercise of its powers and performance of its duties and provides for the indemnification of the Trustee against liabilities, losses and costs arising out of the Trustee's exercise of its powers and performance of its duties;

(d) sets out whose interests the Trustee should have regard to when there is a conflict between the interests of different classes of Noteholders;

(e) provides that the determinations of the Trustee will be conclusive and binding on the Noteholders;

(f) sets out the extent of the Trustee's powers and discretions, including its rights to delegate the exercise of its powers or duties to agents, to seek and act upon the advice of certain experts and to rely upon certain documents without further investigation;

(g) limits the scope of the Trustee's liability for negligence or wilful default or fraud in connection with the exercise of its duties;

(h) sets out the terms upon which the Trustee may, without the consent of the Noteholders, waive or authorise any breach or proposed breach of covenant by the Issuer or determine that an Event of Default (as defined in Condition 10) will not be treated as such;

(i) sets out the terms upon which the Trustee may, without the consent of the Noteholders, make or sanction any modification to the Conditions or to the terms of the Trust Deed or certain other relevant documents; and

(j) sets out the requirements for and organisation of Noteholder meetings.

The Trust Deed also contains provisions governing the retirement or removal of the Trustee and the appointment of a successor Trustee. The Trustee may at any time and for any reason resign as Trustee upon giving not less than three months' prior written notice to the Issuer. The holders of the Notes of each class, acting by Extraordinary Resolution, may together remove the Trustee from office. No retirement or removal of the Trustee (or any successor Trustee) will be effective until a trust corporation has been appointed to act as successor Trustee.

The appointment of a successor Trustee will be made by the Issuer or, where the Trustee has given notice of its resignation and the Issuer has failed to make any such appointment by the expiry of the applicable notice period, by the Trustee itself. No person may be appointed to act as a successor Trustee unless that person has been previously approved by an Extraordinary Resolution of each class of the Noteholders.

THE FRENCH ISSUER, ITS RELATED PARTIES AND THE FCC UNITS

THE FRENCH ISSUER

General description

Mutual debt fund
The French Issuer, FCC White Tower Europe 2007–1, is a newly created French securitisation vehicle set up in the form of a French *fonds commun de créances* (mutual debt fund) governed by the provisions of articles L. 214–5, L. 214–43 to L. 214–49 and L. 231–7 and articles R. 214–92 to R. 214–115 of the French Financial Code and the FCC Regulations. The French Issuer will be established on the Closing Date and will be created at the joint initiative of the FCC Manager and the FCC Custodian acting as founders of the French Issuer.

Co–ownership entity
The French Issuer is a co-ownership (*copropriété*) created by the FCC Custodian and the FCC Manager. Neither the provisions of the French *Code civil* (the "**French Civil Code**") concerning *indivision* (joint ownership) nor of articles 1871 and 1873 of the French Civil Code concerning *sociétés en participation* (joint companies) shall apply.

No separate legal personality
The French Issuer does not have separate legal personality (*personalité morale*). It is therefore unable to take action in its own name. However, it shall be validly substituted for its co–owners with respect to any action taken by the FCC Manager in the name and on behalf of the co–owners of the French Issuer. The role and duties of the FCC Manager and the FCC Custodian are described in the section entitled "*The French Issuer Related Parties*" on page 129 below.

Not subject to bankruptcy and insolvency proceedings
The French Issuer should neither be subject to the provisions of Book VI of the French Code de commerce (the "**French Commercial Code**") relating to insolvency and bankruptcy proceedings to companies, nor to the provisions of the French Financial Code relating to the credit institutions (*établissements de credit*), investment companies (*entreprises d'investissement*) or investment funds (*organismes de placement collectif en valeurs mobilières*).

Principal Activities

Management strategy
The regulations of the French Issuer entered into between the FCC Manager and the FCC Custodian (the "**FCC Regulations**") (as amended or supplemented from time to time) set out the management strategy (*stratégie de gestion*) of the French Issuer, which consists of: (i) acquiring on the Closing Date the French Loans (together with the French Loan Security) from the Originator and (ii) issuing the FCC Units.

Pursuant to the FCC Regulations and notwithstanding the provisions of article L. 214–43 of the French Financial Code, the French Issuer is not entitled to purchase further receivables or issue further units after the Closing Date.

Past activities
The French Issuer has not engaged in any activity since its establishment other than activities incidental to issuing the FCC Units, acquiring the French Loans and the performance of its obligations under the documents referred to in this Prospectus.

Since the date of establishment of the French Issuer, the French Issuer has not traded, no profits or losses have been made or incurred and no dividends have been paid. It has

entered into a number of contracts in connection with the issue of the FCC Units and the purchase of the French Loans and for no other purpose other than in relation to the provision of administrative, secretarial, legal and tax services to it.

Capitalisation, assets and liabilities of the French Issuer

Capitalisation and Indebtedness
The French Issuer has no share capital. The following FCC Units will be issued by the French Issuer pursuant to the FCC Regulations on the Closing Date and in accordance with the French Issuer Management Strategy:

Class of FCC Units	Initial Principal Amount in Euro
Class A FCC Units	200,741,000
Class B FCC Units	300

The French Issuer has no further capitalisation.

Assets of the French Issuer
The assets of the French Issuer will include the French Loans and the French Loan Security and related rights attached thereto to be purchased on the Closing Date by the French Issuer pursuant to the French Loan Sale Agreement. The assets of the French Issuer will also include at any time any amounts standing to the credit of the FCC Transaction Account.

In accordance with article L. 214–43 of the French Financial Code, the sale and transfer of the French Loans to the French Issuer will be made and will take effect as between the French Issuer and the Originator, and will be enforceable as against third parties (including the relevant Borrowers under the French Loans) on the date set out on the transfer deed (*acte de cession de créances*) (the "**FCC Transfer Deed**") when it is delivered, regardless of the origination date, the maturity date or the due date of such French Loans, without any other formality being necessary, and regardless of the law applicable to the French Loans and the law of the relevant Borrowers' country of domicile.

In accordance with article L. 214–43 of the French Financial Code, the execution and the delivery of the FCC Transfer Deed will automatically (*de plein droit*) transfer from the Originator to the French Issuer the French Loans together with the French Loan Security and related rights. In addition, in order to assign to the French Issuer the German law governed Mortgages over the French Loan German Properties for German law purposes, the French Issuer will enter into a German law governed mortgage assignment agreement with the Originator on the Closing Date.

Expenses
Pursuant to the FCC Units Subscription Agreement, the Issuer has undertaken to indemnify the French Issuer in an amount (the "**Issuer Fee Indemnity**") equal to all costs and expenses (other than interest expenses under the FCC Units) due and payable by the French Issuer to the extent that the French Issuer does not have sufficient funds to meet such payments when they become due and payable. The Issuer will pay such amounts to the French Issuer by drawing on its Available Interest Receipts (in accordance with the priority of payments set out in "*Cash Flows – Cash Flows at the Issuer Level– Payments out of the Issuer Transaction Account -Pre–Enforcement of the Notes – Application of Available Interest Receipts*" on page 55). Such amounts to be paid by the Issuer shall constitute Senior Expenses.

It is specified that, in accordance with the French Loan Sale Agreement, when calculating the repurchase price or rescission indemnity to be paid by the Originator (or third party purchaser) in relation to any French Loan, the FCC Manager shall take into account any Issuer Fee Indemnity together with the interests, costs, and expenses incurred by or on

behalf of the Issuer in connection with such repurchase or indemnity (which include, in particular but not limited to, interest accrued on any Senior Expenses Drawings made by the Issuer to meet its aforementioned obligations).

Financial Information

The French Issuer will publish annual reports and accounts. The French Issuer has not prepared audited financial statements as at the date of this Prospectus. Reports and accounts published by the French Issuer will, when published, be available for inspection during normal office hours at the specified office of the FCC Manager.

Amendments to the FCC Regulations

The FCC Manager and the FCC Custodian, acting in their capacity as founders of the French Issuer, may agree to amend the provisions of the FCC Regulations, provided that:

(a) no such amendment shall result in the reduction of the level of security offered to the FCC Unitholders;

(b) the FCC Regulations may not be amended in a way which would contradict the provisions of the Subordination Agreements relating to the French Loans;

(c) all provisions of the laws relating to the provision of information to FCC Unitholders are complied with;

(d) any amendment to the financial characteristics of any Class of Units shall require the prior approval of the FCC Unitholders in accordance with the FCC Regulations; and

(e) any such amendment shall be disclosed to the holders of all outstanding FCC Units by way of notification in writing to each FCC Unitholder, provided that such amendment shall be automatically and without any further formality (*de plein droit*) enforceable against such FCC Unitholders five (5) clear days after such notification.

THE FRENCH ISSUER RELATED PARTIES

The FCC Manager

Designation

Paris Titrisation, a limited liability company (*société anonyme*) incorporated under and governed by the laws of France, with its registered office at 17 Cours Valmy, 92800 Puteaux, France, registered with the Nanterre Commercial Registry (*Registre de Commerce et des Sociétés de Nanterre*) under number 379 014 095, and with phone number +33 1 42 13 94 07, wil act in its capacity as management company (*société de gestion*) of the French Issuer (the "**FCC Manager**"). The FCC Manager is duly authorised as a management company (*société de gestion*) by the Autorité des Marchés Financiers (the "**AMF**") under number SG-FCC-96-02. Its sole purpose is the management of French mutual debt funds (*fonds commun de créances*).

Duties of the FCC Manager

Pursuant to the FCC Regulations, the FCC Manager has participated jointly with the FCC Custodian in the establishment of the French Issuer. The FCC Manager is responsible for the management of the French Issuer and shall represent the French Issuer *vis–à–vis* third parties and in any legal proceedings, whether as plaintiff or defendant. The FCC Manager shall take all steps which it deems necessary or desirable to protect the French Issuer's rights arising under the French Loans and French Loan Security. It is responsible for ensuring that the conditions for maintaining the level of security enjoyed by the FCC Unitholders are fulfilled.

The FCC Manager shall ensure that the French Issuer does not deviate from its management strategy (*stratégie de gestion*) within the meaning of article R. 214–92 et seq. of the French Financial Code as set out in the FCC Regulations (see the section entitled "*The French Issuer, its Related Parties and the FCC Units – The French Issuer – Principal Activities - Management strategy*" on page 127 above).

The FCC Custodian

Designation
Société Générale, a limited liability company (*société anonyme*) incorporated under and governed by the laws of France whose registered office is at 29 Boulevard Haussmann, 75009 Paris, France. 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*) will act as établissement dépositaire (custodian) of the French Issuer's assets (in this capacity, the "**FCC Custodian**").

Duties of the FCC Custodian
In accordance with L. 214–48–II of the French Financial Code:

(a) the FCC Custodian shall be responsible for the safekeeping of the assets of the French Issuer; and

(b) the FCC Custodian shall ascertain the regularity (*régularité*) of the decisions of the FCC Manager in connection with the management of the French Issuer.

Pursuant to the FCC Regulations, the FCC Custodian has participated jointly with the FCC Manager in the establishment of the French Issuer.

The FCC Statutory Auditor

In accordance with article L. 214–48–VI of the French Financial Code, with the approval by AMF, the FCC Manager shall appoint a statutory auditor (*commissaire aux comptes*) following the Closing Date. The FCC Statutory Auditor appointed for the first term of six financial years of the French Issuer is Ernst & Young. Its appointment may be renewed upon the same conditions. The FCC Statutory Auditor is located at 11 Faubourg de l'Arche, 92037 Paris La Défense, France, and is a member of the French association of certified accountants (*Compagnie nationale de Commissaires aux Comptes*)(the "**FCC Statutory Auditor**").

The French Servicer

Designation
Pursuant to article L. 214–46 of the French Financial Code and the terms of the French Loan Servicing Agreement, Société Générale, in its capacity as Originator of the French Loans and agent under the French Credit Agreements and the related Subordination Agreements, will act as servicer of the French Loans and the French Loan Security (and Loan Security Agent thereof) (in such capacity, the "**French Servicer**") and special servicer of French Loans which may have become Specially Serviced Loans (in such capacity, the "**Special Servicer**").

In addition, the Serviced Financings Creditors will also, separately, appoint the Servicer and Special Servicer as their agent with respect to the Serviced Financings related to the French Loans.

Duties
Pursuant to the French Loan Servicing Agreement, the French Servicer (as such and as Special Servicer) shall perform all actions and procedures necessary to manage, recover and collect any amounts due in connection with the French Loans and the related

Serviced Financings as well as preserve and enforce the French Loan Security, with the standard of care described under the section entitled "*Loan Servicing – Servicing Standard*". Where a special proxy (*mandat spécial*) is necessary for the purposes of the performance of the French Servicer's duties (in particular, in connection with any legal or court proceedings or actions, or any other action before any official or administrative authority), the FCC Manager, acting in the name and on behalf of the French Issuer, undertakes to grant the same upon request of the French Servicer.

The French Servicer (and Special Servicer) will be bound by the same standards *vis-à-vis* the Serviced Financings Creditors.

Delegation of duties and substitution
Subject always to the provisions of the French Loan Servicing Agreement, the French Servicer (in such capacity or as Special Servicer) may, under its responsibility and control, outsource to any other entity all or part of its obligations under the French Loan Servicing Agreement, provided that, among other things: (i) the French Servicer shall remain fully liable for the performance of services and obligations so delegated under the French Loan Servicing Agreement; (ii) such entity's duties and obligations towards the French Servicer are performed under the name of the French Servicer and in compliance with all applicable laws and regulations, including in particular regulation n° 97–02 of 21 February 1997 (as amended) of the French *Comité de la Réglementation Bancaire et Financière*; and (iii) all judicial or extra–judicial steps or any settlements, as may be necessary or desirable for the management and recovery of the French Loans, shall be jointly performed by the French Servicer and the FCC Manager.

On the Closing Date, the French Servicer has appointed and delegated to the Loan Administrator, certain of its management and administrative duties under the French Loan Servicing Agreement, and the French Special Servicer has appointed and delegated to the Loan Special Administrator, certain of its management and administrative duties under the French Loan Servicing Agreement.

THE FCC UNITS ISSUED BY THE FCC

Classes of Units
On the Closing Date, the French Issuer will issue the following classes of units (each, a "**Class**" of FCC Unit):

(a) Euro 200,741,000 units due 2015 (the "**Class A FCC Units**"); and

(b) Euro 300 units due 2015 (the "**Class B FCC Units**" and, together with the Class A FCC Units, the "**FCC Units**").

General provisions applicable to the FCC Units

Rights of the FCC Unitholders
Pursuant to article L. 214–43 of the French Financial Code, the holders of FCC Units are not entitled to request that the French Issuer repurchases the FCC Units they hold. Each FCC Unitholder, as holder of the FCC Units, is entitled to exercise the rights of a shareholder pursuant to articles L. 225–230 and L. 225–231 of the French Commercial Code.

Pass–through instrument
The Class A FCC Units are structured to be pass–through instruments. Thus, the amount of interest paid and principal repaid in respect of the Class A FCC Units on any FCC Interest Payment Date will be dependent upon the amount of interest paid, principal repaid, prepayment fees and other sums received in respect of the French Loans during the relevant loan interest periods immediately preceding such FCC Interest Payment Date, as well as upon the expenses of the French Issuer which are paid out of cash–flow received in respect of the French Loans or, as the case may be, from the Issuer, in accordance with the relevant FCC Priority of Payments.

The FCC Units will not be the obligation or responsibility of any person other than the French Issuer. In particular, but without limitation, the FCC Units will not be the obligation or responsibility of, or be guaranteed by any of the French Issuer Related Parties or any of their respective affiliates and none of such persons accepts any liability whatsoever in respect of any failure by the French Issuer to make payments of any amounts due in respect of the FCC Units.

FCC Manager to act in the interest of the FCC Unitholders
Pursuant to article L. 214–48–I of the French Financial Code, only the FCC Manager may enforce the rights of the French Issuer against third parties (in particular, the FCC Manager shall be responsible for the exercise of the rights on the French Issuer under the French Loans and the Loan Security). The FCC Manager is not bound to act upon the instructions of the FCC Unitholders, but is responsible for ensuring that the conditions for maintaining the level of security (*niveau de sécurité*) granted to all the FCC Unitholders (as set out in the FCC Regulations) are fulfilled. The FCC Unitholders shall not take part in the management of the French Issuer.

No recourse
In accordance with article L. 214–44 of the French Financial Code, the holders of FCC Units irrevocably agree that they shall have no recourse whatsoever against the relevant borrowers under the French Loans.

Summary of Terms and Conditions of the FCC Units

Form, Status and Denomination
The FCC Units constitute direct, unsecured and unconditional obligations of the French Issuer and are financial instruments (*instruments financiers*) within the meaning of article L. 211–1 of the French Financial Code and transferable securities (*valeurs mobilières*) within the meaning of article L. 211–2 of the French Financial Code. Pursuant to article L. 214–43 of the French Financial Code, the holders of FCC Units (the "**Unitholders**") shall not be entitled to demand the repurchase of their FCC Units by the French Issuer.

The Class A FCC Units will be issued in the denomination of Euro 1,000. The Class B FCC Units will be issued in the denomination of Euro 150.

Limited recourse against the French Issuer:
The French Issuer will only make payments of principal and interest under the Class A FCC Units if and to the extent it receives related principal and interest from the French Loan Borrowers under the French Loans. Other than the foregoing, the French Issuer is not expected to have any other funds available to it to make payments under the Class A FCC Units or its obligations in respect of any payments ranking in priority to the FCC Units.

Claims against the French Issuer by the Issuer as FCC Unitholder will be limited to the value of the amounts received or recovered from time to time in respect of the French Issuer's rights in relation to the French Loans and the Loan Security and any other assets of the French Issuer in respect of the French Loans and the Loan Security (the "**French Issuer Assets**"). The proceeds of realisation of the French Issuer Assets may, after paying or providing for all prior–ranking claims of the French Issuer, be less than the sums expected by the Issuer as the FCC Unitholder in respect thereof. All claims in respect of such shortfall after realisation of the French Issuer Assets will be extinguished.

Ranking:
The FCC Units will rank at all times *pari passu* without any preference or priority amongst themselves.

Priority
The French Issuer will, on each FCC Interest Payment Date, apply to each class of FCC Units the relevant amounts available for such purpose in accordance with the relevant

priority of payments set out in "Cash Flows – Cash Flows at the French Issuer Level– Payments out of the FCC Transaction Account" on page 48.

Interest
Interest will be payable on the Principal Amount Outstanding of each FCC Unit quarterly in arrear on each of 4 January, 4 April, 4 July and 4 October or, if such day is not a Business Day, the next following Business Day (unless such Business Day falls in the next succeeding calendar month, in which event the immediately preceding Business Day) (an "**FCC Interest Payment Date**"). It is specified that if an FCC Interest Payment Date is, following application of the above business day convention, subject to adjustment in the form of a postponement by a certain number of days, then the Interest Payment Date under the Notes that, as initially determined, should have fallen immediately after such FCC Interest Payment Date, will fall two Business Days after such adjusted FCC Interest Payment Date.

The amount of interest in respect of each Class A FCC Unit payable on each FCC Interest Payment Date will be equal to: (i) the aggregate amount of interest received from the French Loan Borrowers under the French Loans (as well as the amount of indemnity payments and certain exceptional payments received by the French Issuer in respect of the French Loans which are of a revenue nature) during the FCC Interest Period ending on such FCC Interest Payment Date; (ii) *less* any amounts payable under items (1) and (2) of the FCC Priority of Payments; and (iii) *divided by* the number of outstanding Class A FCC Units at the beginning of such FCC Interest Period. Such interest will be payable if and to the extent that funds are available to the French Issuer for these purposes in accordance with the FCC Priority of Payments. See paragraph (c) (*Application of FCC Available Interest Receipts*) under the section of this Prospectus entitled "*Cash Flows - Payments out of the FCC Transaction Account*" on page 48.

In the event that any of the interest amounts referred to above falling due during any FCC Interest Period would be paid late by the relevant Borrower(s) such that the actual payment would fall after the FCC Interest Payment Date on which such FCC Interest Period ends, then the French Issuer would pay such amount on the next following FCC Interest Payment Date.

The interest amount payable to the Class B FCC Unitholders on any applicable FCC Interest Payment Date with respect to the FCC Interest Period having ended thereon shall be equal to the interest earned by the French Issuer during the same period on an amount equal to Euro 300, such amount being retained to the credit of the FCC Transaction Account (the "**FCC Retained Amount**").

"**FCC Interest Period**" means in respect of the first FCC Interest Period, the period commencing on (and including) the Closing Date and ending on (but excluding) the FCC Interest Payment Date falling in July 2007, and, in respect of any successive FCC Interest Period, the period from (and including) the next (or first) FCC Interest Payment Date to (but excluding) the next following FCC Interest Payment Date.

Principal Amount Outstanding
"**Principal Amount Outstanding**" means, with respect to the FCC Units, on any day:

(a) in relation to an FCC Unit, the original principal amount of that FCC Unit upon issue less the aggregate amount of any principal payments in respect of that FCC Unit which have become due and payable (and been paid) on or prior to that day; and

(b) in relation to a class of FCC Units, the aggregate of the amount in paragraph (a) in respect of the FCC Units outstanding in such class; and

(c) in relation to the FCC Units outstanding at any time, the aggregate of the amount in paragraph (a) in respect of all FCC Units outstanding, regardless of class.

FCC Legal Final Maturity Date
Unless, with respect to the Class A FCC Units, previously redeemed, the FCC Units will be redeemed at their Principal Amount Outstanding together with accrued interest on the FCC Interest Payment Date falling in October 2015.

Mandatory Partial Redemption
The Class A FCC Units will be subject to partial redemption on each applicable FCC Interest Payment Date in accordance with the FCC Priority of Payments (see "*Cash Flows – Payments out of the FCC Transaction Account*" on page 48).

The Class B FCC Units will not be subject to mandatory partial redemption and must be redeemed in full on the FCC Interest Payment Date falling in October 2015.

Optional Redemption of the Class A FCC Units
The French Issuer may at its option, or following the Issuer's request for the French Issuer to sell the affected French Loan or, as applicable, all the French Loans, where the Issuer is then the holder of all the FCC Units, on any FCC Interest Payment Date, redeem in whole or in part, as applicable, the Class A FCC Units at their aggregate Principal Amount Outstanding, together with accrued interest, in the event that, by virtue of a change in law (in France, Germany, Luxembourg or any other jurisdiction) or by virtue of a change in the application or official interpretation of such law from that in effect on the Closing Date:

(a) on such FCC Interest Payment Date, the French Issuer would be required to deduct or withhold from any payment of principal or interest in respect of the Class A FCC Units (other than where the relevant holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of such class of FCC Units) (other than in respect of default interest) 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 the relevant jurisdiction (or any political sub–division or authority of that relevant jurisdiction having power to tax) and such requirement cannot be avoided by the FCC Manager taking reasonable measures available to it; or

(b) on the next Loan Payment Date, any amount payable by the Borrower(s) in relation to any French Loan is reduced or ceases to be receivable (whether or not actually received),

provided that all of the following pre–requisite conditions are met:

(i) the holder of the Class B FCC Units has offered to the Issuer to purchase all Class B FCC Units at par and, pursuant to the FCC Units Subscription Agreement, the Issuer has agreed to purchase such FCC Units;

(ii) pursuant to article R. 214–107–3° of the French Financial Code, the Issuer has: (i) become the legal owner of all the FCC Units issued by the French Issuer and (ii) requested to the FCC Manager in writing that all the French Loans or the affected French Loan, as applicable, be repurchased by the Originator (or such other person as the Originator may designate to the FCC Manager and the Issuer) on the FCC Interest Payment Date on which the redemption is due to take place; and

(iii) the Originator (or such person as it may have designated) has agreed in writing to repurchase (or purchase) all the French Loans or such affected French Loan, as applicable, at a price equal to their or its then (aggregate) principal balance, together with any interest accrued thereon but unpaid up to the FCC Interest Payment Date referred to in (ii) above, any costs or expenses associated with the securitisation of such French Loans or Loan (including any Issuer Fee Indemnity and related costs), and any break costs of the relevant Basis Swap Transaction that are incurred by the Issuer in relation to the repurchase of such French Loans or Loan, and to pay any costs and expenses relating to such repurchase such that

the French Issuer will have enough funds to discharge, on that FCC Interest Payment Date on which the repurchase will take place, all of its liabilities in respect of the Class A FCC Units to be redeemed and any amounts required under the FCC Regulations to be paid on such Loan on such FCC Interest Payment Date which rank higher in priority to, or *pari passu* with, the Class A FCC Units, and which are allocable on a *pro rata* basis to such French Loans or such affected French Loan,

it being provided, for the avoidance of doubt, that in no circumstance, will the sale of any French Loan by the French Issuer under this provision entail the liquidation of the French Issuer, unless all the French Loans are sold and all the FCC Units are redeemed together within one single transaction.

Upon an Optional Redemption of the Class A FCC Units hereunder, the Issuer may redeem in part all the Listed Notes in accordance with Condition 5(C) *(Optional Redemption for Tax or Other Reasons)* of the Notes, subject to fulfilment of the conditions set out therein.

Clean–up Call

If, on or prior to any Interest Payment Date falling under the Notes, the conditions set out in paragraphs (a) to (c) below are satisfied, then the Issuer (provided that it is then the holder of all the FCC Units) may seek the agreement with the FCC Manager and the Originator (both acting at their complete discretion) (i) for the Originator (or such other person as the Originator may designate to the FCC Manager and the Issuer) to repurchase all the French Loans then outstanding; (ii) for the FCC Manager to redeem in full all the outstanding FCC Units; and (iii) for the FCC Manager to liquidate the French Issuer, pursuant to, in each case, the French Loan Sale Agreement and the FCC Regulations.

The Issuer may only seek and give its consent to such a repurchase if:

(a) it has notified the Trustee, the Paying Agents and the Noteholders the exercise of its redemption option with effect on that Interest Payment Date, under Condition 5(D) (*Optional redemption in full*) of the Notes and pursuant thereto;

(b) the Originator (or such person as it may have designated) has agreed in writing to repurchase (or purchase): (i) the outstanding German Loans from the Issuer no later than on such Interest Payment Date, (ii) on the FTA Interest Payment Date falling on or immediately prior to such Interest Payment Date, and following agreement between the Issuer and the FTA Manager to liquidate the Spanish Issuer with the CNMV's consent, the outstanding Spanish Mortgage Certificate from the Spanish Issuer, and (iii) the outstanding French Loans from the French Issuer on the FCC Interest Payment Date falling on or immediately prior to such Interest Payment Date; and

(c) the repurchase price of the outstanding French Loans will be at least equal to the aggregate principal balance thereof, together with interest accrued thereon and any costs or expenses associated with the securitisation of such French Loans (including any Issuer Fee Indemnity and related costs), and shall provide the French Issuer with enough funds to discharge, on the FCC Interest Payment Date referred to in paragraph (b) above, all of its liabilities in respect of the Class A FCC Units to be redeemed and any amounts required under the FCC Regulations to be paid on such FCC Interest Payment Date which rank higher in priority to, or *pari passu* with, the FCC Units.

On receipt of the funds relating to the repurchase of the French Loans from the Originator (or such person as it may have designated), the French Issuer will redeem in full, on the Loan Payment Date referred to in paragraph (b) above, the FCC Units and the Issuer will subsequently redeem all of the Notes in an amount equal to the then aggregate Principal

Amount Outstanding of each Class of Notes plus interest accrued and unpaid on each such class pursuant to Condition 5(D) (*Optional Redemption in Full*) of the Notes.

It is specified that the Clean-up Calls in respect of the Class A FCC Units and the Notes may only be activated, and the liquidation of the Spanish Issuer upon mutual agreement between the Issuer and the FTA Manager may only be initiated, within one single transaction.

Withholding Tax
All payments by, or on behalf of, the French Issuer in respect of the FCC Units will be made free and clear of and without withholding or deduction for or on account of tax, except to the extent that the deduction or withholding is required by law. In the event that a withholding or deduction is imposed for or on account of tax, the French Issuer will not be obliged to pay additional amounts in respect of any such withholding or deduction. Thus, the recipient of such payment will bear the risk of such deduction or withholding being imposed.

Ratings
The FCC Units are not and will not be rated.

Listing
The FCC Units are not and will not be listed on any regulated market.

Governing Law
The FCC Units will be governed by French law.

THE SPANISH ISSUER, ITS RELATED PARTIES AND THE FTA NOTE

THE SPANISH ISSUER

General Description

Legal Status
White Tower Europe 2007–1, *Fondo de Titulización de Activos* (the "**Spanish Issuer**") is a Spanish securitisation fund (*Fondo de Titulización de Activos*) incorporated on 22 May 2007, registered at the Spanish National Stock Market Commission (*Comisión Nacional del Mercado de Valores* ("**CNMV**"). It is governed by its deed of incorporation (*Escritura de Constitución*) (the "**Spanish Deed of Incorporation**"), Law 19/1992, of 7 July 1992 on Real Estate Investment Companies and Funds and on Mortgage Securitisation Funds (*sobre régimen de Sociedades y Fondos de Inversión Inmobiliaria y sobre Fondos de Titulización Hipotecaria*) and Royal Decree 926/1998, of 14 May 1998 on Asset Securitisation Funds and Management Companies of Securitisation Funds (*Fondos de Titulización de Activos y Sociedades Gestoras de Fondos de Titulización*) (the "**RD 926/1998**"). The Spanish Issuer is a separated pool of assets (*patrimonio separado*) without legal personality.

The Spanish Deed of Incorporation sets out (i) the characteristics of the Spanish Mortgage Certificate; (ii) the characteristics of the FTA Note; (iii) the general rules relating to the operation of the Spanish Issuer; (iv) the transactions that may be carried out by the FTA Manager on behalf of the Spanish Issuer; and (v) the issue by the Originator of the CTH and its subsequent subscription by the Spanish Issuer.

The Spanish Issuer will: (i) subscribe from the Originator, acting from its Madrid branch, the Spanish Mortgage Certificate (*Certificado de Transmisión de Hipoteca*) ("**Spanish Mortgage Certificate**" or "**CTH**") relating to the Spanish Loan; and (ii) issue to the FTA Note Subscriber on 22 May 2007 (the "**Spanish Closing Date**") the FTA Note for a total principal amount of Euro 107,835,000 and at an issue price of 100 per cent, pursuant to the Spanish Deed of Incorporation. The FTA Note will subsequently be transferred at par by the FTA Note Subscriber to the Issuer on the Closing Date.

The Spanish Issuer is structured as a closed fund in accordance with the provisions of the RD 926/1998. Accordingly, the Originator is not able to transfer additional assets to the Spanish Issuer nor to issue additional notes.

Principal activities

Past Activities
The Spanish Issuer will be incorporated shortly before the Closing Date and, therefore, it will have not started to operate nor will it have engaged in any activities other than those incidental to its incorporation (including subscribing the Spanish Mortgage Certificate and issuing the FTA Note) and other ancillary matters.

The Spanish Mortgage Certificate (CTH)
The Spanish Loan is transferred from the Originator, acting through its Spanish branch, to the Spanish Issuer through the issue of a Spanish Mortgage Certificate (or CTH). The Spanish Mortgage Certificate will be subscribed by the FTA Manager on behalf of the Spanish Issuer.

Fifth Additional Disposition of Law 3/1994, of 14 April (as amended by law 44/2002 of 22 November) defines CTHs as mortgage participations (*participaciones hipotecarias*, "**PHs**") that are grouped in asset securitisation funds (*fondos de titulización de activos*) and correspond to loans or credits not conforming with the requirements to qualify as PHs contained in Section II of Law 2/1981, of 25 March, on regulation of the mortgage market.

CTHs are regarded as tradeable securities (*valores negociables*) in accordance with article 3.2(d) of Royal Decree 1310/2005, of 4 November, on listing securities in secondary markets and initial public offerings.

To the extent that the Spanish Issuer qualifies as an institutional investor for the purposes of article 64.1 of Royal Decree 685/1982, the CTH is issued with no specific formalities except that it is represented by means of a physical title stating, *inter alia*, the law governing the CTH and the percentage of participation in the principal amount of the Spanish Loan.

Capitalisation, Assets and Liabilities of the Spanish Issuer

Capitalisation and Indebtedness

The Spanish Issuer has no share capital. The following FTA Note will be issued by the Spanish Issuer pursuant to the Spanish Deed of Incorporation on the Spanish Closing Date:

Designation	Initial Principal Amount in Euro
FTA Note	Euro 107,835,000

The main liability of the Spanish Issuer is the FTA Note issued by the Spanish Issuer. The Spanish Issuer has no further capitalisation.

The Assets of the Spanish Issuer

Pursuant to the Spanish Deed of Incorporation and to Section 2 of the RD 926/1998, the Spanish Issuer's assets comprise:

(a) the Spanish Mortgage Certificate subscribed from the Originator on the Spanish Closing Date for an aggregate total amount equal to the nominal value of the FTA Note; and

(b) the credit balance of the FTA Transaction Account opened on behalf of the Spanish Issuer with the FTA Account Bank.

The FTA Manager shall not pledge, sell, delegate or more generally, give any right whatsoever to third parties over the FTA Transaction Account.

Financial Information

The Spanish Issuer shall publish annual reports and accounts. The Spanish Issuer has not prepared audited financial statements as at the date of this Prospectus. Reports and accounts published by the Spanish Issuer will, when published, be available for inspection during normal office hours at the specified office of the FTA Manager.

Expenses

The Issuer, as holder of the FTA Note, will undertake pursuant to the Spanish Deed of Incorporation to indemnify the Spanish Issuer in an amount (the "**Issuer Fee Indemnity**") equal to all costs and expenses (other than interest expenses under the FTA Note) due and payable by the Spanish Issuer to the extent that the Spanish Issuer does not have sufficient funds to meet such payments when they become due and payable. The Issuer will pay such amounts to the Spanish Issuer by drawing on its Available Interest Receipts (in accordance with the priority of payments set out in "*Cash Flows – Cash Flows at the Issuer Level– Payments out of the Issuer Transaction Account -Pre–Enforcement of the Notes – Application of Available Interest Receipts*" on page 55). Such amounts to be paid by the Issuer shall constitute Senior Expenses.

It is specified that, in accordance with the Spanish Deed of Incorporation, when calculating the repurchase price or rescission indemnity to be paid by the Originator (or third party purchaser) in relation to the Spanish Loan, the FTA Manager shall take into account any Issuer Fee Indemnity together with the interests, costs, and expenses incurred by or on behalf of the Issuer in connection with such repurchase or indemnity (which include, in particular but not limited to, interest accrued on any Senior Expenses Drawings made by the Issuer to meet its aforementioned obligations).

SPANISH ISSUER RELATED PARTIES

The FTA Manager

Designation

InterMoney Titulización S.G.F.T. S.A., a *Sociedad Gestora de Fondos de Titulización* incorporated under and governed by the laws of Spain, with its registered office at 1 Plaza Pablo Ruiz Picasso, Torre Picasso, Plta 23, 28020 Madrid, Spain, registered with the Registry of Management Companies of Securitisation Funds (*Registro de Sociedades Gestoras de Fondos de Titulización*) held by the CNMV will act as the management company of the Spanish Issuer (the "**FTA Manager**").

Duties of the FTA Manager

The FTA Manager shall carry out those functions for the Spanish Issuer which are attributed to it by Royal Decree 926/1998.

The obligations and actions which the FTA Manager shall perform and carry out in order to comply with its functions of legal representation and administration of the Spanish Issuer shall include the following:

(a) to exercise all the rights inherent in holding title to the Spanish Mortgage Certificate, and to carry out all acts in general of administration and disposal which may be necessary in order to correctly carry out legal representation and administration of the Spanish Issuer;

(b) to verify, in accordance with available information received from the Originator, that amounts effectively received by the Spanish Issuer correspond to the amounts which it should have received in accordance with the provisions of the different contracts giving rise to the said receipts. In the event that the same is necessary, it shall bring such judicial and extra-judicial actions as may be necessary or desirable in order to protect the rights of the Spanish Issuer and the Issuer as FTA Noteholder;

(c) to record and monitor the information which it receives regarding evolution of the Spanish Loan:

(d) to supervise the activities of the Spanish Servicer for the recovery of amounts owing in relation to the Spanish Loan;

(e) to extend or modify the contracts which it has entered into on behalf of the Spanish Issuer to facilitate the operation thereof;

(f) to maintain the accounting of the Spanish Issuer with due separation from that of the FTA Manager; to render accounts and comply with tax obligations or those of any other nature for which the Spanish Issuer is legally responsible;

(g) to appoint and replace, as the case may be, an auditor to audit the annual financial statements of the Spanish Issuer with prior approval if necessary of the CNMV;

(h) to prepare and submit to competent bodies all documents and information which must be submitted thereto, and to prepare and send the information required by law to the Issuer as FTA Noteholder;

(i) to take the appropriate decisions in relation to liquidation of the Spanish Issuer including a decision on early liquidation;

(j) to open the FTA Transaction Account on behalf of the Spanish Issuer; and

(k) to send relevant information regarding the Spanish Loan and the Spanish Issuer to the CNMV.

The FTA Manager shall take all actions which it deems necessary or desirable to protect the rights arising under the Spanish Mortgage Certificate. It shall always act in the best interests of the holder of the FTA Note. As of the date of this Prospectus, the principal shareholders of the FTA Manager are *Corretaje e Información Monetaria y de Divisas*, S.A. (70%) and managers and employees (30%). As at Closing Date, the FTA Manager will have a share capital of Euro 1,000,000.

Delegation of duties and substitution
The FTA Manager shall be authorised to subcontract or delegate the provision of any of the services it is to carry out in its function of legal representation and administration of the Spanish Issuer to third parties of acknowledged solvency and capacity, provided that the subcontractor or person to whom the same are delegated has waived any liability action against the Spanish Issuer. The subcontracting or delegation of any service in any event (i) may not involve any additional cost or expense to the Spanish Issuer, (ii) must be legally possible, and (iii) must be notified to the CNMV and, if legally necessary, have the prior authorisation thereof. Notwithstanding any subcontracting or delegation the FTA Manager shall not be exonerated or released by the said subcontracting or delegation from any liabilities which are legally attributable or enforceable against it.

The Spanish Servicer

Designation
Société Générale, acting through its Madrid Branch, in its capacity as Originator of the Spanish Loan and agent under the Spanish Credit Agreement and the related Subordination Agreement will act as servicer of the Spanish Loan and Spanish Loan Security (in such capacity, the "**Spanish Servicer**") and special servicer of the Spanish Loan upon the Spanish Loan becoming a Specially Serviced Loan (in such capacity, the "**Special Servicer**").

In addition, the VAT lender under the Spanish Loan Documentation, in its capacity as Serviced Financings Creditor, will also, separately, appoint the Servicer and Special Servicer as its agent with respect to the Serviced Financing related to the Spanish Loan.

Duties of the Spanish Servicer
Under the Spanish Loan Servicing Agreement to be entered into on the Spanish Closing Date between the FTA Manager (acting on behalf of the Spanish Issuer) and the Spanish Servicer, the Spanish Servicer (as such and as Special Servicer) will agree to undertake the management, collection and servicing of the Spanish Loan and the related Serviced Financings.

Delegation of Duties and Substitution
Pursuant to the Spanish Loan Servicing Agreement, the Spanish Servicer is entitled to sub–contract or delegate any part of the services to be provided by it under the Spanish Loan Servicing Agreement to any third party provided that certain conditions are met, including, without limitation, that the Spanish Servicer shall remain liable towards the Spanish Issuer as if no such subcontract or delegation had been made. On the Spanish Closing Date, the Spanish Servicer has appointed and delegated to the Loan Administrator, certain of its management and administrative duties under the Spanish

Loan Servicing Agreement, and the Spanish Special Servicer has appointed and delegated to the Loan Special Administrator, certain of its management and administrative duties under the Spanish Loan Servicing Agreement.

FTA Account Bank
Société Générale, Madrid Branch (in this capacity, the "**FTA Account Bank**"), acting from its office at Plaza Pablo Ruiz Picasso, Torre Picasso, Madrid, Spain, will act as account bank for the Spanish Issuer under the FTA Bank Account Agreement.

FTA Statutory Auditor
Ernst & Young, with registered office at Plaza Pablo Ruiz Picasso 2, 28020 Madrid, Spain, will be appointed as statutory auditor to the Spanish Issuer. Ernst & Young is qualified to practice in Spain and is a member of the Spanish Institute of Chartered Accountants (*Instituto de Censores Jurados de Cuentas de España*) (the "**FTA Statutory Auditor**").

THE FTA NOTE ISSUED BY THE SPANISH ISSUER

General Description

Pass–through Instrument
The FTA Note is structured in order to be a pass-through instrument. The amount of interest paid and principal repaid in respect of the FTA Note on any FTA Interest Payment Date will depend upon the amount of interest paid, principal repaid and other sums received in respect of the Spanish Loan during the relevant FTA Interest Period immediately preceding such FTA Interest Payment Date. It will also depend upon the expenses of the Spanish Issuer which are paid out of cash–flow received in respect of the Spanish Loan, or, as the case may be, from the Issuer, in accordance with the relevant FTA Priority of Payments.

The FTA Note will not be the obligation or responsibility of any person other than the Spanish Issuer. In particular, but without limitation, the FTA Note will not be the obligation or responsibility of, or be guaranteed by, any Joint Lead Manager, any of the Spanish Issuer Related Parties or any of their respective affiliates and none of such persons accepts any liability whatsoever in respect of any failure by the Spanish Issuer to make payments of any amounts due in respect of the FTA Note.

Summary of Terms and Conditions of the FTA Note

Issue of one FTA Note
On the Spanish Closing Date, the Spanish Issuer issued one Euro 107,835,000 securitisation bond (*bono de titulización*) (the "**FTA Note**") due on 4 October 2015, pursuant to the Spanish Deed of Incorporation. The FTA Note has been subscribed for by the FTA Note Subscriber pursuant to the terms of the Spanish Deed of Incorporation and will then be transferred to the Issuer (by means of the FTA Note Transfer Agreement) on the Closing Date at par.

Form, Status and Denomination
The FTA Note will be held in registered form (*titulo nominativo*).

Limited resources of the Spanish Issuer
The ability of the Spanish Issuer to meet its obligations under the FTA Note will depend on the receipt by it of principal and interest from the Spanish Loan Borrower under the Spanish Mortgage Certificate. Other than the foregoing, the Spanish Issuer is not expected to have any other funds available to it to meet its obligations under the FTA Note or its obligations in respect of any payments ranking in priority to the FTA Note. On each FTA Interest Payment Date, the Spanish Servicer will transfer to the FTA Transaction Account an amount in respect of interest, principal, fees and other amounts, if any, then payable under the Spanish Credit Agreement.

Priority
The Spanish Issuer will, on each FTA Interest Payment Date, apply to the FTA Note the amounts available for such purpose in accordance with the relevant priority of payments set out in "Cash Flows – Cash Flows at the Spanish Issuer Level– Payments out of the FTA Transaction Account" on page 50.

Interest
Interest will be payable on the Principal Amount Outstanding of the FTA Note quarterly in arrear on each of 4 January, 4 April, 4 July and 4 October or, if such day is not a Business Day, the next following Business Day (each such date, an "**FTA Interest Payment Date**"). It is specified that if an FTA Interest Payment Date is, following application of the above business day convention, subject to adjustment in the form of a postponement by a certain number of days, then the Interest Payment Date under the Notes that, as initially determined, should have fallen immediately after such FTA Interest Payment Date, will fall two Business Days after such adjusted FTA Interest Payment Date.

The amount of interest in respect of the FTA Note will be calculated on the basis of the amount of interest received by the Spanish Issuer in respect of the Spanish Mortgage Certificate (as well as the amount of indemnity payments and certain exceptional payments received by the Spanish Issuer in respect of the Spanish Mortgage Certificate which are of revenue nature). Such interest will be payable if and to the extent that funds are available to the Spanish Issuer for these purposes in accordance with the FTA Priority of Payments. See paragraph (c) (*Application of FCC Available Interest Receipts)* under the section of this Prospectus *entitled "*Cash Flows – Cash Flows at the Spanish Issuer Level– Payments out of the FTA Transaction Account" on page 50.

Principal Amount Outstanding
"**Principal Amount Outstanding**" means, with respect to the FTA Note, on any day, the original principal amount of the FTA Note upon issue less the aggregate amount of any principal payments in respect thereof which have become due and payable (and been paid) on or prior to that day.

FTA Legal Final Maturity Date
Unless previously redeemed, the FTA Note will be redeemed at its Principal Amount Outstanding together with accrued interest on the FTA Interest Payment Date falling in October 2015.

Mandatory Partial Redemption
The FTA Note will be subject to redemption in part on each applicable FTA Interest Payment Date in accordance with the FTA Priority of Payments (see "Cash Flows – Cash Flows at the Spanish Issuer Level– Payments out of the FTA Transaction Account" on page 50).

Optional Redemption of the FTA Note
The Spanish Issuer may at its option, on any FTA Interest Payment Date, redeem the FTA Note at its aggregate Principal Amount Outstanding, together with accrued interest, in the event that:

(i) the FTA Manager has, pursuant to clause 4.1(c) of the Spanish Deed of Issue, determined that, in accordance with the provisions of Section 11(b) of the Royal Decree 926/1998, exceptional circumstances have arisen which make it impossible or extremely difficult to maintain the financial balance of the Spanish Issuer (and this ground for extinction and liquidation of the Spanish Issuer shall be deemed to include the introduction of legislative changes such as the establishment of new withholding obligations which may affect the financial balance of the Spanish Issuer); and

(ii) on the basis of such determination, the FTA Manager has decided the liquidation of the Spanish Issuer and has notified the CNMV and the Issuer of the occurrence of such ground for liquidation of the Spanish Issuer.

The FTA Manager will be required to sell its assets (including the Spanish Mortgage Certificate) by invitation to tender given to at least three (3) entities. The initial sale price of the Spanish Mortgage Certificate shall not be less than the sum of its then principal balance, together with any interest accrued thereon but unpaid up to the date of completion of such redemption, any costs or expenses associated with the securitisation of the Spanish Mortgage Certificate (including any Issuer Fee Indemnity and related costs), and any costs and expenses relating to such redemption, such that the Spanish Issuer will have enough funds to discharge, on that FTA Interest Payment Date on which the redemption will take place, all of its liabilities in respect of the FTA Note to be redeemed and any amounts required under the Spanish Deed of Incorporation to be paid on such FTA Interest Payment Date which rank higher in priority to, or *pari passu* with, the FTA Note. Notwithstanding the foregoing, in the event that none of the offers received reaches the said amount, the FTA Manager shall be under an obligation to accept the best offer received which covers the market value of the asset in question.

Upon an Optional Redemption of the FTA Note hereunder, the Issuer may redeem in part all the Listed Notes in accordance with Condition 5(C) (*Optional Redemption for Tax or Other Reasons*) of the Notes, subject to fulfilment of the conditions set out therein.

Clean–up Call

If, on or prior to any Interest Payment Date falling under the Notes, the conditions set out in paragraphs (a) to (c) below are satisfied, then the Issuer (acting as holder of the FTA Note) may seek the agreement, subject to the CNMV's consent, with the FTA Manager and the Originator (both acting at their complete discretion) (i) to liquidate the Spanish Issuer; (ii) for the Originator (or such other person as the Originator may designate to the FTA Manager and the Issuer) to repurchase the Spanish Mortgage Certificate relating to the Spanish Loan then outstanding; and (iii) for the FTA Manager to redeem in full the outstanding FTA Note.

The Issuer may only seek and give its consent to such a repurchase of the outstanding Spanish Mortgage Certificate if:

(a) it has notified the Trustee, the Paying Agents and the Noteholders of the exercise of its redemption option with effect on that Interest Payment Date, under Condition 5(D) (*Optional Redemption in Full*) of the Notes and pursuant thereto;

(b) the Originator (or such person as it may have designated) has agreed in writing to repurchase (or purchase): (i) the outstanding German Loans from the Issuer no later than on such Interest Payment Date, (ii) on the FTA Interest Payment Date falling on or immediately prior to such Interest Payment Date, and following agreement between the Issuer and the FTA Manager to liquidate the Spanish Issuer with the CNMV's consent, the outstanding Spanish Mortgage Certificate from the Spanish Issuer, and (iii) the outstanding French Loans from the French Issuer on the FCC Interest Payment Date falling on or immediately prior to such Interest Payment Date; and

(c) the repurchase price of the Spanish Mortgage Certificate will be at least equal to the aggregate principal balance of the Spanish Loan, together with interest accrued thereon and any costs or expenses associated with the securitisation of the Spanish Mortgage Certificate (including any Issuer Fee Indemnity and related costs), and shall provide the Spanish Issuer with enough funds to discharge, on the FTA Interest Payment Date referred to in paragraph (b) above, all of its liabilities in respect of the FTA Note to be redeemed and any amounts required under the Spanish Deed of Incorporation to be paid on such FTA Interest Payment Date which rank higher in priority to, or *pari passu* with, the FTA Note.

On receipt of the funds relating to the repurchase of the Spanish Mortgage Certificate from the Originator (or such person as it may have designated), the Spanish Issuer will redeem in full, on the FTA Interest Payment Date referred to in paragraph (b) above, the FTA Note and the Issuer will subsequently redeem all of the Notes in an amount equal to the then aggregate Principal Amount Outstanding of each Class of Notes *plus* interest accrued and unpaid on each such class pursuant to Condition 5(D) (*Optional Redemption in Full*) of the Notes.

It is specified that the Clean-up Calls in respect of the Class A FCC Units and the Notes may only be activated, and the liquidation of the Spanish Issuer upon mutual agreement between the Issuer and the FTA Manager may only be initiated, within one single transaction.

Ratings
The FTA Note is not and will not be rated.

Listing
The FTA Note is not and will not be listed to any regulated market.

Governing Law
The FTA Note will be governed by Spanish law.

THE BORROWERS

THE FRENCH LOAN BORROWERS

General Description of the French Loan Borrowers

The French Loans were granted to the French Loan Borrowers pursuant to (i) the Crown Credit Agreement in an aggregate principal amount of Euro 102,000,000, (ii) the Castor & Pollux Credit Agreement in an aggregate principal amount of Euro 61,136,000 and (iii) the Sebastopol Credit Agreement Loan in an aggregate principal amount of Euro 37,860,000.

Each of the French Loan Borrowers is a special purpose entity whose activities are limited to acquiring, managing, letting and owning the French Loan Properties and related activities. The French Loan Borrowers are not allowed to hire employees. Each French Loan Borrower, save for the Crown Borrower, was newly incorporated prior to the signing date of each related Loan.

The French Loan Borrowers are prohibited under the related French Credit Agreements from incurring any material liabilities other than the related French Loans, liabilities arising from the ownership and operation of the related French Loan Properties, and permitted indebtedness, as restrictively listed and defined in each relevant French Credit Agreement.

Bader Amar S.A.S. (the "Crown Borrower")

Bader Amar S.A.S. is a *société par actions simplifiée* incorporated under the laws of France on 4 November 2003, having its registered office at 9, avenue Hoche, 75008 Paris, France, and registered with the commercial and companies registry (*Registre du Commerce et des Sociétés*) of Paris under number 450 676 739.

The sole shareholder of the Crown Borrower is Grizzly S.A.S., a *société par actions simplifiée* incorporated under the laws of France, having its registered office at 9, avenue Hoche, 75008 Paris, France, and registered with the commercial and companies registry (*Registre du Commerce et des Sociétés*) of Paris under number 489 699 082.

Boulevard de Sebastopol 31/39 S.à.r.l (the "Sebastopol Borrower")

Boulevard de Sebastopol 31/39 S.à.r.l is a *société à responsabilité limitée unipersonnelle* incorporated under the laws of Luxembourg on 26 July 2004, having its registered office at 2, rue Joseph Hackin, L-1746 Luxembourg, and registered with the commercial and companies registry (*Registre du Commerce et des Sociétés*) of Luxembourg under number 101 941.

The sole shareholder of the Sebastopol Borrrower is Boulevard de Sebastopol 31/39 Holdings S.à.r.l, a *société à responsabilité limitée unipersonnelle* incorporated under the laws of Luxembourg, having its registered office at 2, rue Joseph Hackin, L-1746 Luxembourg, and registered with the commercial and companies registry (*Registre du Commerce et des Sociétés*) of Luxembourg under number 101 887.

White Electre Real Estate S.A.R.L. (the "Castor & Pollux Borrower")

The Castor & Pollux Borrower is White Electre Real Estate S.A.R.L., a *société à responsabilité limitée* incorporated under the laws of France on 26 June 2006, having its registered office at 9 avenue Hoche, 75008 Paris, France, and registered with the commercial and companies registry (*Registre du Commerce et des Sociétés*) of Paris under number 490 683 919.

The Castor & Pollux Shareholders are (i) as controlling shareholder, White Palace Real Estate France S.A.S., a *société par actions simplifiée* registered with the commercial and companies registry (*Registre du Commerce et des Sociétés*) of Paris under number 478 893 423, having its registered office at 9, avenue Hoche, 75008 Paris, France; and (ii) as minority shareholder, White Palace Europe, a *société par actions simplifiée* registered with the commercial and companies registry (*Registre du Commerce et des Sociétés*) of Paris under number 490 600 061, having its registered office at 9, avenue Hoche, 75008 Paris, France.

THE GERMAN LOAN BORROWERS

General Description of the German Loan Borrowers

The German Loans were granted to the German Loan Borrowers, in relation to the Deutsche Bahn Hannover Loan in an aggregate principal amount of Euro 18,925,711 and in relation to the Deutsche Bahn Nürnberg Loan in an aggregate principal amount of Euro 22,024,289.

Each of the German Loan Borrowers is a newly formed special purpose entity incorporated on 18 May 2006 whose activities are limited to acquiring, managing, letting and owning the relevant German Properties and related activities. The German Loan Borrowers are not allowed to hire employees.

The German Loan Borrowers are prohibited under the related German Credit Agreement from incurring any material liabilities other than the related German Loan, liabilities arising from the ownership and operation of the related German Properties without the prior written consent of the Originator. The prior written consent of the Originator is not required for any financial indebtedness of the German Loan Borrowers incurred or outstanding to any of its affiliates not exceeding the aggregate amount of EUR 50,000.

DIC Objekt Hannover GmbH

DIC Objekt Hannover GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of the Federal Republic of Germany, having its registered business address at Eschersheimer Landstraße 223, 60320 Frankfurt am Main and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under registration number HRB 77197.

5.2% of the shares of DIC Objekt Hannover GmbH are held by DIC Asset AG and 94.8 % by DIC Asset Portfolio GmbH (which is a wholly-owned and controlled affiliate of DIC Asset AG).

DIC Objekt Nürnberg GmbH

DIC Objekt Nürnberg GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of the Federal Republic of Germany, having its registered business address at Eschersheimer Landstraße 223, 60320 Frankfurt am Main and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under registration number HRB 77196.

5.2% of the shares of DIC Objekt Nürnberg GmbH are held by DIC Asset AG and 94.8 % by DIC Asset Portfolio GmbH (which is a wholly-owned and controlled affiliate of DIC Asset AG).

THE SPANISH LOAN BORROWER

The Spanish Loan was granted to the Spanish Loan Borrower, in an aggregate principal amount of Euro 107,835,000.

The Spanish Loan Borrower is a special purpose entity incorporated on 28 September 2006 whose corporate activities are limited to (i) acquiring, managing, letting and owning properties in Spain and related activities and (ii) acquiring, holding and selling stocks and shares with certain exceptions.

The Spanish Loan Borrower is prohibited under the Spanish Loan from incurring any material liabilities other than the Spanish Loan and any permitted indebtedness provided for therein.

Azorallom, S.L.

Azorallom, S.L. is a limited liability company (*Sociedad Limitada*) incorporated under the laws of Spain, having its registered business address at Plaza Pablo Ruiz Picasso 1 (Madrid), floor 17, Madrid and registered with the mercantile registry of Madrid (*Registro Mercantil de Madrid*) under Section 8, Page 417,870. The tax identification number (*Número de Identificación Fiscal*) of Azorallom, S.L. is B-84840933.

50% of the quotas (*participaciones*) of Azorallom, S.L. are held by Tremplin Investment, B.V. and 50% by Frejus Capital Investments, B.V. The Spanish Loan Borrower has represented under the Spanish Loan that its is ultimately controlled by Babcock & Brown International Pty. Ltd.

THE LOANS AND THE LOAN SECURITY

ORIGINATION OF THE LOANS

The Loan Pool

Each Loan was originated by SG (the "**Originator**"). The origination of the Loan was undertaken by the Originator in its capacity as sole lender.

The Loan pool consists of six Loans, all of which are secured over commercial properties, as described in "The Loan Summaries" on page 151 below. The decision to advance any Loan (subject to obtaining satisfactory legal due diligence) was based on compliance with the Originator's loan origination procedure, as described below. All of the Loans were originated between 2004 and 2006.

Loan Origination Procedure

The description that follows relates to the procedure followed by the Originator in originating each Loan.

In deciding whether to advance a loan, the Originator carried out an initial review which included:

(a) Analysis of the lease structure and tenancies;

(b) Past and current dynamics of the real estate market where the assets are located;

(c) Detailed review of the underlying assets including type, location and quality;

(d) Cash flow simulations; and

(e) Loan distribution strategy: syndication or securitisation.

Based upon this analysis, loan terms and conditions, amortisation profiles and thresholds for financial covenants were determined and proposed to the client in the form of an indicative term sheet, that was negotiated with the client. Once the indicative terms were agreed with the client, an arrangement and underwriting mandate was signed. The Originator then went through the credit application process described below.

For each Loan, a designated deal leader wrote a Credit Application in respect of the Loan and was responsible for every aspect of the risk analysis (borrower, tenant, income stream analysis, loan structure and covenants). The Credit Application followed a standard format comprising:

(i) Executive Summary;

(ii) Overview of the sponsor;

(iii) Overview of the property;

(iv) Market analysis;

(v) Tenant analysis;

(vi) Cash flows and risk analysis; and

(vii) Funding structure and terms.

The Credit Application was reviewed and approved by the Head of Real Estate Finance for Continental Europe and the Global Head of Real Estate Finance who assessed the transaction. A further review and subsequent approval was undertaken by one or two separate SG risk departments, depending on the leverage required on the size of the financing.

Once credit approval was granted the full due diligence process commenced. The Originator instructed the valuers to provide valuations of the Properties.

In relation to each Loan, the deal leader reviewed all the due diligence reports and was responsible for the review of the information provided in these reports. The deal leader also ensured, for such Loan, that satisfactory insurance and hedging arrangements were put in place on or prior to the drawdown of that Loan.

Each facility is monitored by the Originator's Agency and Transaction Monitoring department which is independent from the real estate department. Any request for changes to tenancies, sales, changes in ownership etc. is dealt with by this department supported by other relevant areas. Compliance with loan covenants is checked on a minimum quarterly basis when updated property information is received from the borrower.

Legal Due Diligence

Following the approval in principle by the Originator of the relevant loan facility, certain legal due diligence procedures (as detailed below) were followed before the relevant Loan was advanced. The legal due diligence was in each case made available to and reviewed by the Originator. All due diligence was dated as of or shortly before the date the relevant Loan was drawn down. It is not updated prior to any securitisation. It is not re–addressed either to the relevant Purchaser (or in the case of the German Loan, to the Issuer or the Trustee) or other party who must instead each rely solely on the representations and warranties given by the Originator contained in the relevant Loan Sale Agreement.

(A) *General Information*

For each Loan, the relevant legal advisers (the "**Loan Legal Advisers**") of the Originator initially obtained (and, where reasonably practicable, checked) general information relating to a proposed facility including details of a borrower's shareholders; any borrowings that it has entered into; the accounts to be operated in connection with the proposed facility; any property managers appointed (or to be appointed) in connection with the collection of rents and/or management of the property; and insurance of the property.

(B) *Property Title Investigation*

An important part of the legal due diligence process was to verify, with respect to each Loan, that the prospective borrower has or, if the property is being purchased, will have, good title to the property to be charged, free from any encumbrances or other matters which would be considered to be of a material adverse nature.

(C) *Capacity of Borrowers*

In relation to any Borrower incorporated or constituted in France, Germany, Luxembourg and Spain (the "**Loan Jurisdictions**"), the relevant Originator's Legal Advisers satisfied themselves that the relevant company was validly incorporated or constituted, 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 any formalities required to enter into the proposed transaction with the Originator have been (or would by drawdown be) completed.

The legal due diligence undertaken in each case was made available to and reviewed by the Originator. It will not be updated prior to the sale of the Loans and Loan Security nor will it be readdressed either to the relevant Purchaser (or, in the case of the German Loans, the Issuer or the Trustee) who will each rely solely on the representations and warranties to be given to them by the Originator in the Loan Sale Agreements (see "*Acquisition of the Loans*" on page 177 below).

(D) *Structural/Environmental/Mechanical and Environmental Reports*

In most cases, the Originator obtained and reviewed environmental "risk servicing" reports which, based upon published information relating to the property and past uses, attempted to identify the risk of any adverse environmental matters affecting the property and/or works being required to comply with any environmental legislation.

(E) *Valuations*

Each of the Properties was the subject of a valuation in connection with the Loans. The valuations contained a detailed description of the Properties (including location areas and type of construction) and rental values. Each such valuation was undertaken on or about the origination date of the relevant Loan by an independent qualified surveyor (being a member of the Royal Institute of Chartered Surveyors) on the instructions of the Originator. No further valuation will be undertaken in connection with the sale of the Loans to the relevant Purchaser.

Drawdown and Post-Completion Formalities

The Originator's Legal Advisers ensured that all necessary registration formalities and the service of notices were dealt with at drawdown or, as appropriate, within any applicable priority or other time periods following drawdown.

In relation to registrations at any relevant land registry, the relevant Legal Advisers either undertook these or obtained an unconditional undertaking from the Borrower's Legal Advisers to effect the registrations.

The Credit Agreements

A description of the key features of the Credit Agreement relating to each Loan is set out in the relevant loan summary (the "**Loan Summary**") below.

The Loan Security

A description of the key features of the Loan Security relating to each Loan is set out in the relevant Loan Summary below.

THE LOAN SUMMARIES

All the quantitative information contained in these summaries and relating to the Properties and the Loans is based on assumptions made by the Originator in the underwriting models of the relevant Loans and may not reflect the information that has been received after the Cut-Off Date

Crown Loan

Loan Information		Property Information	
Loan signing date	Loan signing date: 21 December 2006 Loan drawdown date: 27 December 2006	**Single asset / portfolio**	Portfolio
Original lender	Société Générale S.A.	**Predominant property type**	Retail/Office
		Number of properties	4
		Location	(i) Munich (ii) Dresden (iii) Radebeul (iv) Poing
Agent	Société Générale S.A	**Net lettable area**	86,261 sqm
		Construction date	(i) 1966, 2003 (ii) 2000 (iii) 1993, 1995 (iv) 1987
Borrower	Bader Amar S.A.S.	**Refurbishment date**	(i) 2000 (ii) n/a (iii) 2003 (iv) n/a
		Owner (*Eigentümer*) or leaseholder	Owner (*Eigentümer*)
		Property management	Hammer A.G.
Originated Loan principal balance (1)	€ 102,000,000 (2)	**Gross cash flow (1)**	€8,717,364
Syndicated	No	**Market value**	€130,000,000
Senior/Junior tranching	No	**Valuation date**	December 2006
Other loans (1)	(i) Mezzanine loan, (ii) capex loan and (iii) convertible bond refinancing a third party fully subordinated loan	**Valuer**	Colliers CRE
Loan purpose	Real estate acquisitions		
Loan Payment Dates	2 January, 2 April, 2 July and 2 October subject to Business Day convention		
Security package	Standard – see section "Related security" below		
Cash trap subject to trigger (3)	Yes		
Cash sweep subject to trigger	Yes		
First Loan Payment Date after Loan drawdown date	2 February 2007		
Interest rate type	Floating		
Interest rate on securitised Loan	Euribor 3 Month + Margin		
Interest rate hedging type	Borrower level swap		
Interest calculation	Actual/360		

Loan Information		Property Information	
Maturity date	2 January 2012		
Extension option(s)	No		
Extension fee	No		
Optional prepayment	Yes		
Prepayment fee	No		
Amortisation	Yes		
LTV (1)	78,46%		
Initial ICR (1)	142 %		
DSCR (1)	119 %		

(1): As at the Cut-off Date being 1 March 2007.
(2): Such amount being reduced, due to scheduled amortisation, to Euro 101,745,000 as at the Closing Date.
(3): Cash-trap may become cash-sweep at the discretion of the Crown Agent, as detailed in paragraph (i) of the section "Financial Covenants" below.

General

Pursuant to a French law governed credit agreement (the "**Crown Credit Agreement**") dated 21 December 2006 as amended and restated pursuant to an amendment and restatement agreement made on 13 April 2007 and entered into between Bader Amar S.A.S. as borrower (the "**Crown Borrower**"), Société Générale as arranger, agent, hedge provider and security agent (as the case may be the "**Crown Loan Security Agent**" or the "**Crown Agent**") and Société Générale, London branch, as original lender (the "**Crown Lender**"), the Crown Lender has agreed to provide a facility to the Crown Borrower in an amount not exceeding EUR 102,000,000 (the "**Crown Loan**") which is subject to the securitisation.

The exclusive purpose of the Crown Loan is to finance partially the acquisition of the Crown Property.

The Crown Borrower is Bader Amar, a *société par actions simplifiée* incorporated under the laws of France, having its registered office at 9, avenue Hoche, 75008 Paris, France, and registered with the commercial and companies registry (*Registre du Commerce et des Sociétés*) of Paris under number 450 676 739.

The sole shareholder of the Crown Borrower is Grizzly S.A.S., a *société par actions simplifiée* incorporated under the laws of France, having its registered office at 9, avenue Hoche, 75008 Paris, France, and registered with the commercial and companies registry (*Registre du Commerce et des Sociétés*) of Paris under number 489 699 082 (the "**Crown Shareholder**").

The Crown Property

"**Crown Property**" means four commercial properties (three office properties located in Munich, Poing and Radebeul in Germany, and one mixed use, retail and residential property in Dresden) in Germany, details of which are set out under the heading "Property Information" in the table above, which secure the Crown Loan.

Related Security

As security for the payment of any sums due to the Crown Lender with respect to any Finance Documents, as defined in the Crown Credit Agreement, the Lender benefits from:

(i) a German law certificated aggregate land charge (*Gesamtbriefgrundschuld*) over the Crown Property for the full amount of the Crown Loan including the submission to immediate execution (*Unterwerfung unter die sofortige Zwangsvollstreckung*) (plus an ancillary charge of 10 per cent. and interest of 18 per cent. p.a.) and the corresponding security purpose agreement (*Sicherungszweckvereinbarung*);

(ii) a German law security assignment agreement relating to the Crown Property sale and purchase agreement, pursuant to which each Crown Borrower has assigned by way of security to the Crown Loan Security Agent (acting for and on behalf of the Crown Loan Finance Parties, as defined in the Crown Credit Agreement) its contractual rights arising out of the Crown Property sale and purchase agreement;

(iii) a German law account pledge agreement, pursuant to which each Crown Borrower has pledged to the Crown Loan Finance Parties, the credit balance of its Crown Operating Account, Crown Proceeds Account, Crown Debt Service Account and Crown Distribution Account;

(iv) a German law security assignment (*Sicherungsabtretung*) of the benefits arising from the lease agreements entered into in relation to the Crown Property;

(v) a German law security assignment agreement relating to the claims of the Crown Borrower under and in connection with the property management agreement;

(vi) a German law security assignment agreement relating to the claims of the Crown Borrower under and in connection with the insurance policies, pursuant to which the Crown Borrower has assigned by way of security to the Crown Loan Security Agent (acting for and on behalf of the Crown Loan Finance Parties), all insurance claims of the Crown Borrower relating to the Crown Property;

(vii) a French law share pledge (*nantissement de compte d'instruments financiers*) granted by the Crown Shareholder in accordance with articles L. 431-4 of the French Financial Code over all the shares representing the entire share capital of the Crown Borrower;

(viii) one French law delegation (*délégation*) granted by the Crown Borrower in accordance with articles 1275 *et seq*. of the French Civil Code (as previously drafted), pursuant to which the Crown Borrower has transferred its related claims arising under the Crown Loan Hedge Agreements; and

(ix) an agreement entitled "*Security Purpose Agreement (Sicherungszweckvereinbarung*)" entered into between the Crown Borrower and the Crown Loan Security Agent (acting for and on behalf of the Crown Loan Finance Parties) which provides for, among other things, the security purpose and the enforcement of the land charge.

Insurance
The Crown Borrower has insured the Crown Property (i) against those risks usually covered by a reasonably prudent mortgagee of a property of the same nature and in a comparable location; and (ii) against losses related to the non-recovery of up to three years' loss of revenue.

Interest
Interest under the Crown Loan is on a floating rate basis.

In order to hedge against interest rate risks, the Crown Borrower entered into an interest rate Loan Hedge Agreement for the Term Loan Facilities, as defined in the Crown Credit Agreement, with effect from 27 December 2006 and with a scheduled maturity date of 2 January 2012.

Maturity
The maturity date of the Crown Loan is 2 January 2012.

Main mandatory prepayments
The Crown Borrower shall make the following prepayments upon the occurrence of the following events:

(i) upon disposal by the Crown Borrower of a Crown Property, provided that (1) the gross sale proceeds exceed a certain defined amount, being amongst others the allocated loan amount and a release premium (being 115% or 110% of the allocated loan amount depending on the loan to value at such time), and (2) this does not trigger any breach of any financial covenant; or

(ii) upon the occurrence of major damage which may result in (i) any Crown Property being destroyed or damaged to a material extent, and (ii) a decrease by twenty per cent (20%) in the net rental income in respect of such Crown Property; or

(iii) upon the occurrence of illegality, where it becomes unlawful for the Crown Lender to perform any of its obligations or to fund or maintain its participation in the Crown Loan.

Optional prepayments
The Crown Borrower may make optional prepayments of all or part of the Crown Loan without any prepayment fees or indemnities provided that: (i) a twenty (20) Loan Business Days' notice is given to the Agent, (ii) the minimum amount repaid is EUR 5,000,000, and (iii) any early voluntary prepayment is made on a Crown Loan Payment Date.

Financial covenants
The Crown Loan requires the Crown Borrower to maintain:

(i) a debt service cover ratio exceeding 110% on each reporting date. Any breach of covenant will trigger a full cash-trap that can be used to cover any shortfall for any sums due to the Crown Loan Finance Parties or, at the discretion of the Crown Agent, applied for repayment of the Crown Loan at that time;

(ii) a debt service cover ratio exceeding 105% on each Crown Reporting Date. Any breach of covenant will trigger a default;

(iii) a loan to value ratio equal or lower than (i) 78.5% from the date of the execution of the Crown Credit Agreement to 2 January 2010 (excluded), (ii) 77% from 2 January 2010 (included) to 2 January 2011 (excluded), (iii) 76% from 2 January 2011 (included) to 2 January 2012 which is the termination date. Until it is remedied, any breach of covenant will trigger a full cash-sweep; and

(iv) a loan to value ratio lower than or equal to 80% on or after 2 January 2008. Any breach of covenant will trigger a default.

The Crown Borrower Accounts
For the purpose of the Crown Loan, the Crown Borrower has opened in its name with the German offices of Société Générale:

(i) a proceeds account, the purpose of which is to receive amounts, which include among other things, all gross rental income and the net sale proceeds in respect of the relevant Crown Property, any insurance indemnities paid under any insurance policy and the proceeds of any loans or advances under any financial indebtedness which is expressly permitted (the "**Crown Proceeds Account**");

(ii) an operating account, the purpose of which is to provide for the payment of operating expenses and capital expenditures in respect of the relevant Crown Property (the "**Crown Operating Account**");

(iii) a debt service account (the "**Crown Debt Service Account**"); and

(iv) a distribution account, the purpose of which is to receive the excess cash flow in respect of the relevant Crown Property (the "**Crown Distribution Account**").

Castor & Pollux Loan

Loan Information		Property Information	
Loan signing date	Loan signing date: 28 September 2006 Loan drawdown date: 29 September 2006	**Single asset / portfolio**	Portfolio
Original lender	Société Générale S.A.	**Predominant property type**	Retail/Office/Residential
		Number of properties	7
		Location	(i) Paris, 1st district 7 place Valois (ii) Paris, 2nd district 36 rue des Jeûneurs (iii) Paris, 2nd district 38 rue des Jeûneurs (iv) Paris, 8th district 29 rue du Colisée (v) Paris, 8th district 43 bis-45 rue d'Hautpoul (vi) Boulogne-Billancourt 40 rue de l'Est (vii) Vanves 17/19 rue Ernest Laval
Agent	Société Générale S.A.	**Net lettable area**	14,982 sqm
		Construction date	(i) 1800 (ii) 1869 (iii) 1870 (iv) 1950 (v) 1977 (vi) 1989 (vii) 1976
Borrower	White Electre Real Estate S.A.R.L (the "Castor & Pollux Borrower")	**Refurbishment date**	(i) 2005 (ii) n/a (iii) 2005 (iv) 2007 (v) 2006 (vi) early 2006 (vii) n/a
		Owner	Yes
		Property management	Realista
Originated Loan principal balance (1)	€61,136,000	**Gross cash flow (1)**	€3,081,038
Syndicated	No	**Market value**	€71,932,254
Senior/Junior tranching	No	**Valuation date**	October 2006
Other loans (1)	(i) Mezzanine loan, (ii) capex loan and (iii) VAT loan	**Valuer**	Catella Valuation Advisors
Loan purpose	Real Estate Acquisitions		
Loan Payment Dates	Last Business Days of March, June, September, December of each year subject to Business Day convention		
Security package	Standard – see section "Related security" below		
Cash trap subject to trigger	Yes		
Cash sweep subject to trigger	No		

Loan Information		Property Information	
First Loan Payment Date after the loan drawdown date	29 November 2006		
Interest rate type	Floating		
Interest rate on securitised loan	Euribor 3 Month + Margin		
Interest rate hedging type	Borrower level swap		
Interest calculation	Actual/360		
Maturity date	29 September 2010		
Extension option(s)	Yes		
Extension fee	No		
Optional prepayment	Yes		
Prepayment fee	No		
Amortisation	Yes after the third year		
LTV (1)	85%		
Initial ICR (1)	144%		
DSCR (1)	144%		

(1): As at the Cut-off Date being 1 March 2007

General

Pursuant to a French law governed credit agreement (the "**Castor & Pollux Credit Agreement**") dated 28 September 2006 and entered into between White Electre Real Estate as borrower (the "**Castor & Pollux Borrower**") and Société Générale as arranger, agent, security agent and lender (as the case may be, the "**Castor & Pollux Loan Security Agent**", the "**Castor & Pollux Lender**" or the "**Castor & Pollux Agent**"), the Castor & Pollux Lender has agreed to provide a main facility to the Castor & Pollux Borrower in an amount not exceeding EUR 61,136,000 (the "**Castor & Pollux Loan**") which is subject of the securitisation.

For the purpose of interpreting this loan summary, the term "Castor & Pollux Loan Finance Parties" has the meaning ascribed to the term "Parties Financières" in the Castor & Pollux Credit Agreement.

The exclusive purpose of the Castor & Pollux Loan is to finance partially the acquisition of the Castor & Pollux Properties.

The Castor & Pollux Borrower is White Electre Real Estate, a *société à responsabilité limitée* incorporated under the laws of France, having its registered office at 9 avenue Hoche, 75008 Paris, France, and registered with the commercial and companies registry (*Registre du Commerce et des Sociétés*) of Paris under number 490 683 919.

The Castor & Pollux Shareholders are (i) as controlling shareholder, White Palace Real Estate France, a *société par actions simplifiée* registered with the commercial and companies registry (*Registre du Commerce et des Sociétés*) of Paris under number 478 893 423, having its registered office at 9, avenue Hoche, 75008 Paris, France; and (ii) as minority shareholder, White Palace Europe, a *société par actions simplifiée* registered with the commercial and companies registry (*Registre du Commerce et des Sociétés*) of Paris under number 490 600 061, having its registered office at 9, avenue Hoche, 75008 Paris, France (together the "**Castor & Pollux Shareholders**").

The Castor & Pollux Properties

"**Castor & Pollux Properties**" means seven mixed use, commercial and residential Properties located in Paris (five Properties) and the inner suburbs of Paris (one Property in Boulogne-Billancourt and one Property in Vanves) in France, details of which are set out under the heading "Property Information" in the table above, which secure the Castor & Pollux Loan.

Related Security
As security for the Castor & Pollux Loan, the Castor & Pollux Lender benefits from seven (7) lender's liens (*privilège de prêteurs de deniers*) granted in accordance with article 2374-2 of the Civil Code (as amended) over each Castor & Pollux Property.

As security for the Castor & Pollux Loan, the Castor & Pollux Lender benefits from:

(i) a share pledge (*nantissement de parts sociales*) granted by the Castor & Pollux Shareholders in accordance with articles 2333 *et seq.* of the French Civil Code (as amended) and article L. 521–1 of the French Commercial Code over all the shares representing the entire share capital of the Castor & Pollux Borrower;

(ii) a pledge over bank account (*nantissement de compte*) pursuant to which the Castor & Pollux Borrower has pledged, in favour of the Castor & Pollux Loan Finance Parties, the credit balance of its Castor & Pollux Operating Account;

(iii) a pledge over bank account (*nantissement de compte*) pursuant to which the Castor & Pollux Borrower has pledged, in favour of the Castor & Pollux Loan Finance Parties, the credit balance of its Castor & Pollux Proceeds Account;

(iv) a security assignment agreement (*cession de créances professionnelles*) relating to the commercial rental income of the Castor & Pollux Properties, pursuant to which the Castor & Pollux Borrower has assigned by way of security to the Castor & Pollux Loan Security Agent (acting for and on behalf of the Castor & Pollux Loan Finance Parties), existing commercial rental income relating to the Castor & Pollux Properties;

(v) a security assignment agreement (*cession de créances professionnelles*) relating to the claims of the Castor & Pollux Borrower under and in connection with the insurance policies, pursuant to which the Castor & Pollux Borrower has assigned by way of security to the Castor & Pollux Loan Security Agent (acting for and on behalf of the Castor & Pollux Loan Finance Parties), all insurance claims of the Castor & Pollux Borrower relating to the Castor & Pollux Properties, excluding insurance proceeds delegated under art L. 121-13 of the French *Code des assurances*;

(vi) a security assignment agreement (*cession de créances professionnelles*) relating to the sellers indemnifications, pursuant to which the Castor & Pollux Borrower has assigned by way of security to the Castor & Pollux Loan Security Agent (acting for and on behalf of the Castor & Pollux Loan Finance Parties), any sellers indemnification;

(vii) a security assignment agreement (*cession de créances professionnelles*) relating to VAT receivables against the tax authorities, pursuant to which the Castor & Pollux Borrower has assigned by way of security to the Castor & Pollux Loan Security Agent (acting for and on behalf of the Castor & Pollux Loan Finance Parties), all existing or future tax receivables including the VAT receivables;

(viii) a cash collateral credited to the Compte de Réserve du Service de la Dette (*Réserve du Service de la Dette*), pursuant to which the Castor & Pollux Borrower has pledged, in favour of the Castor & Pollux Loan Finance Parties, a nominal amount of EUR 450,000 (which amount may be increased to EUR 850,000);

(ix) a pledge over hedge receivables (*nantissement de créances au titre de la Convention de Couverture*); and

(x) a delegation (*délégation*) of all insurance proceeds in accordance with article L. 121–13 of the French *Code des assurances*.

Insurance
The Castor & Pollux Borrower has insured the Castor & Pollux Properties (i) against those risks usually covered by a reasonably prudent mortgagee of a property of the same nature and in a comparable location; and (ii) against losses related to the non-recovery of up to three years' loss of revenue.

Interest
Interest under the Castor & Pollux Loan is on a floating rate basis.

In order to hedge against interest rate risks, the Castor & Pollux Borrower entered into one interest rate swap hedge agreement, for the Castor & Pollux Loan and for the Castor & Pollux capex facility, with effect from 29 December 2005 until the initial termination date or to the extended termination date if any.

Maturity
The maturity date of the Castor & Pollux Loan is 29 September 2010.
Such maturity date may be extended twice for a one-year extension period at the option of the Castor & Pollux Borrower subject to certain conditions, including satisfactory financial covenants levels and appropriate hedging arrangements in place.

Main mandatory prepayments
The Castor & Pollux Borrower shall make the following mandatory prepayments upon the occurrence of the following events:

(i) upon disposal of a Castor & Pollux Property under the conditions that (i) the sale proceeds exceed 115% of the Allocated Loan Amount, and (ii) this does not trigger any breach of any financial covenant; or

(ii) upon occurrence of a major damage affecting any Castor & Pollux Property.

Optional prepayments
The Castor & Pollux Borrower may make optional prepayments of all or part of the Castor & Pollux Loan without any prepayment fees or indemnities provided that: (i) a twenty (20) Loan Business Days' notice is given to the Castor & Pollux Agent, (ii) the minimum amount repaid is EUR 5,000,000, and (iii) will reduce the Allocated Loan Amount. Such prepayment is applied on a pro-rata basis to each of the Castor & Pollux Properties.

Financial covenants
The Castor & Pollux Loan requires the Castor & Pollux Borrower to maintain:

(i) a loan to value ratio lower than (i) 85% on the drawdown date; (ii) 85% on the second year of the drawdown date; (iii) 75% on the third year of the drawdown date; (iv) 75% on the initial termination date, (v) 70% on the first extended termination date of the Castor & Pollux Loan; and (vi) 70% on the second extended termination date of the Castor & Pollux Loan. Any breach of covenant will trigger a default.

(ii) a debt service cover ratio exceeding (i) 105% between the drawdown date and the second year of the drawdown date; and (ii) 110% upon the second year of the drawdown date. Any breach of covenant will trigger a default.

(iii) a loan to cost ratio lower than (i) 80% on the second year of the drawdown date, (ii) 70% on the third year of the drawdown date; (iii) 70% on the initial termination date, (iv) 65% on the first extended termination date of the Castor & Pollux Loan; and (v) 65% on the second extended termination date of the Castor & Pollux Loan. Any breach of covenant will trigger a default.

(iv) at all times, a debt service cover ratio (including cash reserve) exceeding 120%. Any breach of covenant will trigger a cash trap.

The Castor & Pollux Borrower's Accounts

For the purpose of the Castor & Pollux Loan, the Castor & Pollux Borrower has opened in its name with the French offices of Société Générale:

(i) a proceeds account, the purpose of which is to receive rental income and the net sale proceeds in respect of the relevant Castor & Pollux Property (the "**Castor & Pollux Proceeds Account**");

(ii) an operating account, the purpose of which is to provide for the payment of operating expenses and capital expenditures in respect of the relevant Castor & Pollux Property (the "**Castor & Pollux Operating Account**").

Sebastopol Loan

Loan Information		Property Information	
Loan signing date	Loan signing date: 14 December 2004 Loan drawdown date: 14 December 2004	**Single asset/portfolio**	Single asset
Original lender	Société Générale S.A.	**Predominant property type**	Retail/Office/Residential
		Number of Property(ies)	1
		Location	Paris
Agent	Société Générale S.A.	**Net lettable area**	12,342 sqm
		Construction date	1900
Borrower	Boulevard de Sebastopol 31/39 S.à.r.l	**Refurbishment date**	Partly in 2004 and 2007
		Owner	Yes
		Property management	Lasalle Investment Management
Originated Loan principal balance (1)	€37,860,000	**Gross cash flow (1)**	€4,442,419
Syndicated	No	**Market value**	€75,79 millions
Senior/Junior tranching	No	**Valuation date**	December 2006
Other loans (1)	No	**Valuer**	Atisreal
Loan purpose	Real estate acquisition		
Loan Payment Dates	14 March, 14 June, 14 September, 14 December subject to Business Day convention		
Security package	Standard – see section "Related security" below		
Cash trap subject to trigger	No		
Cash sweep subject to trigger	No		
First loan payment date after the loan drawdown date	14 March 2005		
Interest rate type	Floating		
Interest rate on securitised Loan	Euribor 3 Month + Margin		
Interest rate hedging type	Borrower level swap		
Interest calculation	Actual/360		
Maturity date	14 December 2010		
Extension option(s)	No		
Extension fee	No		
Optional prepayment	Yes		
Prepayment fee (1)	No		
Amortisation	No		
LTV (1)	50%		
Initial ICR (1)	277%		
DSCR (1)	277%		

(1): As at the Cut-off Date being 1 March 2007

General

Pursuant to a French law governed credit agreement (the "**Sebastopol Credit Agreement**") dated 14 December 2004 and entered into between Boulevard de

Sebastopol 31/39 S.à.r.l as borrower (the "**Sebastopol Borrower**") and Société Générale as arranger, agent, security agent and lender (as the case may be, the "**Sebastopol Loan Security Agent**", the "**Sebastopol Agent**" or the "**Sebastopol Lender**"), the Sebastopol Lender has agreed to provide a facility to the Sebastopol Borrower in an amount not exceeding EUR 37,860,000 (the "**Sebastopol Loan**").

For the purpose of interpreting this loan summary, the term "Sebastopol Loan Finance Parties" has the meaning ascribed to the term "Bénéficiaires" in the Sebastopol Credit Agreement.

The exclusive purpose of the Sebastopol Loan is to finance partially the acquisition of the Sebastopol Property.

The Sebastopol Borrower is Boulevard de Sebastopol 31/39 S.à.r.l, a *société à responsabilité limitée unipersonnelle* incorporated under the laws of Luxembourg, having its registered office at 2, rue Joseph Hackin, L-1746 Luxembourg, and registered with the commercial and companies registry (*Registre du Commerce et des Sociétés*) of Luxembourg under number 101 941.

The sole shareholder of the Sebastopol Borrrower is Boulevard de Sebastopol 31/39 Holdings S.à.r.l, a *société à responsabilité limitée unipersonnelle* incorporated under the laws of Luxembourg, having its registered office at 2, rue Joseph Hackin, L-1746 Luxembourg, and registered with the commercial and companies registry (*Registre du Commerce et des Sociétés*) of Luxembourg under number 101 887 (the "**Sebastopol Shareholder**").

The Sebastopol Property

"**Sebastopol Property**" means one mixed use, commercial and residential property located in Paris, 75001, France, details of which are set out under the heading "Property Information" in the table above, which secures the Sebastopol Loan.

Related security

As security for the Sebastopol Loan, the Sebastopol Lender benefits from one (1) lender's lien (*privilège de prêteurs de deniers*) granted in accordance with article 2103-2 of the French Civil Code (as previously drafted) over the Sebastopol Property.

As security for the Sebastopol Loan, the Sebastopol Lender benefits from:

(i) a Luxembourg law share pledge (*nantissement de parts sociales*) pursuant to which the Sebastopol Shareholder has pledged all the shares representing the entire share capital of the Sebastopol Borrower;

(ii) a Luxembourg Law pledge over bank account (*nantissement de compte*) pursuant to which the Sebastopol Borrower has pledged, in favour of the Sebastopol Loan Finance Parties the credit balance of its Sebastopol Operating Account and its Sebastopol Investment Account (*compte de placement opérationnel*);

(iii) a pledge over French bank account (*nantissement de compte*) pursuant to which the Sebastopol Borrower has pledged, in favour of the Sebastopol Loan Finance Parties, the credit balance of its Sebastopol Proceeds Account;

(iv) a security assignment agreement (*cession de créances professionnelles*) relating to the current rental income of the Sebastopol Property, pursuant to which the Sebastopol Borrower has assigned by way of security to the Sebastopol Loan Security Agent (acting for and on behalf of the Sebastopol Loan Finance Parties), existing commercial rental income relating to the Sebastopol Property;

(v) a security assignment agreement (*cession de créances professionnelles*) relating to the claims of the Sebastopol Borrower under and in connection with the insurance policies, pursuant to which the Sebastopol Borrower has assigned by way of security to the Sebastopol Loan Security Agent (acting for and on behalf of

the Sebastopol Loan Finance Parties), all insurance claims of the Sebastopol Borrower relating to the Sebastopol Property, excluding insurance proceeds delegated under article L.121-13 of the French Insurance Code;

(vi) a security assignment agreement (*cession de créances professionnelles*) relating to the seller's indemnifications, pursuant to which the Sebastopol Borrower has assigned by way of security to the Sebastopol Loan Security Agent (acting for and on behalf of the Sebastopol Loan Finance Parties), the seller's guarantee relating to the proceeds of vacant residential properties for a 24 month period;

(vii) a pledge over receivables under residential leases existing as of the Sebastopol Loan signing date (*Nantissement de créances au titre des baux à usage d'habitation*); and

(viii) a delegation (*délégation*) of all insurance proceeds in accordance with article L. 121–13 of the French *Code des assurances*.

In addition, the Sebastopol Borrower has undertaken to grant the following security:

(i) a security assignment agreement (*cession de créances professionnelles*) relating to the sale proceeds pursuant to which the Sebastopol Borrower has assigned by way of security to the Sebastopol Loan Security Agent (acting for and on behalf of the Sebastopol Loan Finance Parties), all sale proceeds received in respect of the Property; and

(ii) a security assignment agreement (*cession de créances professionnelles*) relating to recovery amounts under any litigation or under any guarantee pursuant to which the Sebastopol Borrower has assigned by way of security to the Sebastopol Loan Security Agent (acting for and on behalf of the Sebastopol Loan Finance Parties), any recovery amount received under any litigation or under any guarantee.

Insurance
The Sebastopol Borrower has insured the Sebastopol Property (i) against those risks usually covered by a reasonably prudent mortgagee of a property of the same nature and in a comparable location; and (ii) against losses related to the non-recovery of up to three years' loss of revenue.

Interest
Interest under the Sebastopol Loan is on a floating rate basis.

In order to hedge against interest rate risks, the Sebastopol Borrower entered into one interest rate Loan Hedge Agreement, for the Sebastopol Loan acquisition facility, with effect from 14 December 2004 until the termination date.

Maturity
The maturity date of the Sebastopol Loan is 14 December 2010.
Main mandatory prepayments

The Sebastopol Borrower shall make the following mandatory prepayments upon the occurrence of the following events:

(i) upon disposal of the partial or entire sale of the Sebastopol Property; or

(ii) upon disposal by the Sebastopol Shareholder of the shares representing the share capital of the Sebastopol Borrower.

Optional prepayments
The Sebastopol Borrower may make optional prepayments of all or part of the Sebastopol Loan without any prepayment fees or indemnities provided that: at any Loan Payment Date (i) a ten (10) Loan Business Day notice is given to the Sebastopol Agent, (ii) the

minimum amount repaid is EUR 1,000,000, and (iii) will not reduce the stake of the contribution into the Sebastopol Loan Acquisition Facility under €5,000,000.

Financial covenants

The Sebastopol Loan requires the Sebastopol Borrower to maintain during all the Sebastopol Loan Acquisition Facility:

(i) an interest cover ratio exceeding 120%; and

(ii) a loan to value ratio lower than 70%.

Any breach of covenant will trigger a default.

The Sebastopol Borrower's Accounts

For the purpose of the Sebastopol Loan, the Sebastopol Borrower has opened in its name with the French offices of Société Générale:

(i) a proceeds account, the purpose of which is to receive rental income and the net sale proceeds in respect of the relevant Sebastopol Property (the "**Sebastopol Proceeds Account**");

(ii) an expenses account, the purpose of which is to receive operational expenses in respect of the relevant Sebastopol Property (the "**Sebastopol Expenses Account**");

(iii) an investment account , the purpose of which is to invest in securities the excess cash flow of the Sebastopol Borrower (the "**Sebastopol Investment Account**");

(iv) an operating account, the purpose of which is to provide for the payment of operating expenses and capital expenditures in respect of the relevant Sebastopol Property (the "**Sebastopol Operating Account**"); and

(v) a security agent account, the purpose of which is to receive all receivables in respect with the security assignment agreements upon notification to the relevant debtor and all insurance proceeds delegated under article L.121-13 of the French Insurance Code if any (the "**Sebastopol Loan Security Agent Account**").

Deutsche Bahn Nürnberg Loan

Loan Information		Property Information	
Loan signing date	Loan signing date: 22 December 2006 Loan drawdown date: 30 March 2007	**Single asset / portfolio**	Single Asset
Original lender(s)	Société Générale S.A.	**Predominant property type**	Office
		Number of properties	1
		Location	Nürnberg, Germany
		Construction date	1880 to 1890
		Refurbishment date	2006 to 2007
Agent	Société Générale S.A.	**Net lettable area**	26,476,sqm
Borrower	DIC Objekt Nürnberg GmbH	**Occupancy**	100%
		Owner (*Eigentümer*) or leaseholder	Owner (*Eigentümer*)
		Property management	GGM Gesellschaft für Gebäudemanagement GmbH, Goldbeck Gebäudemanagement
Originated Loan principal balance	€ 22,024,289	**Gross cash flow**	€ 1,857,800
Syndicated	No	**Market value**	€ 28,600,000
Senior/Junior tranching	No	**Valuation date**	1 June 2006
Other loans (1)	No	**Valuer**	Cushman & Wakefield
Loan purpose	Acquisition facility		
Security Package	Standard – see section "Related security" below		
Cash trap subject to trigger	No		
Cash sweep subject to trigger	Yes		
Loan Payment Dates	30 March, 30 June, 30 September and 30 December		
First Loan Payment Date after Loan drawdown date	30 June 2007		
Interest rate type	Floating		
Interest rate on securitised loan	Euribor 3 Month + Margin		
Interest rate hedging	Swap		
Interest calculation	Actual/360		
Maturity date	30 December 2011		
Extension option(s)	No		
Extension fee	No		
Optional prepayment	Yes		
Prepayment fee	No		
Amortisation	Yes		
LTV	77%		
Initial ICR	161%		
DSCR	161%		

(1): As at the Cut-off Date being 1 March 2007.

General

Pursuant to a German law governed credit agreement dated 22 December 2006, entered into between DIC Objekt Nürnberg GmbH as borrower (the "**Deutsche Bahn Nürnberg Borrower**")) and Société Générale as Arranger, Agent, Security Agent and Original

Lender, Société Générale as Original Lender (the "**Deutsche Bahn Nürnberg Lender**") has agreed to make available to the Deutsche Bahn Nürnberg Borrower a term loan facility in an amount up to EUR 22,024,289 (the "**Deutsche Bahn Nürnberg Loan**").

The exclusive purpose of the Deutsche Bahn Nürnberg Loan is to partially finance the acquisition of the Deutsche Bahn Nürnberg Mortgaged Property and to partially refinance fees relating to the purchase thereof.

The Deutsche Bahn Nürnberg Borrower is a German limited liability company (*Gesellschaft mit beschränkter Haftung*), having its registered business address at Eschersheimer Landstraße 223, 60320 Frankfurt am Main, Federal Republic of Germany and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Federal Republic of Germany, under registration number HR B 77196.

5.2% of the shares of the Deutsche Bahn Nürnberg Borrower are held by DIC Asset AG and 94.8% by DIC Asset Portfolio GmbH (which is a wholly-owned and controlled affiliate of DIC Asset AG).

The Deutsche Bahn Nürnberg Property

"**Deutsche Bahn Nürnberg Property**" means office buildings located in Nürnberg, Germany, details of which are set out under the heading "Property Information" in the table above, which will be used to secure the Deutsche Bahn Nürnberg Loan.

Related Security

As security for the payment of any sums due to, *inter alia*, the Deutsche Bahn Nürnberg Lender under the Deutsche Bahn Nürnberg Loan, the Deutsche Bahn Nürnberg Lender shall benefit from:

(i) a registered certificated land charge (*Briefgrundschuld*) over the Deutsche Bahn Nürnberg Property for the full amount of the Deutsche Bahn Nürnberg Loan including the submission to immediate execution (*Unterwerfung unter die sofortige Zwangsvollstreckung*) (plus an ancillary charge of 10 per cent. and interest of 16 per cent. p.a.) and the corresponding security purpose agreement (*Sicherungszweckvereinbarung*);

(ii) a security assignment (*Sicherungsabtretung*) of the benefits arising from the lease agreements entered into in relation to the Deutsche Bahn Nürnberg Property;

(iii) an account pledge agreement (*Kontenverpfändungsvertrag*) regarding its proceeds account and operating account;

(iv) an assignment agreement over the rights and claims of the Deutsche Bahn Nürnberg Borrower under the corresponding hedge documents;

(v) a security assignment (*Sicherungsabtretung*) benefits arising from the insurance policies entered into in relation to the Deutsche Bahn Nürnberg Property;

(vi) a security assignment (*Sicherungsabtretung*) over the Deutsche Bahn Nürnberg Borrower's right and claims under the property purchase agreement relating to the Deutsche Bahn Nürnberg Property; and

(vii) a share pledge agreement (*Geschäftsanteilsverpfändung*) over the shares held by DIC Asset Portfolio GmbH and DIC Asset AG in the Deutsche Bahn Nürnberg Borrower.

Insurance

The Deutsche Bahn Nürnberg Borrower has insured the Deutsche Bahn Nürnberg Property, amongst others, (i) against those risks usually covered by a reasonably prudent

mortgagee of a property of the same nature and in a comparable location; and (ii) against losses related to the non-recovery of at least two years loss of revenue.

Interest

Interest under the Deutsche Bahn Nürnberg Loan is on a floating rate basis.

In order to hedge against interest rate risks associated with the above, the Deutsche Bahn Nürnberg Borrower shall enter into an interest rate swap with Société Générale with a term not expiring earlier than the final repayment date over the full amount of the Deutsche Bahn Nürnberg Loan outstanding.

Maturity

The maturity date of the Nürnberg Loan is 30 December 2011.

Main mandatory prepayments

The Deutsche Bahn Nürnberg Borrower shall make mandatory prepayments of the Deutsche Bahn Nürnberg Loan in full upon the occurrence of:

(i) the disposal of part or all of Deutsche Bahn Nürnberg Property;

(ii) the disposal by DIC Asset AG and/or DIC Asset Portfolio GmbH of the shares representing the share capital of the Deutsche Bahn Nürnberg Borrower.

Optional prepayments

The Deutsche Bahn Nürnberg Borrower may make optional prepayments of all or part of Deutsche Bahn Nürnberg Loan without any prepayment fees or indemnities. Any prepayment made shall amount to no less than EUR 5,000,000.

Financial covenants

The Deutsche Bahn Nürnberg Loan requires the Deutsche Bahn Nürnberg Borrower to maintain a Loan To Value ratio as follows:

(i) Financial Covenants leading to a default under the Deutsche Bahn Nürnberg Loan

Loan To Value: as from the third anniversary of the first utilisation, the Deutsche Bahn Nürnberg Borrower shall ensure that the amount of the Deutsche Bahn Nürnberg Loan at any time does not exceed 82.5 per cent of the total value of the Deutsche Bahn Nürnberg Borrower's interest in the Deutsche Bahn Nürnberg Property at that time as recorded in the then most recent open market valuation.

(ii) Financial Covenants leading to a cash-sweep under the Deutsche Bahn Nürnberg Loan

Loan To Value:

(a) 50% cash-sweep under the Deutsche Bahn Nürnberg Loan

if, on any Loan Payment Date immediately following the third (3) anniversary of the first utilisation, the Loan To Value ratio is equal or below 80% but above the Initial Loan To Value Ratio.

(b) 100% cash-sweep under the Deutsche Bahn Nürnberg Loan

if, on any Loan Payment Date immediately following the third (3) anniversary of the first utilisation, the Loan To Value ratio is above 80%.

The Deutsche Bahn Nürnberg Borrower Accounts

For the purpose of the Deutsche Bahn Nürnberg Loan, the Deutsche Bahn Nürnberg Borrower has opened in its name the following bank accounts:

(i) an account in which all income of the Deutsche Bahn Nürnberg Borrower is paid directly (with sole signing right for the Agent) (the "**Proceeds Account**");

(ii) an account in which all operating expenses relating to the Deutsche Bahn Nürnberg Property will be transferred from the Proceeds Account (with signing rights for the Deutsche Bahn Nürnberg Borrower in the absence of a default which is continuing) (the "**Operating Account**"); and

(iii) an account in which all remaining income after payment of debt service and other items due to the Finance Parties will be transferred from the Proceeds Account (with signing rights for the Deutsche Bahn Nürnberg Borrower in the absence of a default which is continuing) (the "**Distribution Account**").

Deutsche Bahn Hannover Loan

Loan Information	
Loan signing date	Loan signing date: 22 December 2006 Loan drawdown date: 30 March 2007
Original lender(s)	Société Générale S.A.
Agent	Société Générale S.A.
Borrower	DIC Objekt Hannover GmbH
Originated Loan principal balance	€ 18,925,711
Syndicated	No
Senior/Junior tranching	No
Other loans (1)	No
Loan purpose	Acquisition facility
Security Package	Standard – see section "Related security" below
Cash trap subject to trigger	No
Cash sweep subject to trigger	Yes
Loan Payment Dates	30 March, 30 June, 30 September and 30 December
First Loan Payment Date after Loan drawdown date	30 June 2007
Interest rate type	Floating
Interest rate on securitised loan	Euribor 3 Month + Margin
Interest rate hedging type	Swap
Interest calculation	Actual/360
Maturity date	30 December 2011
Extension option(s)	No
Extension fee	No
Optional prepayment	Yes
Prepayment fee	No
Amortisation	Yes
LTV (2)	76%
ICR (2)	163%
DSCR (2)	163%

Property Information	
Single asset / portfolio	Single Asset
Predominant property type	Office
Number of properties	1
Location	Hannover, Germany
Construction date	1969-1970
Refurbishment date	2003 and 2006
Net lettable area	21,966 sqm
Occupancy	99,7%
Owner (*Eigentümer*) or leaseholder	Owner (*Eigentümer*)
Property management	GGM Gesellschaft für Gebäudemanagement GmbH, Goldbeck Gebäudemanagement
Gross cash flow (1)	€995,188 This will increase to €1,597,134 starting Jan. 2008
Market value	€24,800,000
Valuation date	1 June 2006
Valuer	Cushman & Wakefield

(1): As at the Cut-off Date being 1 March 2007.
(2): Taking into account the fixed rent uplift in Jan 2008.

General

Pursuant to a German law governed credit agreement dated 22 December 2006, entered into between DIC Objekt Hannover GmbH as borrower (the "**Deutsche Bahn Hannover Borrower**")) and Société Générale as Arranger, Agent, Security Agent and Original Lender, Société Générale as Original Lender (the "**Deutsche Bahn Hannover Lender**") has agreed to make available to the Deutsche Bahn Hannover Borrower a term loan facility in an amount up to EUR 18,925,711 (the "**Deutsche Bahn Hannover Loan**")

The exclusive purpose of the Deutsche Bahn Hannover Loan is to partially finance the acquisition of the Deutsche Bahn Hannover Property and to partially refinance fees relating to the purchase thereof.

The Deutsche Bahn Hannover Borrower is a German limited liability company (*Gesellschaft mit beschränkter Haftung*), having its registered business address at Eschersheimer Landstraße 223, 60320 Frankfurt am Main, Federal Republic of Germany and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Federal Republic of Germany, under registration number HR B 77196.

5.2% of the shares of the Deutsche Bahn Hannover Borrower are held by DIC Asset AG and 94.8% by DIC Asset Portfolio GmbH (which is a wholly-owned and controlled affiliate of DIC Asset AG).

The Deutsche Bahn Hannover Property

"**Deutsche Bahn Hannover Property**" means office buildings located in Hannover, Germany, details of which are set out under the heading "Property Information" in the table above, which will be used to secure the Deutsche Bahn Hannover Loan.

Related Security

As security for the payment of any sums due to, *inter alia*, the Deutsche Bahn Hannover Lender under the Deutsche Bahn Hannover Loan, the Deutsche Bahn Hannover Lender shall benefit from:

(i) a registered certificated land charge (*Briefgrundschuld*) over the Deutsche Bahn Hannover Property for the full amount of the Deutsche Bahn Hannover Loan including the submission to immediate execution (*Unterwerfung unter die sofortige Zwangsvollstreckung*) (plus an ancillary charge of 10 per cent. and interest of 16 per cent. p.a.) and the corresponding security purpose agreement (*Sicherungszweckvereinbarung*);

(ii) a security assignment (*Sicherungsabtretung*) of the benefits arising from the lease agreements entered into in relation to the Deutsche Bahn Hannover Property;

(iii) an account pledge agreement (*Kontenverpfändungsvertrag*) regarding its related proceeds account and operating account;

(iv) an assignment agreement over the rights and claims of the Deutsche Bahn Hannover Borrower under the corresponding hedge documents;

(v) a security assignment (*Sicherungsabtretung*) benefits arising from the insurance policies entered into in relation to the Deutsche Bahn Hannover Property;

(vi) a security assignment (*Sicherungsabtretung*) over the Deutsche Bahn Hannover Borrower's right and claims under the property purchase agreement relating to the Deutsche Bahn Hannover Property; and

(vii) a share pledge agreement (*Geschäftsanteilsverpfändung*) over the shares held by DIC Asset Portfolio GmbH and DIC Asset AG in the Deutsche Bahn Hannover Borrower.

Insurance
The Deutsche Bahn Hannover Borrower has insured the Deutsche Bahn Hannover Property, amongst others, (i) against those risks usually covered by a reasonably prudent mortgagee of a property of the same nature and in a comparable location; and (ii) against losses related to the non-recovery of at least two years loss of revenue.

Interest
Interest under the Deutsche Bahn Hannover Loan is on a floating rate basis.

In order to hedge against interest rate risks associated with the above, the Deutsche Bahn Hannover Borrower shall enter into an interest rate swap with Société Générale with a term not expiring earlier than the final repayment date over the full amount of the Deutsche Bahn Hannover Loan outstanding.

Maturity
The maturity date of the Hannover Loan is 30 December 2011.

Main mandatory prepayments
The Deutsche Bahn Hannover Borrower shall make mandatory prepayments of the Deutsche Bahn Hannover Loan in full upon the occurrence of:

(i) the disposal of part or all of Deutsche Bahn Hannover Property;

(ii) the disposal by DIC Asset AG and/or DIC Asset Portfolio GmbH of the shares representing the share capital of the Deutsche Bahn Hannover Borrower.

Optional prepayments
The Deutsche Bahn Hannover Borrower may make optional prepayments of all or part of Deutsche Bahn Hannover Loan without any prepayment fees or indemnities. Any prepayment made shall amount to no less than EUR 5,000,000.

Financial covenants
The Deutsche Bahn Hannover Loan requires the Deutsche Bahn Hannover Borrower to maintain a Loan To Value ratio as follows:

(i) Financial Covenants leading to a default under the Deutsche Bahn Hannover Loan

Loan To Value: as from the third anniversary of the first utilisation, the Deutsche Bahn Hannover Borrower shall ensure that the amount of the Deutsche Bahn Hannover Loan at any time does not exceed 82.5 per cent of the total value of the Deutsche Bahn Hannover Borrower's interest in the Deutsche Bahn Hannover Property at that time as recorded in the then most recent open market valuation.

(ii) Financial Covenants leading to a cash-sweep under the Deutsche Bahn Hannover Loan

Loan To Value:

(a) 50% cash-sweep under the Deutsche Bahn Hannover Loan

if, on any Loan Payment Date immediately following the third (3) anniversary of the first utilisation, the Loan To Value ratio is equal or below 80% but above the Initial Loan To Value Ratio.

(b) 100% cash-sweep under the Deutsche Bahn Hannover Loan

if, on any Loan Payment Date immediately following the third (3) anniversary of the first utilisation, the Loan To Value ratio is above 80%.

The Deutsche Bahn Hannover Borrower Accounts

For the purpose of the Deutsche Bahn Hannover Loan, the Deutsche Bahn Hannover Borrower has opened in its name the following bank accounts:

(i) an account in which all income of the Deutsche Bahn Hannover Borrower is paid directly (with sole signing right for the Agent) (the "**Proceeds Account**");

(ii) an account in which all operating expenses relating to the Deutsche Bahn Hannover Property will be transferred from the Proceeds Account (with signing rights for the Hannover Borrower in the absence of a default which is continuing) (the "**Operating Account**"); and

(iii) an account in which all remaining income after payment of debt service and other items due to the finance parties of the Deutsche Bahn Hannover Loan will be transferred from the Proceeds Account (with signing rights for the Deutsche Bahn Hannover Borrower in the absence of a default which is continuing) (the "**Distribution Account**").

The Spanish Loan

Loan Information		Property Information	
Loan closing date	21 December 2006	**Single asset / portfolio**	Single asset
Original lender(s)	Société Générale, S.A.	**Predominant property type**	Retail and Leisure Centre
		Number of properties	1
		Location	"*Heron City Barcelona*", Barcelona (Spain)
		Construction date	2001
		Refurbishment date	2004 and 2005
Agent	Société Générale, S.A.	**Gross lettable area (2)**	36,285 sq. m.
Borrower(s)	Azorallom, S.L.	**Occupancy (1)**	97.5%
		Owner	Yes
Originated Loan principal balance	€107,835,000	**Property management**	GPT UK Limited
Syndicated	No	**Gross cash flow**	€8,236,781
Senior/Junior tranching	No	**Market value**	€140,000,000
Other loans (1)	VAT loan	**Valuation date**	November 2006
Loan purpose	Partial acquisition facility	**Valuer**	Savills Consultores Inmobiliarios, S.A.
Security Package	Standard – see section "Related security" below		
Cash trap subject to trigger	Yes		
Cash sweep subject to trigger	No		
Loan Payment Dates	31 March, 30 June, 30 September and 31 December		
First Loan Payment Date after Loan drawdown date	31 March 2007		
Interest rate type	Floating		
Interest rate on securitised loan	Euribor 3 Month + Margin		
Interest rate hedging	Swap		
Interest calculation	Actual/360		
Maturity date	21 December 2011		
Extension option(s)	No		
Extension fee	No		
Optional prepayment	Yes		
Prepayment fee	No		
Amortisation	Yes (2)		
LTV (1)	77%		
Initial ICR (1)	148%		
DSCR (1)	148%		

(1): As at the Cut-off Date being 1 March 2007.
(2): Subject to loan to value covenants in years 4 and 5.

General

Pursuant to a Spanish law governed loan agreement (the "**Spanish Loan**") dated 21 December 2006, entered into between the French entity Société Générale, S.A., as lender, agent and arranger (the "**Spanish Lender**" and the "**Spanish Agent**") and the Spanish company Azorallom, S.L., as borrower, (the "**Spanish Loan Borrower**"), the Spain Lender agreed to provide a loan to the Spanish Loan Borrower in an amount of

EUR 107,835,000. Such amount was fully drawn by the Spanish Loan Borrower on 21 December 2006.

The exclusive purposes of the Spanish Loan are the (i) partial financing of the payment of the acquisition price of the retail and leisure centre Heron City Barcelona (the "**Spanish Property**"), (ii) cancellation of the former mortgage existing over the Spanish Property, (iii) payment of the "Heron-City" trademark and (iv) payment of certain banking fees.

The Spanish Loan Borrower is Azorallom, S.L. with registered address in Madrid, Plaza Pablo Ruiz Picasso, 1, floor 17, incorporated for an indefinite period of time by virtue of deed executed before the Madrid Notary, Mrs Isabel Estapé Tous on 28 September 2006, and registered with the Mercantile Registry of Madrid, with Fiscal Identification number B84840933

The shareholders of the Spanish Loan Borrower are:

(i) Tremplin Investment, B.V., a Dutch company incorporated under Dutch Law for an infinite period of time and recorded at the Mercantile Registry of Amsterdam, registered with trade Register of the Duch Chamber of Commerce under number 34257849. Tremplin Investment, B.V. is the legitimate owner of 3.200 shares ("*participaciones sociales*") consecutively numbered from 1 to 3.200, both inclusive, representing 50% of the share capital of the Spanish Loan Borrower; and

(ii) Frejus Capital Investments, B.V., a Dutch company incorporated under Dutch Law for an infinite period of time and recorded at the Mercantile Registry of Amsterdam, registered with trade Register of the Dutch Chamber of Commerce under number 34257846. Frejus Capital Investments, B.V. is the legitimate owner of 3.200 shares ("*participaciones sociales*") consecutively numbered from 3,2001 to 6,400, both inclusive, representing 50% of the share capital of the Spanish Loan Borrower.

The Spanish Mortgaged Property

Spanish Mortgaged Property means the Retail and Leisure Centre "*Heron City*" in Barcelona. The Spanish Mortgaged Property consists of: (i) a plot of land of 101,327.88 sq. m. in the Renfe-Meridiana Sector, in the "Can Dragó" area of the "Nou Barris" district; and (ii) three buildings surrounding a central main square occupying a footprint of 16,590 sq. m. on top of an underground area of four basement floors totalling 66,021 sq. m. of approximate built surface area.

Related Security

The security package of the Spanish Loan comprises:

(i) a mortgage (*hipoteca*) over the Spanish Mortgaged Property securing 120% of the principal amount of the Spanish Loan;

(ii) a pledge of the credit rights (*prenda de derechos de crédito*) deriving from the existing and future lease agreements of the Spanish Mortgaged Property;

(iii) a pledge over the shares (*prenda sobre participaciones sociales*) of the Spanish Loan Borrower (granted by its shareholders: Tremplin Investment, B.V. and Frejus Capital Investments, B.V.);

(iv) a pledge of the credit rights (*prenda de derechos de crédito*) deriving from the Income Account, the Operating Account and the Reserve Account;

(v) an assignment of the rights (*cesión de derechos*) deriving from the insurance policies taken out by the Borrower in respect of the Spanish Mortgaged Property;

(vi) an assignment of the rights (*cesión de derechos*) of the Spanish Loan Borrower under the Property Management Agreement;

(vii) an assignment of the rights (*cesión de derechos*) of the Spanish Loan Borrower under the sale and purchase deed by means of which the Spanish Loan Borrower acquired the ownership over the Spanish Mortgaged Property;

(viii) a pledge over hedge receivables (*prenda de derechos de créditos derivados*);

(ix) a comfort letter: the shareholders of the Spanish Loan Borrower issued a comfort letter in favour of the Spanish Lender by means of which, certain representations and warranties were given, mainly with regard to (i) the valid existence of the shareholders, (ii) the lack of insolvency proceedings in respect of any of the shareholders, (iii) the ownership of the shareholders of 100% of the Spanish Loan Borrower's share capital; and (iv) the efforts that the shareholders will make to procure that the Spanish Loan Borrower performs all duties under the Spanish Loan and the Related Security. Furthermore the comfort letter contains certain undertakings of the shareholders of the Spanish Loan Borrower to, amongst others (i) avoid the performance of detrimental actions that may affect the value of the Spanish Property or the shares of the Spanish Loan Borrower; (vi) keep the ownership of the shares in the Spanish Loan Borrower and not to create any security over such shares, different from those deriving from the Spanish Loan and the Related Security; (vii) subordinate all credits held by the shareholders *vis-à-vis* the Spanish Loan Borrower to the prior settlement of all due amounts arising from the Spanish Loan and the Related Security; and,

(x) a subordination agreement: according to the Spanish Subordination Agreement, the Spanish Loan Borrower and its shareholders commit to subordinate to the Spanish Loan any future (and permitted under the Spanish Loan) debt assumed by the Spanish Loan Borrower.

Insurance

The Spanish Loan Borrower has insured the Spanish Property (i) against those risks usually covered by a reasonably prudent mortgagee of a property of the same nature and in a comparable location; and (ii) against losses related to the non-recovery of up to three years' loss of revenue.

Interest

Interest under the Spanish Loan is on a floating rate basis.

In order to hedge against interest rate risks associated with the above, the Spanish Loan Borrower entered into a hedge agreement, for the five years of its term.

Maturity

The maturity date of the Spanish Loan is 21 December 2011. The maturity date may not be extended.

Mandatory prepayment

Mandatory prepayment of the Spanish Loan must be made if the Spanish Loan Borrower transfers the Spanish Property (or the shareholders of the Spanish Loan Borrower transfer its shares in a percentage above 50%, or such a percentage involving Babcock & Brown losing control of the Spanish Loan Borrower) without the Spanish Loan Borrower (or the shareholders) previously (i) repaying any amount due under the Spanish Loan or (ii) having obtained the written consent from the Lender.

Optional prepayments

The Spanish Loan permits the Spanish Loan Borrower to carry out voluntary prepayments subject to the following conditions: (i) the Spanish Loan Borrower must serve a fifteen-day prior notice to the Spanish Lender, (ii) the prepayment must take place

in a Loan Payment Date (otherwise Break Costs shall arise) and (iii) the minimum amount to be repaid is EUR 5,000,000.

Financial covenants

The Spanish Loan provides for the following financial covenants to be complied with by the Spanish Loan Borrower throughout the term of the Spanish Loan:

1. Financial Covenants leading individually to a default under the Spanish Loan

Loan To Value:

a) Above 77% during the first and second year of term of the Spanish Loan;

b) Above 76% during the third year of term;

c) Above 75% during the fourth and fifth year of the term;

Interest Cover Ratio:

a) Below 100% during the first year of the term of the Spanish Loan; and

b) Below 105% during the following years of the term.

2. Financial Covenants leading to a full cash-trap/amortisation of the Spanish Loan

Loan to Value covenant leading to a 0.25% amortisation per quarter:

a) Above 70% the fourth and fifth year of the term;

Loan to Value covenant leading to a full cash trap:

a) Above 77% during the first and second year of term the Spanish Loan;

b) Above 75% during the third year of term;

c) Above 73% during the fourth year of the term;

d) Above 72% during the fifth year of the term.

Interest Cover Ratio:

a) 120% during the first year of the term of the Spanish Loan; and

b) 130% during the following years of the term.

Effort Ratio:

a) Lower or equal than 40% during the whole term of the Spanish Loan.

The Effort Ratio means the ratio, expressed as a percentage of (i) the rental payments payable under the Cinesa lease agreement during the relevant three-month interest period and (ii) the total amounts of income obtained by Cinesa during the interest period in question.

The Spanish Loan Borrower's Accounts

Income Account

The Spanish Loan foresees that the income account will receive all the cash flows arising from the Spanish Property, the "**Income Account**". The Income Account will be only available for the Spain Lender, the Spanish Loan Borrower not having any right to make dispositions thereof.

Operating Account

The Spain Agent will transfer to the Operating Account, on a monthly basis, the amounts needed by the Spanish Loan Borrower to operate the Spanish Property, provided that such amounts were included within the annual budget of the Spanish Property previously approved by the Spain Agent.

The Operating Account will be operated by the Spanish Loan Borrower and by the manager of the Spanish Property.

Reserve Account

The Reserve Account is part of the procedure set out in the Spanish Loan to prevent any incoming cash flows from the Spanish Property being deposited in the Income Account when the LTV ratio (Loan to Value Ratio) or/and the IC ratio (Interest Cover Ratio) rise above or fall below the required levels.

Therefore, in case of default of the Spanish Loan's LTV and/or IC ratios (i) the Spain Agent will be entitled to use all the amounts at that time existing in the Income Account to deposit such amounts in the Reserve Account and (ii) the Spanish Loan Borrower shall not be entitled to draw down any amounts from the Reserve Account, until the moment the relevant ratio(s) is/are acceptable under the provisions of the Spanish Loan.

ACQUISITION OF THE LOANS

TRANSFER OF THE FRENCH LOANS

French Loan Sale Agreement

On or prior to the Closing Date, the FCC Custodian, the FCC Manager (acting for and on behalf of the French Issuer) and the Originator will enter into a loan sale agreement (the "**French Loan Sale Agreement**") pursuant to the terms of which, among other things, the Originator will sell and the French Issuer will purchase the French Loans together with the related Loan Security on the Closing Date.

Purchase consideration

The aggregate purchase consideration in respect of the French Loans and related Loan Security will be Euro 200,741,000. Such consideration which will be paid on the Closing Date.

Transfer and Perfection

The transfer of the French Loans and the related Loan Security pursuant to the French Loan Sale Agreement will be completed by the Originator delivering to the FCC Manager, acting in the name and on behalf of the French Issuer, a transfer document entitled *acte de cession de créances* in the form prescribed by articles L. 214–43 and R. 214–109 of the French Financial Code (the "**FCC Transfer Deed**"). The signature, dating and delivery of the FCC Transfer Deed makes the transfer of the French Loans and related Loan Security binding upon third parties as at the date of these forms of assignment without the requirement of any further act. The forms of assignment will be delivered to and held in custody by the FCC Custodian.

In addition to the remittance of the FCC Transfer Deed to the FCC Manager, in order to assign to the French Issuer the German law governed Mortgages over the French Loan German Properties for German law purposes, the French Issuer will enter into a German law governed mortgage assignment agreement with the Originator on the Closing Date.

In accordance with article L. 214–43 of the French Financial Code, the French Issuer may not re–transfer the French Loans save (i) where such loans have matured (*créances échues*) or the term of which has been accelerated (*créances déchues du terme*) or (ii) in the cases and under the conditions provided for by article R. 214-107 (other than paragraphs 5 and 6 thereof) of the French Financial Code.

Originator's Representations and Warranties

Reliance

None of the FCC Manager, the FCC Custodian or their advisors has made (or will make) any of the enquiries, searches or investigations which a prudent purchaser of the relevant security would normally make in relation to the French Loans or the related Loan Security purchased on the Closing Date by the French Issuer. In addition, none of the FCC Manager, the FCC Custodian or their advisors has made or will make any enquiry, search or investigation at any time in relation to compliance by the Originator or any other person with respect to the loan origination procedure described above, or, in relation to the provisions of the French Loan Sale Agreement or the French Loan Servicing Agreement in relation to any applicable laws or the execution, legality, validity, perfection, adequacy or enforceability of the French Loans or the Loan Security purchased on the Closing Date.

In relation to the foregoing matters concerning the French Loans and the related Loan Security and the circumstances in which advances were made to relevant French Loan Borrower(s) prior to their purchase by the FCC Manager and the FCC Custodian will rely entirely on the representations and warranties to be given by the Originator to the French Issuer which are contained in the French Loan Sale Agreement.

Sanction for Misrepresentation

If there is a material breach of any representation and/or warranty in relation to any French Loan or its related Loan Security (details of which are set out below) and such breach is not capable of remedy or, if capable of remedy, has not been remedied within 60 days, the sale of such French Loan will, upon notice of the FCC Manager, be rescinded automatically and without further formalities (*résolue de plein droit*) with effect on the FCC Interest Payment Date immediately following the date of the notice from the FCC Manager, and the Originator shall pay to the French Issuer an aggregate amount equal to the outstanding principal amount of the affected French Loan together with an amount in respect of interest accrued on such Loan, including interest accrued but not yet paid up to (and including) the date of completion of the rescission, and any costs or expenses associated with the securitisation of such French Loan (including any Issuer Fee Indemnity and related costs) and, where the rescission occurs on a date other than a related Loan Payment Date, any break costs of the relevant Basis Swap Transaction that are incurred by the Issuer in relation to such rescission of such French Loan. The French Issuer will have no other remedy in respect of such a breach unless the Originator fails to repay the aforementioned rescission amount in accordance with the French Loan Sale Agreement.

Representations and Warranties

All representations and warranties referred to above are given once only at the Closing Date and will include, without limitation (but subject to disclosures in the French Loan Sale Agreement and as disclosed in this Prospectus) statements to the following effect:

(a) The particulars of the French Loans and Loan Security (including the Mortgages) set out in the relevant schedule to the French Loan Sale Agreement are in all material respects complete, true and accurate.

(b) The Originator is the owner of the French Loans, free and clear of all encumbrances, claims and counterclaims (including, without limitation, rights of set off or counterclaim).

(c) Each French Loan and the related Loan Security constitutes a valid and binding obligation of, and is enforceable against, the relevant French Loan Borrower(s) and represents the full recourse obligations of such French Loan Borrower(s) (except as otherwise disclosed in this Prospectus).

(d) (i) the Crown Loan matures for repayment not later than 2 January 2012; (ii) the Castor & Pollux Loan matures for repayment not later than 29 September 2012; and (iii) the Sebastopol Loan matures for repayment not later than 14 December 2010.

(e) The French Loans and Loan Security arose from the ordinary course of the Originator's commercial secured lending activities.

(f) Interest is charged on each French Loan at such a rate as may be determined in accordance with the provisions of the relevant French Credit Agreement.

(g) No French Credit Agreement is in whole or part a regulated consumer credit agreement under French, German or Luxembourg consumer laws as applicable.

(h) In respect of each French Loan, the relevant French Loan Borrower(s) is (are) required to make all payments without any deduction for or on account of taxes,

except if required to do so by law. If any tax must be deducted from amounts paid or payable under such French Loan (save where such obligation arises as a result of voluntary action on the part of the Originator), then the relevant Borrower(s), in certain circumstances, is (are) obliged to pay additional amounts to the Originator so that the Originator (or its successors) receives a net amount equal to the full amount it would have received had the payment not been subject to tax.

(i) No French Loan Borrower is at the Closing Date nor was, at the date of any advance made pursuant to the relevant French Loan, an affiliate of the Originator.

(j) The French Loans were not purchased by the Originator and each advance was made by the Originator for its own account.

(k) No amount of principal, interest or other payment due from the French Loan Borrowers under the French Credit Agreements or at any time before the Closing Date was more than 14 days overdue and as of the Closing Date no default duly declared by the relevant facility agent was subsisting.

(l) The French Credit Agreements do not contain any obligation to make any further advances which remains to be performed by the Originator and no part of any advance pursuant to the Loan has been retained by the Originator pending compliance by the Borrowers with any other conditions, save for the Originator's obligation to make capex advances under the Credit Agreements relating to the Crown Loan and the Castor & Pollux Loan.

(m) No French Loan has been discharged, terminated, redeemed, cancelled, rescinded or repudiated and neither the Originator nor any French Loan Borrower has given any written intention to do so.

(n) Each French Loan and the related Loan Security may be validly assigned to the French Issuer in accordance with article L. 214-43 of the French Financial Code and no consent from the relevant French Loan Borrowers is required for such assignment.

(o) No French Loan carries a right to payment of principal of less than the Purchase Price paid for such French Loan by the French Issuer.

(p) Pursuant to the terms of the French Credit Agreements, no French Loan Borrower is contractually entitled to exercise any right of set–off or counterclaim against the Originator in respect of any amount that is payable under the French Loans.

(q) Immediately prior to advancing each French Loan, each related French Loan French Property and each related French Loan German Property mortgaged as security therefor was valued for the Originator by a qualified surveyor or valuer appointed by the Originator (being a member of the Royal Institute of Chartered Surveyors) and, at the date of such Loan, the principal amount so advanced did not exceed:

  (i) with respect to the Crown Loan, 78 per cent. of such valuation;

  (ii) with respect to the Castor & Pollux Loan, 85 per cent. of such valuation; and

  (iii) with respect to the Sebastopol Loan, 65 per cent. of such valuation.

(r) Prior to the completion of each French Loan and each Mortgage, the Originator:

  (i) received from legal advisors acting for or approved by the Originator a legal due diligence report or report on title in relation to each French Loan

French Property and each French Loan German Property, which initially or after further investigation did not disclose anything of material nature which would cause a reasonably prudent lender of money secured on commercial property to decline to proceed with the advance on its agreed terms;

(ii) in most cases, made available to the relevant valuer a copy of the legal due diligence report or report on title or the summaries or the relevant parts thereof prepared by the relevant legal advisor approved by the Originator, for the relevant valuer to comment on; and

(iii) carried out all material investigations, searches and other actions and made such enquiries as to the Borrowers' title to the Properties as would a reasonably prudent lender of money secured on commercial property (or such matters were undertaken by the entities issuing the reports on title or certificates of title) and nothing was disclosed by such investigations, searches, actions and enquiries which would have led such a reasonably prudent lender either initially or after further investigation to decline to proceed with the French Loans.

(s) Prior to the date of each French Loan, the nature of, and amount secured by, such French Loan and the Mortgage relating thereto and the circumstances of the Borrowers would, as at that date, have been acceptable to a reasonably prudent lender of money secured on commercial property.

(t) In respect of each French Loan Borrower, the Originator received an opinion from relevant local legal counsel confirming that each was a properly constituted company or other legal entity in accordance with the terms of the relevant jurisdiction and had all necessary powers to enter into and comply with terms of the relevant French Loan and Loan Security.

(u) The Originator has carried out all relevant due diligence that a prudent commercial lender would undertake to establish and confirm that no French Loan Borrower has engaged since its formation or incorporation in any activity other than those incidental to its formation or incorporation or the entering into the relevant French Loan and the Loan Security (or prior financing in relation to the relevant Property) nor has had since its incorporation nor does it have as at the Closing Date any material liability or assets other than the French Loans and relevant Property providing security for the Loan.

(v) To the Originator's knowledge, no legal due diligence report or report on title given by a legal advisor, nor valuation given by a valuer, in connection with any French Loan: (i) was negligently or fraudulently prepared by the relevant legal advisor or valuer; nor (ii) failed to disclose any fact or circumstance that reasonably ought to have been disclosed by the report and, if disclosed, would have caused the Originator, acting as a reasonably prudent lender secured on commercial property, to decline to proceed with the Loan on its agreed terms.

(w) Prior to making an advance under any French Loan: (a) no express recommendation was received by the Originator from a qualified surveyor or valuer to carry out any environmental audit, survey or report of any of the Properties which was not implemented; and (b) the results of any such environmental audit, survey or report which was procured by the Originator would, as at that date, have been acceptable to a reasonably prudent lender of money secured on commercial property and have been taken into account in the relevant valuation.

(x) Each French Loan French Property is situated in France and each French Loan German Property is situated in Germany.

(y) Each French Loan French Property and each French Loan German Property constitutes investment property let predominantly for commercial use.

(z) In relation to the French Loan French Properties and the French Loan German Properties:

(i) (A) in respect of the Castor & Pollux and the Sebastopol Loan, the lender's liens (*privilèges de prêteur de deniers*) and mortgages (*hypothèques*) granted over the related Properties have all been duly registered with the *Conservation des Hypothèques* (the "**Land Registry**") by the relevant notaries; (B) in respect of the Crown Loan, all Mortgages (*Grundschulden*) granted over the French Loan German Properties have been duly registered with the respective land charge register (*Grundbuch*) by the relevant notary (except as otherwise disclosed in this Prospectus in relation to the Mortgage over the Poing Property),

(ii) it was, as at the date of the relevant Mortgage held by the Borrower free (save for the Mortgage or other Loan Security) from any encumbrance (other than disclosed in this Prospectus) which would materially adversely affect such title or the value for mortgage purposes set out in the valuation referred to in paragraph (q) above (including any encumbrance contained in the leases relevant to such Properties),

(iii) in relation to the French Loans and Loan Security, all stamp duty, land registry and all other taxes or fees required to be paid in connection with, as applicable, the transfer of title to the Properties into the name of the relevant Borrower and/or registration of the legal title to the Loan Security in the name of the Loan Security Agent have been paid.

(aa) No Property constitutes predominantly a dwelling or is owner occupied.

(bb) The Originator:

(i) does not have any actual knowledge of any claim against the French Loan Borrowers under any environmental legislation applicable in relation to any French Loan French Property and any French Loan German Property which would, if adversely determined, materially and adversely affect the valuation of such Property in the context of the loan to value calculation applied to that French Loan at or prior to its completion; and

(ii) has not received written notice of any matter likely in the opinion of the Originator to give rise to environmental liability for any French Loan Borrower in the foreseeable future of such materiality that it would materially and adversely affect the valuation of the relevant Property in the context of the loan to value calculation applied to the Loan at or prior to its completion provided always that this paragraph (ii) shall only apply to written notice of matters which under environmental laws or regulations in force in the country or jurisdiction where the relevant property is situated at today's date could give rise to a requirement to clean or to reinstate the relevant Property or to a claim against any French Loan Borrower.

(cc) The French Credit Agreements are governed by French law, the Mortgages over French Loan French Properties are governed by French law and the Mortgages over French Loan German Properties are governed by German law.

(dd) As at the Closing Date:

(i) each Mortgage is a legal, valid, binding and enforceable first ranking charge (except as otherwise described in this Prospectus in relation to the Mortgage over the Poing Property) by way of legal mortgage over the French Loan French Property or French Loan German Property to which such Mortgage relates for the full amount of the Loan; and

(ii) the Loan Security Agent or, as the case may be, the Originator, is the registered holder of each Mortgage at law and all things necessary to perfect the Loan Security Agent's or the Originator's title to each Mortgage have been or will be duly completed within the appropriate time or are in the process of being completed without undue delay; and

(iii) as from the transfer of the French Loans, the French Issuer will be the legal owner of the rights of the mortgagee and chargee under the relevant Mortgages, free and clear of all encumbrance, unregistered interests in accordance with article L. 214–43 of the French Financial Code.

(ee) In relation to any Mortgage over a French Loan French Property that has not been registered with the Land Registry, the relevant notary is required by law to apply for registration of the relevant Mortgage. As at the date of the Prospectus, German law governed Mortgages over the three of the four French Loan German Properties were registered first ranking in section III of the land registers in favour of the Loan Security Agent. With regard to the French Loan German Property in Poing, where registration of the mortgage has not yet been completed as first ranking security in favour of the Loan Security Agent, as deletion of some senior ranking mortgages that were refinanced is outstanding, a notary confirmed that he has filed the application for deletion of all prior ranking land charges with the relevant land registry.

(ff) In relation to the Sebastopol Loan, the Mortgage does not secure any loan made by the Originator to the Borrowers, or any other liability of the Borrowers to the Originator (excluding interest accrued but not due on the Closing Date) other than the Sebastopol Loan. In relation to the Castor & Pollux Loan, the Mortgage does not secure any loan made by the Originator to the Borrowers, or any other liability of the Borrowers to the Originator (excluding interest accrued but not due on the Closing Date) other than the Castor & Pollux Loan and the capex advances made under the Castor & Pollux Loan. In relation to the Crown Loan, the Mortgage does not secure any loan made by the Originator to the Borrowers, or any other liability of the Borrowers to the Originator (excluding interest accrued but not due on the Closing Date) other than the Crown Loan, the obligations of the Borrowers under any capex advances made by the Originator, the related Loan Security, the related hedging agreements and the related Subordination Agreement.

(gg) In relation to each Mortgage, the relevant Borrower in respect of each French Loan French Property and each French Loan German Property had, as at the date of that Mortgage, title to the relevant Property and is the owner of the relevant Property (unless otherwise specified in this Prospectus).

(hh) The Originator is not aware:

(i) of any circumstances giving rise to a material reduction in the value of any French Loan French Property and any French Loan German Property since the last review of any French Loans (if applicable) other than as a result of market forces affecting the value of comparable properties in the area;

(ii) of any litigation or claim calling into question in any way the Originator's title to any French Loans or related Loan Security;

(iii) of the bankruptcy, liquidation, receivership or administration of any French Loan Borrower;

(iv) of any material default, material breach or material violation under any French Loan or Loan Security which has not been remedied, cured or waived (but only in a case where a reasonably prudent lender of money secured on residential and commercial property would grant such a waiver) or of any outstanding material default, material breach or material violation by the French Loan Borrowers under any French Loan or Loan Security or of any outstanding event which with the giving of notice and/or the expiration of any applicable grace period and/or making of any determination, would constitute such a default, breach or violation.

(ii) The Originator has performed in all material respects all its obligations under or in connection with the French Loans and their Loan Security and so far as the Originator is aware no French Loan Borrower has taken or has threatened to take any action against the Originator for any material failure on the part of the Originator to perform any such obligations.

(jj) Each French Loan French Property and each French Loan German Property is covered by an insurance policy maintained by the Borrower or another person with an interest in the relevant Property and:

(i) each such Property is covered against those risks usually covered by a reasonably prudent mortgagee of a property of the same nature and in a comparable location; and

(ii) in the case of each Property the relevant insurance policy provides cover in respect of at least three years' loss of revenue.

(kk) The Originator has not received written notice that any insurance policy is about to lapse on account of failure by the relevant entity maintaining such insurance to pay the relevant premiums.

(ll) Since the date of the relevant French Credit Agreement:

(i) no representations or warranties have been made to the French Loan Borrowers by the Originator, and there are no other terms and conditions applicable to the French Loans or Loan Security, other than in each case, those set out or referred to in the relevant documents pursuant to which the relevant French Loan was made (the "**Loan Documentation**") (so far as applicable) in effect at the relevant time;

(ii) the Originator has kept full and proper accounts, books and records showing clearly all transactions, payments, receipts, proceedings and notices relating to the French Loans which are complete and accurate in all material respects and all such accounts, books and records are up to date and are held by, or to the order of the Originator; and

(iii) the Originator has not received any written notice of any encumbrance materially and adversely affecting its title to the French Loans and its Loan Security other than those (if any) which are disclosed in this Prospectus or to which the Originator has given its written consent or to which its consent is not required.

Notwithstanding the warranties that will be given in relation to the French Loans and the Mortgages, only limited assurance will be given in relation to any of the remaining Loan Security for the French Loans. Certain of the warranties are qualified to reflect the circumstances of individual French Loan French Properties or French Loan German

Properties and, where material, details of such qualification have been included elsewhere in this Prospectus.

The French Loan Sale Agreement contains a representation from the Originator, to the French Issuer, to the effect that the information in this Prospectus with regard to the Originator, its business, the French Loans, the administration of the French Loans, the related Loan Security, the Properties and the relevant buildings insurance policies that is material in the context of the issue of the FCC Units by the French Issuer and their subscription by the Issuer and the issue, the offering and the sale of the Notes by the Issuer, is true and accurate in all material respects and is not misleading in any material respect. Only the FCC Manager and the FCC Custodian may rely upon this representation from the Originator in relation to the French Loans and the related Loan Security. The remedy of the French Issuer in the case of breach of such representation is limited to the right to request the automatic rescission of such French Loan without further formalities (*résolution de plein droit*) and the payment by the Originator to the French Issuer of an aggregate amount equal to: (i) the outstanding principal amount under such French Loan together with accrued interest up to, but excluding, the date of completion of the repurchase, (ii) costs incurred in relation to such rescission (as described above under the "*Sanction for Misrepresentation*" on page 178), and (iii) any outstanding costs in relation to the securitisation of such French Loan.

TRANSFER OF THE SPANISH LOAN

Spanish Deed of Incorporation

Pursuant to a public deed of incorporation (the "**Spanish Deed of Incorporation**") dated the Spanish Closing Date, the Spanish Seller will issue the Spanish Mortgage Certificate to the Spanish Issuer on the Spanish Closing Date. The Spanish Mortgage Certificate represents 100% of the Spanish Loan. The Spanish Mortgage Certificate will confer on the Spanish Issuer the right to receive the payments of principal (including payments in advance), interest and any other payments received by the Originator in respect of the Spanish Loan. The Spanish Issuer will have an interest in the Spanish Loan pursuant to the Spanish Mortgage Certificate until the expiration of the Spanish Loan.

Purchase consideration

The subscription moneys in respect of the Spanish Mortgage Certificate will be Euro 107,835,000 and correspond to a subscription price of 100%. Such subscription price which will be paid on the Spanish Closing Date.

Originator's Representations and Warranties

Reliance

None of the FTA Manager or its advisors has made (or will make) any of the enquiries, searches or investigations which a prudent purchaser of the relevant security would normally make in relation to the Spanish Loan or the related Loan Security or the Spanish Mortgage Certificate subscribed for on the Spanish Closing Date by the Spanish Issuer. In addition, none of the FTA Manager or its advisors has made or will make any enquiry, search or investigation at any time in relation to compliance by the Originator or any other person with respect to the loan origination procedure described above, or, in relation to the provisions of the Spanish Deed of Incorporation or the Spanish Loan Servicing Agreement in relation to any applicable laws or the execution, legality, validity, perfection, adequacy or enforceability of the Spanish Loan or the Loan Security purchased on the Spanish Closing Date.

In relation to the foregoing matters concerning the Spanish Loan, the related Loan Security, the Spanish Mortgage Certificate and the circumstances in which advances were made to the Spanish Loan Borrower prior to the subscription of the Spanish Mortgage Certificate by the FTA Manager, the FTA Manager and its advisers will rely entirely on the representations and warranties to be given by the Originator to the Spanish Issuer which are contained in the Spanish Deed of Incorporation.

Defects of the Spanish Mortgage Certificate and misrepresentations

In the event that the Spanish Mortgage Certificate would suffer from any defects (*vicios*) or does not conform to the representations and warranties made by the Originator under the Spanish Deed of Incorporation, then the Originator has undertaken to cure the referred defect (*vicio*) within a term of 60 days from the notification by the FTA Manager or the Originator, as the case may be, of the existence of such defect.

In the event that the defect is not remedied, the Originator will be required to make an early repayment of the Spanish Mortgage Certificate by reimbursement in cash to the Spanish Issuer of the principal amount pending repayment, interest accrued and unpaid, and any amount which may be due to the Spanish Issuer up to the said date under the Spanish Mortgage Certificate.

Representations and Warranties

All representations and warranties referred to above are given once only at the Spanish Closing Date and will include, without limitation (but subject to disclosures in the Spanish Deed of Incorporation and as disclosed in this Prospectus) statements to the following effect:

(a) The particulars of the Spanish Loan and Loan Security (including the Mortgage) set out in the Spanish Deed of Incorporation are in all material respects complete, true and accurate.

(b) The Originator is the owner of the Spanish Loan, free and clear of all encumbrances, claims and counterclaims (including, without limitation, rights of set off or counterclaim) and is not aware of the existence of disputes of any type in relation to the Spanish Loan which could affect the validity thereof or which could give rise to application of Section 1.535 of the Spanish Civil Code.

(c) The Spanish Loan and the related Loan Security constitutes a valid and binding obligation of, and is enforceable against, the Spanish Loan Borrower and represents the full recourse obligations of such Borrower.

(d) The Spanish Loan matures for repayment on 21 December 2011.

(e) The Spanish Loan and Loan Security arose from the ordinary course of the Originator's commercial secured lending activities.

(f) Interest is charged on the Spanish Loan at such a rate as may be determined in accordance with the provisions of the Spanish Credit Agreement.

(g) The Spanish Credit Agreement is not in whole or part a regulated consumer credit agreement under Spanish consumer law.

(h) In respect of the Spanish Loan, the Spanish Loan Borrower is required to make all payments without any deduction for or on account of taxes, except if required to do so by law. If any tax must be deducted from amounts paid or payable under the Spanish Loan (save where such obligation arises as a result of voluntary action on the part of the Originator), then the Spanish Loan Borrower, in certain circumstances, is obliged to pay additional amounts to the Originator so that the Originator (or its successors) receives a net amount equal to the full amount it would have received had the payment not been subject to tax.

(i) The Spanish Loan Borrower is not at the Closing Date nor was, at the date of any advance made pursuant to the Spanish Loan, an affiliate of the Originator.

(j) The Spanish Loan was not purchased by the Originator and each advance was made by the Originator for its own account.

(k) No amount of principal, interest or other payment due from the Spanish Loan Borrower under the Spanish Credit Agreement or at any time before the Closing Date was more than 14 days overdue and as of the Closing Date no default was subsisting.

(l) The Spanish Credit Agreement does not contain any obligation to make any further advances which remains to be performed by the Originator and no part of any advance pursuant to the Spanish Loan has been retained by the Originator pending compliance by the Spanish Loan Borrower with any other conditions.

(m) The Spanish Loan has not been discharged, terminated, redeemed, cancelled, rescinded or repudiated and neither the Originator nor the Spanish Loan Borrower has given any written intention to do so.

(n) The Spanish Loan and the related Loan Security may be validly assigned to the Spanish Issuer and no consent from the Spanish Loan Borrower is required for such assignment.

(o) The Spanish Loan does not carry a right to payment of principal of less than the subscription price paid for the related Spanish Mortgage Certificate by the Spanish Issuer.

(p) Pursuant to the terms of the Spanish Credit Agreement, the Spanish Loan Borrower is not contractually entitled to exercise any right of set–off or counterclaim against the Originator in respect of any amount that is payable under the Spanish Loan.

(q) Immediately prior to advancing the Spanish Loan, the Spanish Property mortgaged as security therefor was valued for the Originator by a qualified surveyor or valuer appointed by the Originator (being a member of the Royal Institute of Chartered Surveyors) and, at the date of such Loan, the principal amount so advanced did not exceed 77 per cent. of such valuation.

(r) Prior to the completion of the Spanish Loan and the Mortgage, the Originator:

(i) received from legal advisors acting for or approved by the Originator a legal due diligence report or report on title in relation to the Spanish Property which initially or after further investigation did not disclose anything of material nature which would cause a reasonably prudent lender of money secured on commercial property to decline to proceed with the advance on its agreed terms;

(ii) in most cases, made available to the relevant valuer a copy of the legal due diligence report or report on title or the summaries or the relevant parts thereof prepared by the relevant legal advisor approved by the Originator, for the relevant valuer to comment on; and

(iii) carried out all material investigations, searches and other actions and made such enquiries as to the Borrower's title to the Spanish Property as would a reasonably prudent lender of money secured on commercial property (or such matters were undertaken by the entities issuing the legal due diligence report or report on title) and nothing was disclosed by such investigations, searches, actions and enquiries which would have led such a reasonably prudent lender either initially or after further investigation to decline to proceed with the Spanish Loan.

(s) Prior to the date of the Spanish Loan, the nature of, and amount secured by, such Spanish Loan and the Mortgage relating thereto and the circumstances of the Borrower would, as at that date, have been acceptable to a reasonably prudent lender of money secured on commercial property.

(t) In respect of the Spanish Loan Borrower, the Originator received an opinion from relevant local legal counsel confirming that each was a properly constituted company or other legal entity in accordance with the terms of the relevant jurisdiction and had all necessary powers to enter into and comply with terms of the Spanish Loan and Loan Security.

(u) The Originator has carried out all due diligence that a prudent commercial lender would undertake to establish and confirm that the Spanish Loan Borrower has not engaged since its formation or incorporation in any activity other than those incidental to its formation or incorporation or the entering into the Spanish Loan and the Loan Security (or prior financing in relation to the Spanish Property) nor has had since its incorporation nor does it have as at the Closing Date any material liability or assets other than the Spanish Loan and Spanish Property providing security for the Loan.

(v) To the Originator's knowledge no report on title or certificate of title given by a relevant legal advisor nor valuation given by a valuer in connection with the Spanish Loan: (i) was negligently or fraudulently prepared by the relevant legal advisor or valuer; nor (b) failed to disclose any fact or circumstance that ought reasonably to have been disclosed by the report and, if disclosed, would have caused the Originator, acting as a reasonably prudent lender secured on commercial property, to decline to proceed with the Loan on its agreed terms.

(w) Prior to making an advance under the Spanish Loan: (a) no express recommendation was received by the Originator from a qualified surveyor or valuer to carry out any environmental audit, survey or report of any of the Properties which was not implemented; and (b) the results of any such environmental audit, survey or report which was procured by the Originator would, as at that date, have been acceptable to a reasonably prudent lender of money secured on commercial property and have been taken into account in the relevant valuation.

(x) The Spanish Property is situated in Barcelona, Spain.

(y) The Spanish Property constitutes investment property let predominantly for commercial use.

(z) In relation to the Spanish Property:

(i) the title has been registered at the Land Registry in the name of the Borrower;

(ii) it was, as at the date of the Mortgage held by the Borrower free (save for the Mortgage or other Loan Security) from any encumbrance which would materially adversely affect such title or the value for mortgage purposes set out in the valuation referred to in paragraph (q) above (including any encumbrance contained in the leases relevant to the Spanish Properties); and

(iii) in relation to the Spanish Loan and Loan Security, all stamp duty, land registry and all other taxes or fees required to be paid in connection with, as applicable, the transfer of title to the Properties into the name of the Borrower and/or registration of the legal title to the Loan Security have been paid.

(aa) The Mortgage over the Spanish Property is created over built real estate that fulfils the requirements established by Article 27 of Royal Decree 685/1982.

(bb) The Spanish Property mortgaged under the Spanish Loan is not subject to a situation of property excluded from use as security in accordance with Section 31.1.d) of Royal Decree 685/1982, and the Spanish Loan does not fulfil any of the characteristics of excluded or restricted credit rights in accordance with Section 32 of Royal Decree 685/1982.

(cc) The Spanish Property does not constitute a dwelling or is owner occupied.

(dd) The Originator:

(i) does not have any actual knowledge of any claim against the Spanish Loan Borrower under any environmental legislation applicable in relation to the Spanish Property which would, if adversely determined, materially and adversely affect the valuation of such Property in the context of the loan to value calculation applied to the Spanish Loan at or prior to its completion; and

(ii) has not received written notice of any matter likely in the opinion of the Originator to give rise to environmental liability for the Spanish Loan Borrower in the foreseeable future of such materiality that it would materially and adversely affect the valuation of the Spanish Property in the context of the loan to value calculation applied to the Loan at or prior to its completion provided always that this paragraph (ii) shall only apply to written notice of matters which under environmental laws or regulations in force in the country or jurisdiction where the relevant property is situated at today's date could give rise to a requirement to clean or to reinstate the relevant Property or to a claim against the Spanish Loan Borrower.

(ee) The Spanish Credit Agreement and the Mortgage are governed by Spanish law.

(ff) As at the Closing Date:

(i) the Mortgage is a legal, valid, binding and enforceable first charge by way of legal mortgage over the Spanish Property to which such Mortgage relates for the full amount of the Spanish Mortgage Certificate; and

(ii) the Originator has a good title to each Mortgage at law and all things necessary to perfect the Originator's title to the Mortgage have been or will be duly completed within the appropriate time or are in the process of being completed without undue delay; and

(iii) as from the subscription of the Spanish Mortgage Certificate, the Spanish Issuer will be the legal owner of the rights of the mortgagee and chargee under the Mortgage, free and clear of all encumbrances, unregistered interests, unless otherwise provided in the applicable legislation, in accordance with article 15 of Law 2/1981 and the Fifth Additional Disposition of Law 3/1994, 14 April (as amended by Law 44/2002, 22 December).

(gg) Neither the Originator nor the Loan Security Agent has breached any undertaking given by or on behalf of either of them to the Land Registry in respect of any documentation relating to the Mortgage which has been approved by it.

(hh) The Mortgage does not secure any loan made by the Originator to the Spanish Loan Borrower, or any other liability of the Spanish Loan Borrower to the Originator (excluding interest accrued but not due on the Closing Date) other than the Spanish Loan.

(ii) In relation to the Mortgage, the Borrower in respect of the Spanish Property had, as at the date of the Mortgage, title to the Spanish Property and is the owner of the Spanish Property.

(jj) Since the date of the Spanish Credit Agreement:

(i) none of the provisions of the Spanish Loan or Loan Security has been waived, altered or modified in any material respect except as set out in the documents pursuant to which the Spanish Loan was made (the "**Loan Documentation**").

(ii) no representations or warranties have been made to the Spanish Loan Borrower or Mortgagor by the Originator, and there are no other terms and conditions applicable to the Spanish Loan or Loan Security, other than in each case, those set out or referred to in the Loan Documentation (so far as applicable) in effect at the relevant time;

(iii) the Originator has kept full and proper accounts, books and records showing clearly all transactions, payments, receipts, proceedings and notices relating to the Spanish Loan which are complete and accurate in all material respects and all such accounts, books and records are up to date and are held by, or to the order of the Originator; and

(iv) the Originator has not received any written notice of any encumbrance materially and adversely affecting its title to the Spanish Loan and its Loan Security other than those (if any) to which the Originator has given its written consent or to which its consent is not required;

(kk) The Originator is not aware:

(i) of any circumstances giving rise to a material reduction in the value of the Spanish Property since the last review of the Spanish Loan (if applicable) other than as a result of market forces affecting the value of comparable properties in the area;

(ii) of any litigation or claim calling into question in any way the Originator's title to the Spanish Loan or related Loan Security;

(iii) of the bankruptcy, liquidation, receivership or administration of the Spanish Loan Borrower;

(iv) of any material default, material breach or material violation under the Spanish Loan or Loan Security which has not been remedied, cured or waived (but only in a case where a reasonably prudent lender of money secured on residential and commercial property would grant such a waiver) or of any outstanding material default, material breach or material violation by the Spanish Loan Borrower under the Spanish Loan or Loan Security or of any outstanding event which with the giving of notice and/or the expiration of any applicable grace period and/or making of any determination, would constitute such a default, breach or violation.

(ll) The Originator has performed in all material respects all its obligations under or in connection with the Spanish Loan and its Loan Security and so far as the Originator is aware the Spanish Loan Borrower has not taken or has not threatened to take any action against the Originator for any material failure on the part of the Originator to perform any such obligations.

(mm) The Spanish Property is covered by an insurance policy maintained by the Borrower or another person with an interest in the relevant Property and:

(i) the Spanish Property is covered against those risks usually covered by a reasonably prudent mortgagee of a property of the same nature and in a comparable location; and

(ii) the relevant insurance policy provides cover in respect of at least three years' loss of revenue.

(nn) The Originator has not received written notice that any insurance policy is about to lapse on account of failure by the relevant entity maintaining such insurance to pay the relevant premiums.

Notwithstanding the warranties that will be given in relation to the Spanish Loan and the Mortgage, only limited assurance will be given in relation to any of the remaining Loan Security for the Spanish Loan. Certain of the warranties are qualified to reflect the circumstances of the Spanish Property and, where material, details of such qualification have been included elsewhere in this Prospectus.

The Spanish Deed of Incorporation contains a representation from the Originator, to the Spanish Issuer, to the effect that the information in this Prospectus with regard to the Originator, its business, the Spanish Loan, the Spanish Mortgage Certificate, the administration of the Spanish Loan, the related Loan Security, the Spanish Property and the relevant buildings insurance policies that is material in the context of the issue of the FTA Note by the Spanish Issuer and its subscription by the Issuer and the issue, the offering and the sale of the Notes by the Issuer, is true and accurate in all material respects and is not misleading in any material respect. Only the FTA Manager may rely upon this representation from the Originator in relation to the Spanish Loan and the related Loan Security. The remedy of the Spanish Issuer in the case of breach of such representation is limited to the right to payment of the amounts described above under the "*Defects of the Spanish Mortgage Certificate and misrepresentations*" on page 185.

TRANSFER OF THE GERMAN LOANS

German Loan Sale Agreement

On or prior to the Closing Date, the Issuer, the Trustee and the Originator will enter into a loan sale agreement (the "**German Loan Sale Agreement**") pursuant to the terms of which, among other things, the Originator will sell and the Issuer will purchase the German Loans together with the related Loan Security on the Closing Date.

Purchase consideration

The aggregate purchase consideration in respect of the German Loans and related Loan Security will be Euro 40,950,000. Such consideration will be paid on the Closing Date.

Originator's Representations and Warranties

Reliance

None of the Issuer, the Trustee, the Joint Lead Managers or their advisors has made (or will make) any of the enquiries, searches or investigations which a prudent purchaser of the relevant security would normally make in relation to the German Loans or the related Loan Security purchased on the Closing Date by the Issuer. In addition, none of the Issuer, the Trustee, the Joint Lead Managers or their advisors has made or will make any enquiry, search or investigation at any time in relation to compliance by the Originator or any other person with respect to the loan origination procedure described above, or, in relation to the provisions of the German Loan Sale Agreement, the German Loan Servicing Agreement or the Deed of Charge and Assignment in relation to any applicable laws or the execution, legality, validity, perfection, adequacy or enforceability of the German Loan, the German Loan Security or, as applicable, the German law governed Mortgages purchased on the Closing Date.

In relation to the foregoing matters concerning the German Loans and the related Loan Security and the circumstances in which advances were made to German Loan Borrowers prior to their purchase by the Issuer, each of the Issuer and the Trustee will rely entirely on the representations and warranties to be given by the Originator to the Issuer and the Trustee (as the case may be) which are contained in the German Loan Sale Agreement.

Sanction for Misrepresentation

If there is a material breach of any representation and/or warranty in relation to any German Loan or Loan Security (details of which are set out below) and such breach is not capable of remedy or, if capable of remedy, has not been remedied, the Originator will be obliged within 60 days (or such longer period as agreed upon by the Issuer), if required by the Issuer, to repurchase such German Loan (and the Loan Security) from the Issuer for an aggregate amount equal to the outstanding principal amount of the affected German Loan together with an amount in respect of interest accrued on such German Loan, including interest accrued but not yet paid up to (and including) the date of completion of such repurchase, any costs or expenses associated with the securitisation

of such German Loan (including any Issuer Fee Indemnity and related costs), where the repurchase occurs on a date other than a related Loan Payment Date, any break costs of the relevant Basis Swap Transaction that are incurred by the Issuer in relation to such Loan, and interest and costs incurred or payable (other than principal repayments) pursuant to the Liquidity Facility to the extent allocable to the German Loans. The Issuer will have no other remedy in respect of such a breach unless the Originator fails to re–purchase such German Loan (and the Loan Security) in accordance with the German Loan Sale Agreement.

Representations and Warranties

All representations and warranties referred to above are given once only at the Closing Date and will include, without limitation (but subject to disclosures in the German Loan Sale Agreement and as disclosed in this Prospectus) statements to the following effect:

(a) The particulars of the German Loans and Loan Security (including the Mortgages) set out in the relevant schedule to the German Loan Sale Agreement are in all material respects complete, true and accurate.

(b) The Originator is the owner of the German Loans, free and clear of all encumbrances, claims and counterclaims (including, without limitation, rights of set off or counterclaim).

(c) Each German Loan and the related Loan Security constitutes a valid and binding obligation of, and is enforceable against, the relevant German Loan Borrower and represents the full recourse obligations of such German Loan Borrower.

(d) Each German Loan matures for repayment not later than 30 December 2011.

(e) The German Loans and Loan Security arose from the ordinary course of the Originator's commercial secured lending activities.

(f) Interest is charged on each German Loan at such a rate as may be determined in accordance with the provisions of the relevant German Credit Agreement.

(g) No German Credit Agreement is in whole or part a regulated consumer credit agreement under German consumer laws as applicable.

(h) In respect of each German Loan, the relevant German Loan Borrower is required to make all payments without any deduction for or on account of taxes, except if required to do so by law. If any tax must be deducted from amounts paid or payable under such German Loan (save where such obligation arises as a result of voluntary action on the part of the Originator), then the relevant Borrower, in certain circumstances, is obliged to pay additional amounts to the Originator so that the Originator (or its successors) receives a net amount equal to the full amount it would have received had the payment not been subject to tax.

(i) No German Loan Borrower is at the Closing Date nor was, at the date of any advance made pursuant to the relevant German Loan, an affiliate of the Originator.

(j) The German Loans were not purchased by the Originator and each advance was made by the Originator for its own account.

(k) No amount of principal, interest or other payment due from the German Loan Borrowers under the German Credit Agreements or at any time before the Closing Date was more than 14 days overdue and as of the Closing Date no default was subsisting.

(l) The German Credit Agreements do not contain any obligation to make any further advances which remains to be performed by the Originator and no part of any advance pursuant to the Loan has been retained by the Originator pending compliance by the German Loan Borrowers with any other conditions.

(m) No German Loan has been discharged, terminated, redeemed, cancelled, rescinded or repudiated and neither the Originator nor any German Loan Borrower has given any written intention to do so.

(n) Each German Loan and the related Loan Security (save for any related Loan Security which is not accessory in nature (*Akzessorietät*)) may be validly assigned to the Issuer and no consent from the relevant German Loan Borrowers is required for such assignment.

(o) No German Loan carries a right to payment of principal of less than the purchase price paid for such German Loan by the Issuer.

(p) Pursuant to the terms of the German Credit Agreements, no German Loan Borrower is contractually entitled to exercise any right of set–off or counterclaim against the Originator in respect of any amount that is payable under the German Loans.

(q) Immediately prior to advancing each German Loan, each related German Property mortgaged as security therefor was valued for the Originator by a qualified surveyor or valuer appointed by the Originator (being a member of the Royal Institute of Chartered Surveyors) and, at the date of such Loan, the principal amount so advanced did not exceed:

   (i) with respect to the Deutsche Bahn Nürnberg Loan, 76.3 per cent. of such valuation; and

   (ii) with respect to the Deutsche Bahn Hannover Loan, 77 per cent. of such valuation.

(r) Prior to the completion of each German Loan and each Mortgage, the Originator:

   (i) received from legal advisors acting for or approved by the Originator a legal due diligence report or report on title in relation to the relevant German Property which initially or after further investigation did not disclose anything of material nature which would cause a reasonably prudent lender of money secured on commercial property to decline to proceed with the advance on its agreed terms; and

   (ii) carried out all material investigations, searches and other actions and made such enquiries as to the Borrowers' title to the Properties as would a reasonably prudent lender of money secured on commercial property (or such matters were undertaken by the entities issuing the reports on title or certificates of title) and nothing was disclosed by such investigations, searches, actions and enquiries which would have led such a reasonably prudent lender either initially or after further investigation to decline to proceed with the German Loans.

(s) Prior to the date of each German Loan, the nature of, and amount secured by, such German Loan and the Mortgage relating thereto and the circumstances of the relevant German Loan Borrower would, as at that date, have been acceptable to a reasonably prudent lender of money secured on commercial property.

(t) In respect of each German Loan Borrower, the Originator received an opinion from relevant local legal counsel confirming that each was a properly constituted

company or other legal entity in accordance with the terms of the relevant jurisdiction and had all necessary powers to enter into and comply with terms of the relevant German Loan and Loan Security.

(u) The Originator has carried out all due diligence that a prudent commercial lender would undertake to establish and confirm that no German Loan Borrower has engaged since its formation or incorporation in any activity other than those incidental to its formation or incorporation or the entering into the relevant German Loan and the Loan Security (or prior financing in relation to the relevant German Property) nor has had since its incorporation nor does it have as at the Closing Date any material liability or assets other than the German Loans and relevant German Property providing security for such German Loan. Notwithstanding the foregoing, the German Loan Borrowers may incur debt in the ordinary course of business, subject to market customary thresholds.

(v) To the Originator's knowledge no report on title or certificate of title given by a relevant legal advisor nor valuation given by a valuer in connection with any German Loan: (i) was negligently or fraudulently prepared by the relevant legal advisor or valuer; nor (b) failed to disclose any fact or circumstance that ought reasonably to have been disclosed by the report and, if disclosed, would have caused the Originator, acting as a reasonably prudent lender secured on commercial property, to decline to proceed with the Loan on its agreed terms.

(w) Prior to making an advance under any German Loan: (a) no express recommendation was received by the Originator from a qualified surveyor or valuer to carry out any environmental audit, survey or report of any of the Properties which was not implemented; and (b) the results of any such environmental audit, survey or report which was procured by the Originator would, as at that date, have been acceptable to a reasonably prudent lender of money secured on commercial property and have been taken into account in the relevant valuation.

(x) Each German Property is situated in Germany.

(y) Each German Property constitutes investment property let predominantly for commercial use.

(z) In relation to the German Properties:

(i) the title has been registered at the Land Registry in the name of the relevant Borrower (unless otherwise specified in this Prospectus);

(ii) it was, as at the date of the relevant Mortgage held by the Borrower free (save for the Mortgage or other Loan Security) from any encumbrance (other than disclosed in this Prospectus) which would materially adversely affect such title or the value for mortgage purposes set out in the valuation referred to in paragraph (q) above (including any encumbrance contained in the leases relevant to such German Properties); and

(iii) in relation to the German Loans and Loan Security, all stamp duty, land registry and all other taxes or fees required to be paid in connection with, as applicable, the transfer of title to the Properties into the name of the relevant Borrower and/or registration of the legal title to the Loan Security in the name of the Loan Security Agent have been paid.

(aa) No German Property constitutes predominantly a dwelling or is owner occupied.

(bb) The Originator:

(i) does not have any actual knowledge of any claim against the German Loan Borrowers under any environmental legislation applicable in relation to any German Property which would, if adversely determined, materially and adversely affect the valuation of such German Property in the context of the loan to value calculation applied to that German Loan at or prior to its completion; and

(ii) has not received written notice of any matter likely in the opinion of the Originator to give rise to environmental liability for any German Loan Borrower in the foreseeable future of such materiality that it would materially and adversely affect the valuation of the relevant German Property in the context of the loan to value calculation applied to any German Loan at or prior to its completion provided always that this paragraph (ii) shall only apply to written notice of matters which under environmental laws or regulations in force in the country or jurisdiction where the relevant property is situated at today's date could give rise to a requirement to clean or to reinstate the relevant German Property or to a claim against any German Loan Borrower.

(cc) The German Credit Agreements and the Mortgages are governed by German law.

(dd) Subject only to the registration of Mortgages at the Land Registry:

(i) each Mortgage is a legal, valid, binding and enforceable first ranking charge by way of legal mortgage (*Grundschuld*) over the German Property to which such Mortgage relates for the full amount of the related German Loan; and

(ii) the Originator (prior to the transfer to the Issuer) has a good title to each Mortgage at law and all things necessary to perfect the Originator's title to each Mortgage have been or will be duly completed within the appropriate time or are in the process of being completed without undue delay.

(ee) No Mortgage secures any loan made by the Originator to the German Loan Borrowers, or any other liability of the Borrowers to the Originator (excluding interest accrued but not due on the Closing Date) other than the relevant German Loan and the obligations of the German Loan Borrowers under the relevant German Loan Security and any hedge agreements.

(ff) In relation to each Mortgage, the Borrower in respect of each German Property had, as at the date of that Mortgage, title to the relevant German Property and is the owner (*Grundstücks Eigentümet*) of the relevant Property.

(gg) The Originator is not aware:

(i) of any circumstances giving rise to a material reduction in the value of any German Property since the last review of any German Loans (if applicable) other than as a result of market forces affecting the value of comparable properties in the area;

(ii) of any litigation or claim calling into question in any way the Originator's title to any German Loans or related Loan Security;

(iii) of the bankruptcy, liquidation, receivership or administration of any German Loan Borrower;

(iv) of any material default, material breach or material violation under any German Loan or Loan Security which has not been remedied, cured or waived (but only in a case where a reasonably prudent lender of money secured on residential and commercial property would grant such a waiver) or of any outstanding material default, material breach or material violation by the German Loan Borrowers under any German Loan or Loan Security or of any outstanding event which with the giving of notice and/or the expiration of any applicable grace period and/or making of any determination, would constitute such a default, breach or violation.

(hh) The Originator has performed in all material respects all its obligations under or in connection with the German Loans and their Loan Security and so far as the Originator is aware no German Loan Borrower has taken or has threatened to take any action against the Originator for any material failure on the part of the Originator to perform any such obligations.

(ii) Each German Property is covered by an insurance policy maintained by the Borrower or another person with an interest in the relevant German Property and:

(i) each German Property is covered against those risks usually covered by a reasonably prudent mortgagee of a property of the same nature and in a comparable location; and

(ii) in the case of each German Property the relevant insurance policy provides cover in respect of at least two years loss of revenue.

(jj) The Originator has not received written notice that any insurance policy is about to lapse on account of failure by the relevant entity maintaining such insurance to pay the relevant premiums.

Notwithstanding the warranties that will be given in relation to the German Loans and the Mortgages, only limited assurance will be given in relation to any of the remaining Loan Security for the German Loans. Certain of the warranties are qualified to reflect the circumstances of individual German Properties and, where material, details of such qualification have been included elsewhere in this Prospectus.

The German Loan Sale Agreement contains a representation from the Originator, to the Issuer and the Trustee, to the effect that the information in this Prospectus with regard to the Originator, its business, the German Loans, the administration of the German Loans, the Loan Security, the German Properties and the relevant buildings insurance policies that is material in the context of the issue, the offering and the sale of the Notes, is true and accurate in all material respects and is not misleading in any material respect. Only the Issuer and the Trustee may rely upon this representation from the Originator. The remedy of the Issuer and the Trustee in the case of breach of such representation is limited to the right to claim damages for any loss suffered as a result.

ACQUISITION OF THE CLASS A FCC UNITS AND THE FTA NOTE

Class A FCC Units

FCC Units Subscription Agreement
Pursuant to a subscription agreement entered into on or prior to the Closing Date between the Issuer, the FCC Manager and the FCC Custodian (the "**FCC Units Subscription Agreement**"), the Issuer will, on the Closing Date, subscribe for the Class A FCC Units issued by the French Issuer in relation to its acquisition of the French Loans on the same date.

Subscription price
The Issuer will pay for its subscription for all of the Class A FCC Units a price equal to 100% of the aggregate nominal value of each such Unit, *i.e.* Euro 200,741,000. The subscription proceeds will be paid on the Closing Date.

Delivery of the Class A FCC Units
On the Closing Date, upon confirmation of the receipt of the proceeds of the issue of the Class A FCC Units referred above, the FCC Manager will record the title of ownership in the Class A FCC Units to the Issuer's account opened in the register of FCC Unitholders created by the FCC Manager.

FTA Note

FTA Note Transfer Agreement
The FTA Note will be initially subscribed in full by the Originator in its capacity as qualified investor pursuant to article 10 of the RD 926/1998 (in such capacity, the "**FTA Note Subscriber**"). The Originator will be the initial subscriber of the FTA Note since the procedure for registration with the CNMV of Spanish securitisation funds (such as the Spanish Issuer) involves certain timing constraints with respect to the issue of notes.

Pursuant to a transfer agreement dated on or prior to the Closing Date between, amongst others, the FTA Note Subscriber and the Issuer (the "**FTA Note Transfer Agreement**"), the FTA Note will then be transferred to the Issuer on the Closing Date.

Subscription price
The Issuer will pay for the FTA Note a transfer price equal to Euro 107,835,000. The subscription proceeds will be paid on the Closing Date.

Delivery of the FTA Note
Ownership and any rights *in rem* over the FTA Note shall be entered in a register which shall be maintained by the FTA Manager and in which successive transfers and the creation of rights *in rem* over the FTA Note shall be recorded, setting out the identity and address of successive holders of the FTA Note and of the rights *in rem* created thereover, as well as the bank account into which payments under the FTA Note must be made to the said holder. The FTA Manager shall only recognise as holder of the FTA Note, and/or of the rights *in rem* created thereover, the person recorded as such in the said register as a result of having been notified of the transfer and/or creation of rights *in rem* over the FTA Note.

The FTA Manager shall be notified in the event of transfer of the FTA Note by the transferor handing over the title document representing the same, subject to transfer, to the FTA Manager. The FTA Manager shall then cancel the title document and issue to the transferor a new title document representing the FTA Note in the name of the transferee. In the event of creation of a right *in rem* over the FTA Note, the title document representing the same must be handed over by the holder thereof to the FTA Manager, which shall cancel it and issue a new title document representing the FTA Note, indicating the right *in rem* created in favour of the beneficiary thereof and shall deliver the same to the person indicated to it jointly by the holder of the FTA Note and the beneficiary of the right *in rem* created.

LOAN SERVICING

General

Appointment of the Servicers
Due to legal requirements imposed by French and Spanish laws respectively in France and Spain, the Originator will act as the Servicer, for and on behalf of:

(a) the French Issuer, with respect to the French Loans, pursuant to a servicing agreement (the "**French Loan Servicing Agreement**") between, amongst others, the Originator, as servicer of such Loans (the "**French Servicer**"), the FCC Manager and the FCC Custodian to be dated on or prior to the Closing Date; and

(b) the Spanish Issuer, with respect to the Spanish Loan, pursuant to a servicing agreement (the "**Spanish Loan Servicing Agreement**") between the Originator, as servicer of such Loan (the "**Spanish Servicer**"), and the Spanish Issuer, acting through the FTA Manager, to be dated on the Spanish Closing Date.

The Originator will also act as the Servicer for and on behalf of the Issuer with respect to the German Loans, pursuant to a servicing agreement (the "**German Loan Servicing Agreement**" and, together with the French Loan Servicing Agreement and the Spanish Loan Servicing Agreement, the "**Loan Servicing Agreements**") between, amongst others, the Originator, as servicer of such Loans (the "**German Servicer**" and, together with the French Servicer and the Spanish Servicer, the "**Servicers**"), the German Special Servicer and the Issuer to be dated on or prior to the Closing Date.

In addition, pursuant to the French Loan Servicing Agreement, the German Loan Servicing Agreement and the Spanish Loan Servicing Agreement respectively, and consistent with the provisions of the related Credit Agreements and any related Subordination Agreements, by way of a separate appointment the Originator will also act as:

(i) servicing agent in relation to any capex facilities and any VAT facilities as shall be (or have been) extended from time to time to the relevant Borrower(s) (such financings, together with the Loans, the "**Serviced Financings**", and the security granted by the relevant Borrower(s) to secure their obligations under the Serviced Financings being referred to, together with the Loan Security, as "**Serviced Financings Security**"), for and on behalf of the lenders who have extended the Serviced Financings and the relevant Loan Hedge Counterparty (each, a "**Serviced Financings Creditor**"); and

(ii) Loan Security Agent for and on behalf of the Serviced Financings Creditors.

Accordingly, in performing its duties as Servicer in respect of the Serviced Financings, the Servicer appointed in accordance with this section "*Appointment of the Servicers*" will be bound by the conflict of interests provisions described under section "*Servicing Standard*" on page 199 below.

For the avoidance of doubt, the Originator does not act as servicer of the other Subordinated Financings and, accordingly, the provisions of the above paragraph do not apply in relation such other Subordinated Financings.

Appointment of the Special Servicers
In relation to any German Loan, Hatfield Philips will also act as the special servicer (in such capacity, the "**German Special Servicer**") for and on behalf of the Issuer pursuant to the German Loan Servicing Agreement, in relation to German Loans which may become Specially Serviced Loans. Hatfield Philips, in its capacity as German Special

Servicer, may sub-delegate the performance of special servicing duties in relation to the German Specially Serviced Loans where the performance of such special servicing duties would require a licence under the German Act on Rendering Legal Advice (*Rechtsberatungsgesetz*) to Société Générale, or to a subsidiary of Hatfield Philips provided such subsidiary has obtained such licence.

In relation to the French Loans and the Spanish Loan, the relevant Servicer will act as the special servicer (in such capacity, the "**French Special Servicer**", the "**Spanish Special Servicer**" and, together with the German Special Servicer, the "**Special Servicers**") for and on behalf of the French Issuer or the Spanish Issuer, as the case may be, pursuant to the relevant Loan Servicing Agreement, in relation to French Loans or Spanish Loan, as applicable, which may become Specially Serviced Loans.

In relation to any Specially Serviced Financing, the relevant Special Servicer will also act in such capacity for the benefit of the relevant Serviced Financings Creditors and will be bound by the conflict of interests provisions described under section "*Servicing Standard*" on page 199 below.

Loan Administrator and Loan Special Administrator
Hatfield Philips International Limited ("**Hatfield Philips**"), whose principal office is at 34th Floor, 25 Canada Square, Canary Wharf, London E14 5LB, England, will be (i) designated by each Servicer as loan administrator (in such capacity, the "**Loan Administrator**"), and (ii) designated by the French Special Servicer and the Spanish Special Servicer as loan special administrator (in such capacities, the "**Loan Special Administrator**"), in relation to the Loans and the other related Serviced Financings, whereby it will provide certain loan administration services to assist respectively the relevant Servicer and the relevant Special Servicer in the performance of their respective duties under the Loan Servicing Agreements, on the terms of loan administration agreements (respectively, the "**French Loan Administration Agreement**", the "**German Loan Administration Agreement**", the "**Spanish Loan Administration Agreement**", and, such agreements together, the "**Loan Administration Agreements**").

The Loan Administrator will be responsible for the administration of the French Loans, the German Loans and the Spanish Loan, together with the other related Serviced Financings, under the relevant Loan Administration Agreements under the sole responsibility and supervision of the relevant Servicer.

The Loan Special Administrator will be responsible for the administration of any French Loan or the Spanish Loan, and any related Serviced Financings, which may become Specially Serviced Financings, under the relevant Loan Administration Agreements under the sole responsibility and supervision of the relevant Special Servicer.

Any fees payable to the Loan Administrator and to the Loan Special Administrator in relation to its duties described above shall be the sole responsibility of the relevant Servicer or Special Servicer.

Servicing Standard
Each Servicer (in respect of the Serviced Financings) and each Special Servicer (in respect of the Specially Serviced Financings) shall act and exercise all its powers and discretions pursuant to the relevant Loan Servicing Agreement and the relevant Serviced Financings Documentation, in accordance with the following requirements (applying such requirements in the following order of priority in the event of a conflict between them):

(a) any and all applicable laws;

(b) the express terms of the relevant Loan Servicing Agreement;

(c) the Servicing Standard;

(d) the express terms of the relevant Subordination Agreements;

(e) the relevant Credit Agreement and the other documents pertaining to the relevant Serviced Financings Documentation; and

(f) in respect of the Spanish Servicer and the Spanish Special Servicer, the Spanish Deed of Incorporation.

If, in the course of providing the services to be provided by a Servicer or Special Servicer, a conflict arises, whether by law or otherwise, between the interests of such Servicer or Special Servicer or any of their respective affiliates on the one hand, and the interests of the relevant Purchaser or any relevant Serviced Financings Creditor(s) on the other, in accordance with the Servicing Standard, the interests of the Purchaser and the Serviced Financings Creditor(s) shall prevail.

If, in the course of providing the services to be provided by a Servicer or Special Servicer, a conflict arises, whether by law or otherwise, between the interests of the relevant Purchaser (or any lender which has extended any other financing under the related Credit Agreement, such other financing being *pari passu* with such Loan) and any relevant Serviced Financing Creditor, then the interests of the relevant Purchaser (or any such lender which rights are *pari passu* with such Loan) shall prevail, subject to and in accordance with the applicable priority of payments set out in the relevant Loan Documentation (and, in particular, any related Subordination Agreement), once the Servicer or Special Servicer has considered all reasonable options in a timely manner in the interest of the Purchaser and the Serviced Financings Creditor(s) taken as a whole.

In respect of the Serviced Financings (or the Specially Serviced Financings), the "**Servicing Standard**" requires that each Servicer and, as applicable, each Special Servicer, service and administer the relevant Serviced Financings (or Specially Serviced Financings) in accordance with the standards of a reasonably prudent lender of money secured by mortgages over commercial property located in the relevant Loan Jurisdiction, with a view to the timely collection of all sums due from the relevant Borrower(s) and, in the event of a default, the maximisation of recovery on the Serviced Financings to the relevant Purchaser and the Serviced Financings Creditors (as a collective whole), based on the Servicer's or Special Servicer's determination of the net present value of the same.

The servicing of the French Loans will be undertaken for the benefit of the French Issuer and (and, as mentioned in the section "*Appointment of the Servicers*" on page 198 above) the relevant Serviced Financings Creditors according to their respective rights and interests in the French Serviced Financings and the related Serviced Financings Security. The servicing of the German Loans will be undertaken for the benefit of the Issuer, the Trustee and (as mentioned in section "*Appointment of the Servicers*" on page 198 above) the relevant Serviced Financings Creditors, according to their respective rights and interests in the German Serviced Financings and the related Serviced Financings Security. The servicing of the Spanish Loan will be undertaken for the benefit of the Spanish Issuer and (as mentioned in section "*Appointment of the Servicers*" on page 198 above) the relevant Serviced Financings Creditor according to their respective rights and interests in the Spanish Serviced Financings and the related Serviced Financings Security.

Each of the Servicers and Special Servicers is required to adhere to the above standards without regard to any fees or other compensation to which it is entitled, any relationship it may have with any party to the transaction or the ownership of any FCC Unit, FTA Note or Note or any interest in any Serviced Financing or subordinated loan. Each of the Servicers and Special Servicers or any of their affiliates may become the owner or otherwise hold an interest in any FCC Unit, FTA Note or Notes with the same rights as each would have if it were not a Servicer or Special Servicer, as the case may be. Any such interest of any Servicer or Special Servicer in an FCC Unit, FTA Note or Note will not be taken into account by any person when evaluating whether actions of the relevant Servicer or Special Servicer were consistent with the above standards.

Roles of the Servicers and the Special Servicers

Serviced Financings

As from the Closing Date (or the Spanish Closing Date with respect to the Spanish Servicer) and in accordance with and pursuant to the terms of the relevant Loan Servicing Agreement, save as mentioned below, each Servicer will be responsible for the servicing and administration of the Serviced Financings concerned.

Specially Serviced Financings and the effect of a Servicing Transfer Event

If, in relation to a French Loan, a German Loan, the Spanish Loan, or any of their respective related Serviced Financings, as the case may be:

(a) any scheduled payment of that Loan or any other related Serviced Financing (as applicable) is more than 15 Business Days delinquent;

(b) there is a payment default on the maturity date of that Loan or any other related Serviced Financing (as applicable);

(c) (any of) the relevant Borrower(s) experience(s) certain insolvency events;

(d) there is, to the knowledge of the relevant Servicer, a material default of (any of) the relevant Borrowers'(s) obligations under a Credit Agreement, any related Subordination Agreement and/or the document(s) supporting any Serviced Financing or, to the knowledge of such Servicer a material default is likely to occur which is in the Servicer's (or, if such Loan is a German Loan, the Special Servicer's) opinion not likely to be cured within 15 days of its occurrence; or

(e) any other default occurs on that Loan or any other related Serviced Financing (as applicable) and, in the reasonable judgement of the relevant Servicer (acting in good faith), such default materially impairs, or could materially impair, the use or marketability or value of the relevant Property as security for such Loan,

(each, a "**Servicing Transfer Event**"), such affected French Loan, German Loan, Spanish Loan, or Serviced Financing, as the case may be, will become a "**Specially Serviced Loan**" or, likewise, such affected Serviced Financing will become a "**Specially Serviced Financing"**, and the relevant Special Servicer in the relevant Loan Servicing Agreement will commence to act as the Special Servicer in relation thereto. It is specified that only the affected Loan or affected Serviced Financing impacted by the occurrence of a Servicing Transfer Event will become a Specially Serviced Loan, or Specially Serviced Financing, as the case may be. The Servicer concerned must notify the occurrence of a Servicing Transfer Event to the French Issuer and the FCC Manager (where the Specially Serviced Loan is a French Loan), the FTA Manager (where the Specially Serviced Loan is the Spanish Loan), the Issuer (in any case), the relevant Serviced Financings Creditor (where the Specially Serviced Financing is not a Loan), the Loan Security Agent, the Trustee, the Rating Agencies (where the Specially Serviced Financing is a Loan), the Operating Adviser (if one has been appointed at such time), and if the Servicer is not also the Special Servicer, the Special Servicer, upon a Loan becoming a Specially Serviced Loan.

To the extent that a Serviced Financing is a Specially Serviced Financing and either:

(i) an event specified in paragraph (a) above has occurred and the relevant Borrower(s) have made two consecutive timely quarterly payments in full; or

(ii) an event specified in paragraph (b), (c), (d), and/or (e) above has occurred and the event specified has been remedied, cured or otherwise resolved,

(such Serviced Financing, then being a "**Corrected Financing**" (and in respect of any Loan, a "**Corrected Loan**"), the relevant Special Servicer will no longer specially service the Specially Serviced Financing and the servicing will transfer back to the Servicer.

Ongoing duties of the Servicers in relation to Specially Serviced Financings
Notwithstanding the appointment of the relevant Special Servicer in relation to a Specially Serviced Financing, the relevant Servicer will be required to continue to collect information and prepare all reports required to be collected or prepared by it pursuant to the terms of the relevant Loan Servicing Agreement, which may include reports and information regarding the Specially Serviced Financing (but provided that the information and reports in respect of the Specially Serviced Financing will, if requested by the relevant Servicer, be based on information and reports provided by the relevant Special Servicer). Neither the Servicers nor the Special Servicers will have responsibility for the performance by the other of its obligations and duties under the Loan Servicing Agreements.

Rights of the German Special Servicer and the French Loan Special Administrator in relation to the deeds of submission to immediate enforcement relating to the German Mortgages
The deeds of submission to immediate enforcement (*Unterwerfung unter die sofortige Zwangsvollstreckung*) relating to the German Properties and the French Loan German Properties will remain in the name of the Loan Security Agent.

Upon the rating of the Loan Security Agent by one of the Rating Agencies falling to BBB or below, the deeds of submissions will be amended with the Trustee (in case of the German Properties) or the French Issuer (in case of the French Loan German Properties) being named as beneficiary of such deeds.

In addition, upon the occurrence of a Servicing Transfer Event relating to a German Loan or the Crown Loan (which is secured by a mortgage over French Loan German Property), and provided the rating of the Loan Security Agent by one of the Rating Agencies has not already fallen to BBB or below, Hatfield Philips, in its capacity as German Special Servicer or as French Loan Special Administrator, respectively, may require, at its discretion:

(i) that the relevant deed of submission be amended to the effect that:

    (a) in relation to the relevant German Property, the Issuer, the Trustee or Hatfield Philips as German Special Servicer (or any sub-delegate of Hatfield Philips as German Special Servicer) be identified as beneficiary of such deed, and/or, as applicable,

    (b) in relation to the relevant French Loan German Property, the French Issuer (or any person appointed by the French Issuer with the consent of the French Loan Special Administrator) be identified as beneficiary of such deed; or

(ii) that the Mortgage relating to the relevant German Property or the relevant French Loan German Property be transferred to Société Générale as Loan Security Agent, who may enforce the Mortgage by making use of the existing deeds of submission which are still in the name of the Loan Security Agent.

The costs of any amendment to a deed of submission in accordance with this section shall be borne by the Loan Security Agent (who shall not be reimbursed for such costs by the Issuer or the French Issuer, as applicable).

The Issuer Representative and the Issuer Special Representative

Appointment of the Issuer Representative and the Issuer Special Representative

Pursuant to the FCC Units Subscription Agreement and the FTA Note Transfer Agreement, Hatfield Philips (in such capacity, the "**Issuer Representative**") will act as the Issuer Representative. The Issuer Representative will be responsible for exercising the rights of the Issuer in respect of the Class A FCC Units and advising the Issuer in exercising its rights under the FTA Note, as described herein.

Pursuant to the FCC Units Subscription Agreement and the FTA Note Transfer Agreement, Hatfield Philips (in such capacity, the "**Issuer Special Representative**") will also act as the Issuer Special Representative. The Issuer Special Representative will be responsible for (i) exercising the rights of the Issuer in respect of the Class A FCC Units corresponding to any French Loan that has become a Specially Serviced Loan, as described herein, and (ii) advising the Issuer in exercising its rights under the FTA Note corresponding to the Spanish Loan that has become a Specially Serviced Loan, as described herein.

The Issuer Representative will, subject to the terms of the FCC Units Subscription Agreement and the FTA Note Transfer Agreement, receive a fee payable by the Issuer on each Interest Payment Date where the Issuer Representative has been consulted by the FCC Manager or FTA Manager, as applicable, during the FCC Interest Period ending on the FCC Interest Payment Date immediately preceding such Interest Payment Date, or during the FTA Interest Period ending on the FTA Interest Payment Date immediately preceding such Interest Payment Date, as applicable.

The Issuer Special Representative will, subject to the FCC Units Subscription Agreement and the FTA Note Transfer Agreement, receive a fee payable by the Issuer on each Interest Payment Date where the Issuer Special Representative has been consulted by the FCC Manager or FTA Manager, as applicable, during the FCC Interest Period ending on the FCC Interest Payment Date immediately preceding such Interest Payment Date, or during the FTA Interest Period ending on the FTA Interest Payment Date immediately preceding such Interest Payment Date, as applicable.

Role of the Issuer Representative and the Issuer Special Representative

The Issuer Representative will initially be responsible for:

(a) representing the Issuer in any consultation initiated by the FCC Manager with the holders of the FCC Units;

(b) advising the Issuer in any consultation or request for consent initiated by the FTA Manager with the holder of the FTA Note; and

(c) receiving any notices which the FTA Manager has undertaken to serve on the Issuer as holder of the FTA Note, in relation to the normal servicing of the Spanish Loan.

If, in relation to a French Loan or the Spanish Loan, such Loan becomes a Specially Serviced Loan, the Issuer Special Representative will assume responsibility for:

(a) representing the Issuer in any consultations initiated by the FCC Manager with the holders of the FCC Units;

(b) advising the Issuer in any consultation or request for consent initiated by the FTA Manager with the holder of the FTA Note; and

(c) receiving any notices which the FTA Manager has undertaken to serve on the Issuer as holder of the FTA Note, in relation to the special servicing of the Spanish Loan.

The Issuer Representative will have no further responsibilities in respect of any Class A FCC Units or the FTA Note, as applicable, in respect of which an Issuer Special Representative has been appointed.

Upon such Specially Serviced Loan becoming a Corrected Loan, the Issuer Special Representative shall transfer responsibility for representing the Issuer and advising the Issuer back to the Issuer Representative.

The circumstances in which the FCC Manager may or will initiate consultations with the FCC Unitholders are limited to those that are described in the FCC Regulations. Those circumstances include the occurrence of an event of default in respect of a French Loan which has been notified to the FCC Manager by the French Servicer, the making of a decision to enforce the related Loan Security or accelerate a French Loan, and a request by a French Loan Borrower for a material modification to, or waiver of, any provision of the relevant French Credit Agreement. The FCC Manager must, in any consultation with the FCC Unitholders, determine, in an independent manner, which course of action is in the best interests of the FCC Unitholders (taken as a collective whole), given the levels of security afforded to them. Under no circumstances will the FCC Manager be entitled not to follow a course of action that it has proposed to the FCC Unitholders on the sole basis that it has not been endorsed by the Issuer Representative or the Issuer Special Representative. Nor will the FCC Manager be entitled to follow a particular course of action on the sole basis that it has been proposed by the Issuer Representative or the Issuer Special Representative in any such consultation.

The circumstances in which the FTA Manager will initiate consultations with or request the consent from the FTA Noteholder are limited to those that are described in the Spanish Deed of Incorporation. In particular, the FTA Manager shall consult with the Issuer before deciding whether any of the grounds for extinction and liquidation of the Spanish Issuer laid down in the Spanish Deed of Incorporation have arisen, before taking any measures in relation to a breach by the Spanish Servicer of its servicing duties, and before deciding on what action it should take (either directly or through the Servicer) in relation to the enforcement of the Spanish Loan, the Mortgage or the Loan Security. In addition, the FTA Manager may not without the prior consent of the Issuer, agree to any substantial modification of the contracts relating to the management of the Spanish Issuer or the Spanish Deed of Incorporation, or appoint a new servicer. In the event that the FTA Manager would consider that any instructions received from the Issuer may be contrary to the interests thereof, the interests of the ordinary creditors of the Spanish Issuer, or the interests of other entities (including those of the FTA Manager itself) which have legitimate interests in relation to the Spanish Issuer, the FTA Manager will report on such aspect to the Issuer by means of a report explaining the reasons on which it bases its opinion. Where the Issuer is consulted or its consent is requested by the FTA Manager as described above, the Issuer shall request in writing (with a copy to the Trustee) advice from the Issuer Representative or the Issuer Special Representative, as applicable, and may follow such advice in advising, or giving its consent to, the FTA Manager.

In no circumstances shall the Issuer Representative or the Issuer Special Representative be entitled to engage in the servicing or special servicing of a Loan, or to require the FCC Manager, the FTA Manager, the Servicer or the Special Servicer to pursue any particular course of action in relation to the servicing or special servicing of a Loan or, other than in the context of a consultation initiated by the FCC Manager or the FTA Manager, as applicable, in the circumstances described above, to request that any such course of action be taken.

The Controlling Class Representative and the Operating Adviser

The Controlling Class

The Conditions of the Notes permit the Controlling Class to elect a Controlling Class Representative to represent its interests in relation to Specially Serviced Loans.

The Controlling Class Representative, on behalf of the Controlling Class, will have the right to:

(a) upon any Loan becoming a Specially Serviced Loan, appoint an Operating Adviser, in which case, the appointment of the Operating Adviser will be deemed effective upon notification by the Controlling Class Representative to the Issuer Representative, the Issuer Special Representative, the Issuer and the Trustee;

(b) require the Issuer to dismiss the German Special Servicer or the Issuer Special Representative, as the case may be, with regard to any relevant Specially Serviced Loan; and

(c) be consulted on certain actions by:

   (i) the German Special Servicer with respect to a German Loan that becomes a Specially Serviced Loan including, among other things, any enforcement of the relevant German Loan, modifications, waivers and amendments of any monetary terms of a German Loan, the release of any related Loan Security, the release of any German Loan Borrower's obligations under the relevant German Credit Agreement and actions taken on the German Properties with respect to environmental matters; and

   (ii) the Issuer Special Representative in relation to: (i) any course of action or matter proposed or raised by the FCC Manager to the FCC Unitholders in any consultation initiated by the FCC Manager concerning the enforcement of the relevant French Loan, modifications, waivers and amendments of any monetary terms of a French Loan, the release of any related Loan Security, the release of any French Loan Borrower's obligations under the relevant French Credit Agreement and actions taken on the Properties with respect to environmental matters, and (ii) any course of action or matter proposed or raised by the FTA Manager to the FTA Noteholder in any consultation initiated by the FTA Manager concerning the enforcement of the Spanish Loan, modifications, waivers and amendments of any monetary terms of the Spanish Loan, the release of any related Loan Security, the release of the Spanish Loan Borrower's obligations under the Spanish Credit Agreement and actions taken on the Properties with respect to environmental matters.

The Controlling Class Representative will have no liability to the Issuer, the French Issuer, the FCC Manager, the Spanish Issuer, the FTA Manager, the Servicers, the Special Servicers or the Trustee for any action taken, or for refraining from the taking of any action in good faith or for any errors in judgement.

The Operating Adviser

Following the appointment of the Operating Adviser becoming effective:

(a) the German Special Servicer will be required to consult with the Operating Adviser appointed in relation to the German Specially Serviced Loans with respect to proposals by the German Special Servicer to take any actions with respect to a German Loan that has become a Specially Serviced Loan; and

(b) the Issuer Special Representative will be required to consult with the Operating Adviser appointed in relation to the French or Spanish Specially Serviced Loans with respect to (i) any proposals of the FCC Manager made to the FCC Unitholders in any consultations initiated by the FCC Manager concerning a French Loan being a Specially Serviced Loan, and (ii) any proposals of the FTA Manager made to the FTA Noteholder in any consultations initiated by the FTA Manager concerning the Spanish Loan provided it is a Specially Serviced Loan.

In addition, the German Special Servicer or the Issuer Special Representative, as applicable, will be required with respect to any Specially Serviced Loan to:

(i) consider taking alternative actions recommended by the Operating Adviser;

(ii) with respect to the Issuer Special Representative only, consider recommending to the FCC Manager, in any consultation with the FCC Unitholders initiated by the FCC Manager, that it authorises the French Special Servicer to take alternative actions recommended by the Operating Adviser; and

(iii) with respect to the Issuer Special Representative only, consider recommending to the Issuer, in any consultation with the FTA Noteholder initiated by the FTA Manager, that it advise the FTA Manager to authorise the Spanish Special Servicer to take alternative actions recommended by the Operating Adviser,

in each case relating to the following:

(1) any modification of, or waiver with respect to the relevant Specially Serviced Loan that would result in the extension or shortening of its maturity date (other than extensions provided for in the relevant Credit Agreement);

(2) a reduction in the relevant Specially Serviced Loan's interest rate or its quarterly payment;

(3) a forgiveness of interest on or principal of the relevant Specially Serviced Loan;

(4) a modification or waiver of any other monetary term under a Specially Serviced Loan;

(5) any determination not to enforce any provision of a Specially Serviced Loan that requires the consent or waiver of the Lender in connection with: (i) the sale or other transfer of an interest in the relevant Property, (ii) the assumption of the Loan by an entity other than the relevant Borrower, (iii) the creation of any lien or other encumbrance on the relevant Property or (iv) any similar provision (unless such provision is not exercisable under applicable law or such exercise is reasonably likely to result in successful legal action by the relevant Borrower); and

(6) where relevant, any appointment of a receiver or similar enforcement actions.

Limits to the Controlling Class Representative's and Operating Adviser's rights

Notwithstanding any right of the Controlling Class Representative and the Operating Adviser:

(a) in no event will the Issuer Special Representative be obliged or permitted to take (or recommend that there be taken) any action or refrain from taking (or recommending that there be taken) any action that would violate any law of any applicable jurisdiction and/or would, in the opinion of the Issuer Special Representative, be inconsistent with the interests of the Noteholders as a whole, or the rights of the holders of the most senior Class of Notes in case of contrary Noteholder interests, or violate (or cause the Issuer Special Representative to violate) any provisions of the FCC Units Subscription Agreement or the FTA Note Transfer Agreement, as applicable;

(b) in no event will the German Special Servicer be obliged or permitted to take (or recommend that there be taken) any action or refrain from taking (or recommending that there be taken) any action that would violate any law of any applicable jurisdiction and/or would, in the opinion of the German Special Servicer, be inconsistent with the Servicing Standard or violate (or cause the German

Special Servicer to violate) any provisions of the German Loan Servicing Agreement;

(c) the FCC Manager, although it must act at all times in the interests of the Issuer in its capacity as holder of the Class A FCC Units (together with those of the holders of the Class B FCC Units, as a collective whole), having regard to the level of security afforded to the FCC Unitholders (as a collective whole), will not be bound to follow any recommendations made to it by the Issuer Special Representative (whether or not made at the direction of the Operating Adviser) or the French Special Servicer in relation to actions to be taken by it or on its behalf in relation to a French Loan; and

(d) the FTA Manager, although it must act at all times in the interests of the Issuer in its capacity as holder of the FTA Note, having regard to the level of security afforded to it, will not be bound to follow any recommendations made to it by the Issuer, acting after having consulted with the Issuer Representative, the Issuer Special Representative (whether or not their advice have been given at the direction of the Operating Adviser) or the Spanish Special Servicer, in relation to actions to be taken by it or on its behalf in relation to the Spanish Loan.

Servicing Fees, Workout Fees, Special Servicing Fees and Other Compensation

On each Interest Payment Date, FCC Interest Payment Date or FTA Interest Payment Date, as applicable, and in accordance with the applicable priority of payment of the Available Interest Receipts, FCC Available Interest Receipts or the FTA Available Interest Receipts, as applicable, the relevant Purchaser must pay:

(a) a fee (the "**Servicing Fee**") to the relevant Servicer being Euro 250 plus:

(i) for the German Servicer, the aggregate of the amount calculated for each relevant Loan (other than during a period when (any) such Loan(s) is a Specially Serviced Loan) of: 0.045 per cent. per annum (plus VAT if applicable) *multiplied by* an amount equal to the aggregate current outstanding principal balance of the relevant Serviced Financings (including the Loan) *divided by* the current outstanding principal balance of such Loan;

(ii) for the French Servicer and the Spanish Servicer, where the Issuer Representative has been consulted by the FCC Manager, or by the Issuer (upon its consultation by the FTA Manager), as applicable, during the FCC Interest Period ending on such FCC Interest Payment Date, or FTA Interest Period ending on such FTA Interest Payment Date, as applicable, the aggregate of the amount calculated for each relevant Loan (other than during a period when (any) such Loan(s) is a Specially Serviced Loan) of: 0.042 per cent. per annum (plus VAT if applicable) *multiplied by* an amount equal to the aggregate current outstanding principal balance of the relevant Serviced Financings (including the Loan) *divided by* the current outstanding principal balance of such Loan; and

(iii) for the French Servicer and the Spanish Servicer, where the Issuer Representative has not been consulted during the FCC Interest Period ending on such FCC Interest Payment Date, or FTA Interest Period ending on such FTA Interest Payment Date, as applicable, the aggregate of the amount calculated for each relevant Loan (other than during a period when (any) such Loan(s) is a Specially Serviced Loan) of: 0.045 per cent. per annum (plus VAT if applicable) *multiplied by* an amount equal to the aggregate current outstanding principal balance of the relevant Serviced Financings (including the Loan) *divided by* the current outstanding principal balance of such Loan.

The Servicing Fee will be payable quarterly in arrears, by multiplying the fraction under (i), (ii) or (iii) above by the outstanding principal balance of each Loan on a daily basis, excluding any days on which the Loan was a Specially Serviced Loan;

(b) a fee (the "**Special Servicing Fee**") to the relevant Special Servicer in relation to a relevant Loan which was a Specially Serviced Loan at any time during the immediately preceding FCC Collection Period, Collection Period or FTA Collection Period, as the case may be. The Special Servicing Fee payable in respect of a Specially Serviced Loan will amount to Euro 250 plus the aggregate of the amount calculated for each relevant Specially Serviced Loan of: (i) for each Loan which, on the Closing Date, had an outstanding principal balance greater than Euro 100,000,000, 0.20 per cent. per annum (plus VAT if applicable) *multiplied by* an amount equal to the aggregate current outstanding principal balance of the relevant Specially Serviced Financing (including the Specially Serviced Loan) *divided by* the current outstanding principal balance of such Specially Serviced Loan; and (ii) for each Loan which, on the Closing Date, had an outstanding principal balance lower than Euro 100,000,000, 0.22 per cent. per annum (plus VAT if applicable) *multiplied by* an amount equal to the aggregate current outstanding principal balance of the relevant Specially Serviced Financing (including the Specially Serviced Loan) *divided by* the current outstanding principal balance of such Specially Serviced Loan. The Special Servicing Fee will be payable quarterly in arrears, by multiplying the fraction under (i) or (ii) above by the outstanding principal balance of such Specially Serviced Loan on a daily basis when such Loan was in each such Collection Period a Specially Serviced Loan;

(c) a fee (the "**Administration Services Fee**") to the relevant Servicer in relation to the relevant Loan which is a Specially Serviced Loan being Euro 250 plus:

(i) for the German Servicer, 0.03 per cent. per annum (plus VAT if applicable) *multiplied by* an amount equal to the aggregate current outstanding principal balance of the relevant Specially Serviced Financing (including the Specially Serviced Loan) *divided by* the current outstanding principal balance of such Specially Serviced Loan;

(ii) for the French Servicer and the Spanish Servicer, where the Issuer Special Representative has been consulted by the FCC Manager, or by the Issuer (upon its consultation by the FTA Manager), as applicable, during the FCC Interest Period ending on such FCC Interest Payment Date, or FTA Interest Period ending on such FTA Interest Payment Date, as applicable, 0.02 per cent. per annum (plus VAT if applicable) *multiplied by* an amount equal to the aggregate current outstanding principal balance of the relevant Specially Serviced Financing (including the Specially Serviced Loan) *divided by* the current outstanding principal balance of such Specially Serviced Loan; and

(iii) for the French Servicer and the Spanish Servicer, where the Issuer Special Representative has not been consulted during the FCC Interest Period ending on such FCC Interest Payment Date, or FTA Interest Period ending on such FTA Interest Payment Date, as applicable, 0.03 per cent. per annum (plus VAT if applicable) *multiplied by* an amount equal to the aggregate current outstanding principal balance of the relevant Specially Serviced Financing (including the Specially Serviced Loan) *divided by* the current outstanding principal balance of such Specially Serviced Loan.

The Administration Services Fee will be payable quarterly in arrears by multiplying the fraction under (i), (ii) or (iii) above by the outstanding principal balance of such Specially Serviced Loan on a daily basis when such Loan was a Specially Serviced Loan; and

(d) a fee (the "**Workout Fee**") to the relevant Special Servicer in relation to such Specially Serviced Loan which became a Corrected Loan during the immediately preceding Collection Period. The Workout Fee in relation to each such Loan will accrue at the rate of: (i) for each Loan which, on the Closing Date, had an outstanding principal balance greater than Euro 100,000,000, 0.8 per cent. per annum (plus VAT if applicable) *multiplied by* an amount equal to the aggregate of interest and principal received in respect of that Loan on each day of such Collection Period on which such Loan was a Corrected Loan; and (ii) for each Loan which, on the Closing Date, had an outstanding principal balance lower than Euro 100,000,000, 1 per cent. per annum (plus VAT if applicable) *multiplied by* an amount equal to the aggregate of interest and principal received in respect of that Loan on each day of such Collection Period on which such Loan was a Corrected Loan. The Workout Fee payable in any period will apply to a Specially Serviced Loan that has become a Corrected Loan based on the interest and principal received in respect of such Corrected Loan in such period and will be paid on each Interest Payment Date, FCC Interest Payment Date, or FTA Interest Payment Date, as applicable, of such period. The Workout Fee shall cease to accrue in relation to such Corrected Loan when a Liquidation Event occurs or upon the date when such Corrected Loan becomes once more a Specially Serviced Loan.

The Servicing Fee, any Special Servicing Fee and any Workout Fee in relation to the Loan will cease to be payable by the relevant Purchaser when any of the following events (each, a "**Liquidation Event**") occurs in relation to the relevant Serviced Financings:

(a) the relevant Serviced Financings are repaid in full;

(b) a Final Recovery Determination (as defined under "*Calculations by the Servicer and the Special Servicer*" below) is made with respect of the relevant Serviced Financings; and

(c) the relevant Loan concerned is sold to a third party or acquired by the Originator in circumstances where the Loan and any other related Serviced Financings was repurchased by the Originator under the relevant Loan Sale Agreement.

In addition to the Special Servicing Fee and the Workout Fee, each Special Servicer will be entitled to receive a fee (the "**Liquidation Fee**") with respect to any relevant Specially Serviced Loan based on the proceeds of sale (including, without limitation, any amount to be paid in respect of (other than where the Specially Serviced Loan subsequently becomes a Corrected Loan) any indemnity), and net of (i) any tax (including, without limitation, any stamp duty land tax payable thereon, to the extent not paid by a purchaser) and (ii) the costs and expenses of sale, if any, arising from the sale of any relevant Property following the enforcement of the related mortgage or the sale or repurchase of the relevant Loan (such proceeds, the "**Liquidation Proceeds**"). In the event that any Loan and its other related Serviced Financings would be a Specially Serviced Loan, the related Liquidation Fee will not be payable to the relevant Servicer where the Specially Serviced Loan is purchased by the Originator. The amount of the Liquidation Fee payable in respect of a Specially Serviced Loan will be equal to: (i) for each Loan which, on the Closing Date, had an outstanding principal balance greater than Euro 100,000,000, 0.8 per cent. of the net sale proceeds, (plus VAT, if applicable), but will be capped at an amount equal to 0.8 per cent. of the outstanding principal balance of the relevant Specially Serviced Financings (including the Loan); and (ii) for each Loan which, on the Closing Date, had an outstanding principal balance lower than Euro 100,000,000, 1 per cent. of the net sale proceeds, (plus VAT, if applicable), but will be capped at an amount equal to 1 per cent. of the outstanding principal balance of the relevant Specially Serviced Financings (including the Loan). The Liquidation Fee is payable by the French Issuer, the Issuer or the Spanish Issuer, as the case may be, to the relevant Special Servicer in relation to the relevant Loan(s), and other related Serviced Financings, in accordance with the relevant priority of payments payable by the French Issuer, the Issuer or the Spanish Issuer, as applicable, on the first relevant FCC Interest Payment

Date, Interest Payment Date or FTA Interest Payment Date, as applicable, after a Liquidation Event and in priority (either directly or indirectly) to payment of interest and principal on the relevant Loan(s). Therefore, although Liquidation Fees are intended to provide a Special Servicer with an incentive to better perform its duties, the payment of any Liquidation Fee will reduce principal amounts payable to the Noteholders (through, in relation to the French Loans and the Spanish Loan, a reduction in the amounts payable to the Issuer under the Class A FCC Units and the FTA Note).

The Servicers and the Special Servicers will be required to pay their respective overhead costs and any general and administrative expenses incurred by them in connection with their servicing activities carried out pursuant to the terms of the relevant Loan Servicing Agreements and will, in general, not be entitled to reimbursement for such expenses. However, on each FCC Interest Payment Date, Interest Payment Date or FTA Interest Payment Date, as applicable, the Servicers and the Special Servicers are entitled, pursuant to the terms of the Loan Servicing Agreements and in accordance with the relevant priority of payments payable by the French Issuer, the Issuer or the Spanish Issuer, as the case may be, to be reimbursed in respect of certain out–of–pocket costs, expenses and charges properly incurred by them in the performance of their servicing obligations including, without limitation, those described under "Insurance" and "Annual Review" below. Such costs and expenses are usually payable by the French Issuer, the Issuer or the Spanish Issuer, as the case may be, on the FCC Interest Payment Date, Interest Payment Date or FTA Interest Payment Date following the FCC Collection Period, Collection Period or FTA Collection Period, as applicable, during which they are incurred by the Servicers or Special Servicers.

The Workout Fee, the Servicing Fee, the Special Servicing Fee and other amounts payable by the French Issuer, the Issuer or the Spanish Issuer to the Servicers and the Special Servicers are payable in accordance with the relevant priority of payments payable by French Issuer, the Issuer or the Spanish Issuer, as the case may be and, save in certain limited circumstances, in priority to any payments of interest or principal on the Class A FCC Units, the Notes or the FTA Note, as applicable, both before and after the enforcement of the Serviced Financings Security.

Termination of the Appointment of the Servicers, the Special Servicers, the Issuer Representative and the Issuer Special Representative

Pursuant to the terms of:

(a) the relevant Loan Servicing Agreement, the French Issuer (in respect of the French Loan Servicing Agreement), the Spanish Issuer (in respect of the Spanish Loan Servicing Agreement), the Issuer (with the prior written consent of the Trustee) or the Trustee (in respect of the German Loan Servicing Agreement), may, at any time (and, in the case of the Spanish Issuer, to the extent legally possible), with 30 days' prior notice, terminate the relevant Servicer's or the relevant Special Servicer's appointment and appoint (in accordance with the terms of the relevant Loan Servicing Agreement) a successor Servicer or Special Servicer;

(b) the relevant Loan Servicing Agreement, the French Issuer (in respect of the French Loan Servicing Agreement), the Spanish Issuer (in respect of the Spanish Loan Servicing Agreement), the Issuer or the Trustee (in respect of the German Loan Servicing Agreement), and the Serviced Financings Creditors, as a result of an event of default (as specified below) of the relevant Servicer or relevant Special Servicer may (in the case of the Spanish Issuer, to the extent legally possible), immediately or at any time thereafter while such default continues by notice in writing, terminate the appointment of such Servicer or such Special Servicer and appoint (in accordance with the terms of the relevant Loan Servicing Agreement) a successor Servicer or Special Servicer; and

(c) the FCC Units Subscription Agreement or the FTA Note Transfer Agreement, as applicable, the Issuer may (1) by notice in writing to the the Issuer Representative, the Issuer Special Representative and the French Issuer or Spanish Issuer, as applicable, terminate the appointment of the Issuer Representative or the Issuer Special Representative with effect from the date specified in such notice, and (2) appoint a successor Issuer Representative or Issuer Special Representative.

It is specified that the Controlling Class Representative and/or the Operating Adviser will be entitled to require the Issuer (with the consent of the Trustee) or the Trustee, as the case may be, to terminate the appointment of the person then acting as German Special Servicer or Issuer Special Representative, as applicable, and to appoint a successor which is acceptable to the Controlling Class Representative or the Operating Adviser, as applicable.

Events of default in respect of a Servicer and a Special Servicer include, amongst other things:

(i) a default in the payment on the due date of any payment to be made by such Servicer or such Special Servicer pursuant to the terms of the relevant Loan Servicing Agreement;

(ii) a default in the performance of any of such Servicer's or such Special Servicer's other covenants or obligations pursuant to the terms of the relevant Loan Servicing Agreement;

(iii) the occurrence of certain insolvency related events in relation to such Servicer or such Special Servicer.

In addition, a Servicer and a Special Servicer may resign by giving at least three months' notice to, amongst others, the French Issuer (in respect of the French Loan Servicing Agreement), the FTA Manager (in respect of the Spanish Loan Servicing Agreement), the Trustee (in respect of the German Loan Servicing Agreement), the Serviced Financings Creditors, the Servicer (in the case of notice by the Special Servicer), and the Special Servicer (in the case of notice by the Servicer), and the Issuer Representative and the Issuer Special Representative may resign by giving at least three months' notice to the French Issuer (in respect of the servicing of the French Loans) or to the FTA Manager (in respect of the servicing of the Spanish Loan).

Regardless of the reason, but without prejudice to any termination rights provided for under compulsory law, e.g. for good cause, the termination of the appointment of a Servicer or a Special Servicer will not take effect until a successor entity has been appointed in its place. The identity and terms of appointment of any successor entity must meet certain criteria set out in the relevant Loan Servicing Agreement. These include written confirmation by each Rating Agency that the current ratings of each Class of Notes rated by such Rating Agencies will not be adversely affected as a result of such appointment, as a result of the level of security afforded to the FCC Unitholders or FTA Noteholder being adversely affected by such appointment, as the case may be. The fee payable to any successor Servicer or Special Servicer must not in any event exceed the rate then commonly charged by providers of loan servicing services in relation to loans secured on commercial properties similar to the relevant Properties.

Upon any termination of its appointment, the relevant Servicer or the relevant Special Servicer is required (subject to any legal or regulatory restrictions) to deliver the documents, information, computer stored data and moneys held by it in relation to its appointment to the successor Servicer or Special Servicer, as applicable, and is required to take such further lawful action as the FCC Manager (in the case of the French Loans), the FTA Manager (in the case of the Spanish Loan) or the Trustee (in the case of the German Loans) may reasonably direct to enable the successor Servicer or Special Servicer to perform its servicing duties.

In no circumstances shall the Trustee or the Loan Security Agent be obliged to assume the obligations of the Servicer or the Special Servicer.

Enforcement of the Loans

Upon the occurrence of a Servicing Transfer Event affecting a Serviced Financing, special servicing of such Serviced Financing will, as described under "*Roles of the Servicers and the Special Servicers*" on page 201 above, be undertaken by the Special Servicer, who may elect to implement enforcement procedures in relation to such Serviced Financing provided an event of default has been declared under such Serviced Financing. Such enforcement procedures may include the giving of instructions to the Loan Security Agent as to how to enforce the security for the repayment of such Serviced Financing. It is specified that only the affected Loan or affected Serviced Financing impacted by the occurrence of a Servicing Transfer Event will become a Specially Serviced Loan, or Specially Serviced Financing, as the case may be.

In relation to the French Loan Servicing Ageement and the Spanish Loan Servicing Agreement, the relevant Special Servicer is required to:

(a) act in accordance with the instructions from the FCC Manager or the FTA Manager, as applicable, it being specified that the FCC Manager will in turn be required to consult with the Issuer Special Representative (on behalf of the Issuer) in accordance with the FCC Units Subscription Agreement, and that the FTA Manager will in turn be required to consult with the Issuer (and the Issuer shall be required to consult the Issuer Special Representative) in accordance with the Spanish Deed of Incorporation; and

(b) when requesting such instructions from the FCC Manager or the FTA Manager, as applicable, make recommendations as to the nature of the actions and/or steps that in its reasonable opinion should be taken in relation to an enforcement.

If a Mortgage is enforced and a Property is sold, the Liquidation Proceeds will, together with any amount payable to the relevant Borrowers on any related insurance contracts (to the extent such amounts may be applied by the Special Servicer in repayment of the relevant Loan), be applied against the sums owing from such Borrowers to the extent necessary to repay such Loan.

For details as to the enforcement procedures relating to the Mortgage in the Loan Jurisdictions, see the sections entitled "*Risk Factors Relating to the Loans - Relevant Aspects of French Law*", "*Risk Factors Relating to the Loans - Relevant Aspects of Spanish Law*" and "*Risk Factors Relating to the Loans - Relevant Aspects of German Law*" of this Prospectus.

Modifications, Waivers, Amendments and Consents

Subject to the rights of the "Majority Lenders" (or "*Majorité des Banques*" or any "Senior Instructing Group") (as defined in the relevant Serviced Financings Documentation), the Servicers or, in the case of Specially Serviced Loans, the Special Servicers, will be responsible for responding to requests by the relevant Borrowers for consents, modifications, waivers or amendments to the relevant Serviced Financings Documentation. With respect to the French Loans, the FCC Manager may then be required to consult with the Issuer Representative or the Issuer Special Representative, as the case may be, in relation to requests for any material consents, modifications, waivers or amendments, in accordance with the FCC Regulations. With respect to the Spanish Loan, the FTA Manager may then be required to consult with the Issuer (who will in turn consult the Issuer Special Representative) in relation to requests for any material consents, modifications, waivers or amendments, in accordance with the Spanish Deed of Incorporation.

With respect to requests for consents, modifications, waivers or amendments not contemplated by the relevant Serviced Financings Documentation, the Servicer or, as applicable, the Special Servicer, may exercise its discretion (always in accordance with the Servicing Standard) and agree to the request in relation to the relevant Serviced Financings Documentation, and with respect to the French Loans only, the Issuer Representative or the Issuer Special Representative may exercise its discretion and recommend to the FCC Manager that it agrees to the request, in each case provided that:

(a) the granting of consent or the making of the modification, waiver or amendment would be in accordance with the Servicing Standard; and

(b) the consent, if granted, would not:

(i) release any Borrower or any security provider from any of its payment obligations under any Serviced Financing and/or Specially Serviced Financing concerned;

(ii) release any security for any Serviced Financing and/or Specially Serviced Financing concerned (unless a corresponding principal payment is made);

(iii) require the relevant Purchaser, any Serviced Financings Creditor, or the Loan Security Agent to make any further advance of monies under the Serviced Financing and/or Specially Serviced Financing concerned, it being specified that this condition (iii) does not apply to any consent which would require the making of further capex advances, for which the Servicer or, as applicable, the Special Servicer, may exercise its discretion;

(iv) extend the final maturity date of any the Serviced Financing and/or Specially Serviced Financing concerned;

(v) materially impair the security for any Serviced Financing and/or Specially Serviced Financing concerned; or

(vi) reduce the likelihood of timely payment of amounts due on the Serviced Financing and/or Specially Serviced Financing concerned.

If the consent, modification, waiver or amendment requested is one of those contemplated above, the Servicer concerned or the Special Servicer concerned shall not agree to the request without the prior consent of:

(a) the FCC Manager, after consultation with the Issuer Representative or the Issuer Special Representative, as applicable (in the case of the French Loans);

(b) the FTA Manager, after consultation with the Issuer which will have consulted the Issuer Representative or the Issuer Special Representative, as applicable (in the case of the Spanish Loan); and

(c) where such consent, modification or amendment exclusively concerns a Serviced Financing other than a Loan, the relevant Serviced Financings Creditor only.

If the consent, modification, waiver or amendment requested is one of those contemplated above and concerns a German Specially Serviced Financing, the German Servicer and/or the German Special Servicer shall not agree to the request unless it has consulted beforehand the Controlling Class Representative or the Operating Adviser pursuant to the German Loan Servicing Agreement.

In addition, the Servicer concerned or the Special Servicer concerned shall not agree to the request unless: (i) in the case of the German Loans only, it has notified the Trustee of the request for consent, modification, waiver or amendment; and (ii) in case of all the Loans, it has notified the Rating Agencies of the request for consent, modification, waiver or amendment, and the Rating Agencies have not informed it, within a time frame that the Servicer or, as the case may be, the Special Servicer determines to be reasonable taking into account the obligation to act in accordance with the Servicing Standard, that such consent, modification, waiver or amendment will result in the rating of any Class of Notes issued by the Issuer being down rated, withdrawn or qualified.

Notwithstanding the foregoing:

(A) a Servicer or, as the case may be, a Special Servicer may not grant any consents, modifications, amendments or waivers in respect of a Serviced Financing or a Specially Serviced Financing, whether in the nature of any consent, modification, waiver or amendment contemplated above or any other modification, waiver or amendment of a Serviced Financing, if the relevant Servicer or, as the case may be, the relevant Special Servicer, determines that such proposed consent, modification, amendment or waiver could have a material adverse effect on any Class of Noteholders (through the Issuer's interest in the Class A FCC Units or the FTA Note as the case may be, where the Loan concerned is a French Loan or the Spanish Loan);

(B) in respect of the French Loans, the French Servicer or, as the case may be, the French Special Servicer may not grant (and the FCC Manager may not authorise the French Sevicer or the French Special Servicer to grant) any consents, modifications, amendments or waivers to the relevant Serviced Financing Documentation if: (i) it is not in accordance with the management strategy of the French Issuer; (ii) it would not be in the interests of the FCC Unitholders; and (iii) it would affect the level of security afforded to the FCC Unitholders;

(C) in addition, a Servicer or, as the case may be, a Special Servicer, shall not agree to the request unless (i) it has notified the Rating Agencies of the request for consent, modification, waiver or amendment, and (ii) the Rating Agencies have not informed it, within a time frame that such Servicer or, as the case may be, such Special Servicer determines to be reasonable taking into account the obligation to act in accordance with the Servicing Standard, that such consent, modification, waiver or amendment will result in the rating of any Class of Notes issued by the Issuer being down rated, withdrawn or qualified.

To the extent that the consent of any person is required prior to a Servicer or a Special Servicer taking any action in relation to a Serviced Financing, such Servicer or Special Servicer shall not be liable for the consequences of any delay pending receipt of such consent.

The Servicers and the Special Servicers will be required to deposit in the related mortgage file an original counterpart of any agreement related to a consent, modification, waiver or amendment agreed to by it promptly following its execution and to forward a copy to the FCC Custodian and the FCC Manager (in the case of the French Loans), the FTA Manager (in the case of the Spanish Loan), the Trustee (in the case of the German Loans), the relevant Serviced Financings Creditor (in each case where a Serviced Financing other than a Loan has been so amended), and each Rating Agency (in relation to the Loans only). Upon reasonable prior written notice from the FCC Manager (in the case of the French Loans), the FTA Manager (in the case of the Spanish Loan), the Trustee (in the case of the German Loans), the relevant Serviced Financings Creditor (in each case where a Serviced Financing other than a Loan has been so amended), any of the Rating Agencies or the relevant Servicer or the relevant Special Servicer to the relevant Servicer or, as applicable, the relevant Special Servicer, copies of each agreement by which any consent, modification, waiver or amendment of any term of a

Serviced Financing is effected are required to be available for review during normal business hours at the offices of the Servicer, or Special Servicer, concerned.

Calculations by the Servicers

Each Servicer and/or Special Servicer will calculate the amounts due from the relevant Borrower(s) to the French Issuer, the Issuer or the Spanish Issuer, as applicable, pursuant to the terms of the relevant Serviced Financings Documentation and, on each relevant Loan Payment Date, transfer such amounts from the relevant rent account or proceeds account into the FCC Transaction Account, Issuer Transaction Account or FTA Transaction Account, and the accounts of the Serviced Financings Creditors; as applicable. One Business Day prior to each Calculation Date, each Servicer will determine which of the amounts transferred constitute Borrower Interest Receipts and which constitute Borrower Principal Receipts. Each Servicer and/or Special Servicer will also determine which portions of Borrower Principal Receipts consist of Amortisation Funds, Principal Recovery Funds, Final Redemption Funds and Prepayment Redemption Funds, respectively and the amount of all priority payment amounts which it is aware are required to be paid by the relevant Purchaser from time to time. Each Servicer will notify the FCC Manager (in the case of the French Loans), the FTA Manager (in the case of the Spanish Loan) and the Cash Manager (in any case) of all such determinations made by it by 6.00 p.m. on each Calculation Date.

Final Recovery Determination

If a Special Servicer determines at any time that there has been a recovery of all Liquidation Proceeds, insurance proceeds and any other payments that such Special Servicer has determined in accordance with the Servicing Standard, that will be ultimately recoverable in relation to a Serviced Financing (except where such Serviced Financing was paid in full or was repurchased by the Originator pursuant to the terms of the relevant Loan Sale Agreement) (a "**Final Recovery Determination**"), it is required to notify the relevant Servicer, the FCC Manager, the FTA Manager or the Issuer, as the case may be, as well as the Cash Manager and the Trustee, of the amount of such Final Recovery Determination.

Review of Borrowers and property inspections

Each Servicer (or each Special Servicer in the case of a Specially Serviced Financing) shall undertake an annual review in respect of the Borrowers and the Serviced Financings. The Servicer (or each Special Servicer in the case of a Specially Serviced Financing) may conduct more frequent reviews if it has cause for concern as to the ability of the Borrowers to meet their financial obligations under the Serviced Financings. Any review shall include a check on the quality of and underlying covenant strength providing the cash flow arising from each of the Properties and a check of the compliance by the Borrowers of their financial covenants and other material covenants under the Serviced Financings. Each Servicer (or each Special Servicer in the case of a Specially Serviced Financing) shall perform or cause to be performed every two years a physical inspection of each relevant Property.

Insurance

Each Servicer (in relation to any Loan when it is not a Specially Serviced Financing) and each Special Servicer (in relation to any Loan when it is a Specially Serviced Financing) shall use reasonable efforts consistent with the Servicing Standard to monitor the relevant Borrowers' compliance with the requirements of the relevant Credit Agreement regarding the maintenance of insurance of each relevant Property.

Each Servicer and/or Special Servicer shall use reasonable endeavours to require the Borrowers to obtain the required insurance coverage from insurers that have a "claims paying ability" or "financial strength" rating, as applicable, of at least "A" from S&P and "A" from Fitch (or, if at such time there are any Notes outstanding) such lower rating as

will not result in the then current rating of each Class of Notes being adversely affected as a result, as evidenced in writing by at least one Rating Agency (one of which shall be S&P)).

In the event that a Servicer becomes aware that either: (1) a relevant Property is not covered by a buildings insurance policy; or (2) a buildings insurance policy may lapse in relation to a relevant Property due to the non payment of any premium, in each case, such Servicer shall procure a buildings insurance policy (with an insurer having (or whose obligations are guaranteed or backed, in writing, by entities having) a "claims paying ability" or "financial strength" rating, as applicable, of at least "A" from S&P and "A" from Fitch) to be maintained in respect of such Property and shall on behalf of the French Issuer, the Issuer, the Spanish Issuer and/or the relevant Serviced Financings Creditors, as applicable, pay all necessary premiums (in the case of (1) preceding) or pay to the insurer any unpaid premiums, provided the Servicer has received reasonable assurance that it will be refunded in respect of these payments on the next FCC Interest Payment Date, Interest Payment Date or FTA Interest Payment Date, as applicable, together with any penalties or other charges arising from the Borrower's failure to timely pay such items (in the case of (2) preceding).

A Servicer shall not be required to pay any amount described above if, in its reasonable opinion, the expense of making such payment and/or taking such actions would not be in accordance with the Servicing Standard.

Under the Credit Agreements, the building insurance policies must be provided by approved insurance providers if the relevant Property insurance policy in place expires and a new policy is entered into.

Other Matters

In addition to the duties described above, the terms of the German Loan Servicing Agreement and the Spanish Loan Servicing Agreement require the relevant Servicers to perform duties customary for a servicer of mortgage loans, such as retaining or arranging for the retention of loan and property deeds and other documents in safe custody and regularly informing the FTA Manager or the Issuer (copied to the Trustee with regard to the German Loans), as applicable, of any modifications and redemptions. Pursuant to the terms of the French Loan Servicing Agreement, such custody duties will be performed by the FCC Custodian.

In no circumstances will a Servicer or, as applicable, a Special Servicer be liable for any obligation of the Borrowers under any Serviced Financing or have any liability to any third party for the obligations of the French Issuer, the Issuer, the Spanish Issuer, the Loan Security Agent or the Trustee or any other party to the Issuer Transaction Documents, the FCC Transaction Documents or the FTA Transaction Documents. Neither the Servicers nor the Special Servicers have any liability to the French Issuer, the Issuer, the Spanish Issuer, the Loan Security Agent or the Trustee, the Noteholders or any other person for any failure by the Issuer to make any payment due by it under the Notes or any of the Issuer Transaction Documents, FCC Transaction Documents or FTA Transaction Documents, unless such failure by the French Issuer, the Issuer or the Spanish Issuer, as applicable, results from a failure by the relevant Servicer and/or the relevant Special Servicer, as the case may be, to perform its/their obligations under the relevant Loan Servicing Agreement.

The Servicers and/or the Special Servicers may become the owner or otherwise hold an interest in the FCC Units, the FTA Note or Notes with the same rights as it would have if it were not a Servicer or a Special Servicer, as applicable. In assessing whether actions of the Servicers or, as the case may be, the Special Servicers were consistent with the Servicing Standard, no account will be taken of any such interest of the Servicers or Special Servicers in the FCC Units, the FTA Note or the Notes.

CASH MANAGEMENT

Cash Manager

Pursuant to an agreement to be entered into on or prior to the Closing Date between the Issuer, the German Servicer, the Trustee, the Cash Manager and the Operating Bank (the "**Cash Management Agreement**"), each of the Issuer and the Trustee will appoint ABN AMRO Bank N.V. (London Branch) (in this capacity, the "**Cash Manager**") to be its agent to provide certain cash management services in relation to, among other things, the Issuer Transaction Account, as are more particularly described below. The Cash Manager will undertake with the Issuer and the Trustee in the Cash Management Agreement that in performing the services to be performed and in exercising its discretion under the Cash Management Agreement, the Cash Manager will exercise the same level of skill, care and diligence as it would apply if it were the beneficial owner of the moneys to which the services relate and that it will comply with any directions, orders and instructions which the Issuer or the Trustee may from time to time give to it in accordance with the provisions of the Cash Management Agreement.

Issuer's Accounts

(a) *Issuer Transaction Account*

Pursuant to the Cash Management Agreement, the Operating Bank will open and maintain an account in the name of the Issuer (the "**Issuer Transaction Account**") (or such other accounts with any other branch and/or bank as may be opened to replace such accounts pursuant to the Cash Management Agreement) into which will be received all amounts due to the Issuer pursuant to the Issuer Transaction Documents including payments under the Basis Swap Transactions and the Liquidity Facility. The Operating Bank has agreed to comply with any direction of the Cash Manager, the Issuer or the Trustee to effect payments from the Issuer Transaction Account if such direction is made in writing and in accordance with the mandate governing the applicable account.

(b) *The Stand–by Account*

Pursuant to the Cash Management Agreement, the Operating Bank will open and maintain an account in the name of the Issuer (the "**Stand–by Account**"). If the Liquidity Facility Provider elects not to grant a renewal of the Liquidity Facility upon the expiry of the term (and a replacement Liquidity Facility has not been entered into by the Issuer) or, if the Liquidity Facility Provider's unguaranteed, unsecured and unsubordinated short term debt ratings cease to be rated "A–1+" by S&P and "F1" by Fitch, the Cash Manager on behalf of the Issuer shall draw down the whole of the undrawn portion (if any) of the Liquidity Facility and place such amount in this account in its name with the Operating Bank which shall then be available on equivalent terms to the terms on which the Liquidity Facility would have been available for drawing but for such drawdown.

(c) *Cash Investment Account*

Pursuant to the Cash Management Agreement, the Operating Bank will open and maintain an account in the name of the Issuer (the "**Cash Investment Account**") (or such other account with any branch/or bank as may be opened to replace such account pursuant to the Cash Management Agreement) for all amounts standing to the credit of the Issuer Transaction Account only in excess of Euro 15,000. The excess from the Issuer Transaction Account will generally be swept on a daily basis into this account and (prior to the service of a Note Enforcement Notice) will be invested in Eligible Investments.

(d) *Class X Collateral Account*

Pursuant to the Cash Management Agreement, the Operating Bank will open and maintain an account in the name of the Issuer (the "**Class X Collateral Account**") (or such other accounts with any other branch and/or bank as may be opened to replace such accounts pursuant to the Cash Management Agreement) into which will be received the subscription proceeds of the Class X Notes on the Closing Date. The Operating Bank has agreed to comply with any direction of the Cash Manager, the Issuer or the Trustee to effect payments from the Class X Collateral Account if such direction is made in writing and in accordance with the mandate governing the applicable account.

(e) *Issuer Domestic Account*

Pursuant to the Cash Management Agreement, the Operating Bank will open and maintain an account in the name of the Issuer (the "**Issuer Domestic Account**") (or such other accounts with any other branch and/or bank as may be opened to replace such accounts pursuant to the Cash Management Agreement) into which will be received the proceeds of the issued share capital of the Issuer and the Issuer Profit Amount and any interest earned thereon. The Operating Bank has agreed to comply with any direction of the Cash Manager, the Issuer or the Trustee to effect payments from the Issuer Domestic Account if such direction is made in writing and in accordance with the mandate governing the applicable account.

Calculation of Amounts to be paid on an Interest Payment Date

On each Calculation Date (being the second Business Day prior to the relevant Interest Payment Date), the Cash Manager is required to determine, on the basis of information provided by the Servicers in accordance with the Loan Servicing Agreements, 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 for each Class of Notes for the Interest Period commencing on such forthcoming Interest Payment Date and the anticipated amount of each Note Principal Payment due on the next following Interest Payment Date.

If the Cash Manager, acting on the basis of information provided to it by the Servicers, determines on a Calculation Date that a drawing is required to be made under the Liquidity Facility Agreement in respect of a Senior Expenses Drawing, then the Cash Manager will on the date of such determination, on behalf of the Issuer, submit a notice of drawdown to the Liquidity Facility Provider.

Flow of Funds between the Bank Accounts

Under the German Servicing Agreement, the German Servicer is entitled to transfer all Borrower Interest Receipts and Borrower Principal Receipts in relation to the German Loans from the rent accounts of the German Loan Borrowers to the Issuer Transaction Account on the German Loan Payment Date.

On any FCC Interest Payment Date, or on any FTA Interest Payment Date, as applicable, any interest and principal payments on the Class A FCC Units and the FTA Note pertaining to Borrower Interest Receipts, Borrower Principal Receipts and payable by the French Issuer and the Spanish Issuer, respectively, shall be paid directly to the Issuer Transaction Account under the instructions of the FCC Manager and FTA Manager, as applicable.

In addition, upon the instruction of the Cash Manager (based on information provided by the Servicer), all amounts under the Basis Swap Transactions (other than those contemplated by the Basis Swap Credit Support Document) and under the Liquidity

Facility Agreement (other than Stand–by Drawings which are required to be paid into the Stand–by Account) required for payments to be made on any Interest Payment Date will be paid into the Issuer Transaction Account on that Interest Payment Date.

Once such funds have been credited to the Issuer Transaction Account, the Cash Manager shall invest sums in excess of Euro 15,000 in Eligible Investments and is required to apply such funds in accordance with the Deed of Charge and Assignment and the Cash Management Agreement.

On each Interest Payment Date, the Cash Manager will determine and pay on behalf of the Issuer, out of the Available Interest Receipts and Available Principal determined by the Cash Manager to be available for such purposes as described above, each of the payments required to be paid pursuant to and in the priority set forth in the Deed of Charge and Assignment.

Principal Deficiency Ledger

The Cash Manager will maintain a principal deficiency ledger (the "**Principal Deficiency Ledger**") for each Class of Notes. When a Loan has defaulted and the relevant Special Servicer has made a Final Recovery Determination thereunder and an amount of principal remains outstanding, an amount shall be applied to the Principal Deficiency Ledger in an amount equal to the principal amount still outstanding in respect of the Loan (it being specified that in relation to the FCC Units and the FTA Note, such record will apply *mutatis mutandis* as if the Issuer were to directly own the relevant French Loans and the Spanish underlying such securities).

The Principal Deficiency Ledger comprises five sub–ledgers, known as the "**A Note Principal Deficiency Ledger**", the "**B Note Principal Deficiency Ledger**", the "**C Note Principal Deficiency Ledger**", the "**D Note Principal Deficiency Ledger**" and the "**E Note Principal Deficiency Ledger**" respectively, amounts applied to the Principal Deficiency Ledger shall be credited by the Cash Manager to the sub–ledgers in the following order:

(i) *first*, the E Note Principal Deficiency Ledger, subject to a maximum balance on such sub–ledger equal to the Principal Amount Outstanding of the Class E Notes from time to time;

(ii) *second*, the D Note Principal Deficiency Ledger, subject to a maximum balance on such sub–ledger equal to the Principal Amount Outstanding of the Class D Notes from time to time;

(iii) *third*, the C Note Principal Deficiency Ledger, subject to a maximum balance on such sub–ledger equal to the Principal Amount Outstanding of the Class C Notes from time to time;

(iv) *fourth*, the B Note Principal Deficiency Ledger, subject to a maximum balance on such sub–ledger equal to the Principal Amount Outstanding of the Class B Notes from time to time; and

(v) *fifth*, the A Note Principal Deficiency Ledger, subject to a maximum balance on such sub–ledger equal to the Principal Amount Outstanding of the Class A Notes from time to time.

Any debits to these sub–ledgers will be made in reverse order.

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. Notwithstanding any sub–contracting or delegation of the performance of any of its obligations under the Cash Management Agreement, the Cash Manager will not 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

Pursuant to the Cash Management Agreement, the Issuer will pay to the Cash Manager on each Interest Payment Date a cash management fee as agreed between the Cash Manager and the Issuer and will reimburse the Cash Manager and the Operating Bank for all out–of–pocket costs and expenses properly incurred by them in the performance of the services to be provided by them under the Cash Management Agreement as Cash Manager and Operating Bank, respectively. Any successor cash manager will receive remuneration on the same basis.

Both before and (subject to certain exceptions) after enforcement of the Notes amounts payable by the Issuer to the Cash Manager and the Operating Bank will be payable in priority to payments due on the Notes. This order of priority has been agreed with a view to procuring the continuing performance by each of the Cash Manager and the Operating Bank of their duties in relation to the Issuer, the Trustee, the Loans, the Loan Security and the Notes.

Termination of Appointment of the Cash Manager

The appointment of the Cash Manager may be terminated by virtue of its resignation or its removal by the Issuer or the Trustee. The Issuer or the Trustee may terminate the Cash Manager's appointment upon not less than three months' written notice 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 in accordance with the Cash Management Agreement, or (ii) a default in the performance of any of its other duties under the Cash Management Agreement which continues unremedied for a period of 15 Business Days after the earlier of the Cash Manager becoming aware of such default or receipt by the Cash Manager of written notice from the Trustee requiring the same to be remedied, or (iii) a petition is presented or an effective resolution passed for its winding up or the appointment of an administrator or similar officer or such officer is otherwise appointed. On the termination of the appointment of the Cash Manager by the Trustee, the Trustee may, subject to certain conditions, appoint a successor cash manager.

The Cash Manager may resign as Cash Manager upon not less than three months' written notice of resignation to each of the Issuer, the Servicer, the Operating Bank and the Trustee provided that a suitably qualified successor Cash Manager shall have been appointed.

Termination of Appointment of the Operating Bank

The Cash Management Agreement requires that the Operating Bank be, except in certain limited circumstances, a bank which is an Authorised Entity. If the Operating Bank ceases to be an Authorised Entity, the Operating Bank will give written notice of such event to the Issuer, the German Servicer, the Cash Manager and the Trustee and will, within 30 days after such downgrade procure the transfer of the Issuer Transaction Account and each other account held by the Issuer with the Operating Bank to another bank which is an Authorised Entity. If at the time when a transfer of such account or accounts would otherwise have to be made, there is no other bank which is an Authorised Entity or if no Authorised Entity agrees to such a transfer, the Cash Manager shall take such other action as may be acceptable to the Rating Agencies.

An "**Authorised Entity**" is an entity the short–term unsecured, unguaranteed and unsubordinated debt obligations of which are rated at least at the Requisite Rating or, if at the relevant time there is no such entity, any entity approved in writing by the Trustee.

"**Requisite Rating**" means, in relation to any party, an "A–1+" rating (or its equivalent) by S&P and "F1" (or its equivalent) by Fitch for such party's short term, unguaranteed, unsecured and unsubordinated debt obligations.

If, other than in the circumstances specified above, the Cash Manager wishes the bank or branch at which any account of the Issuer is maintained to be changed, the Cash Manager is required to obtain the prior written consent of the Issuer and the Trustee, such consent not to be unreasonably withheld, and the transfer of such account will be subject to the same directions and arrangements as are provided for above.

Reports to Noteholders; Available Information

Noteholder Reports. Based solely on information provided in reports prepared by the Servicer and the Special Servicer and delivered to the Cash Manager, the Cash Manager will be required to provide or otherwise make available as described under "Information Available Electronically" below, on each Interest Payment Date, to the Trustee, for the benefit of and on behalf of the Noteholders, and the Rating Agencies:

(a) a Payment Date Statement (as defined in the Master Definitions Agreement); and

(b) a Loan Periodic Update File, a Financial File and a Property File setting forth information with respect to the Loans and the Properties, respectively, each in the form approved by the Commercial Mortgage Securities Association ("**CMSA**").

The Servicers or the Special Servicers, as specified in the Loan Servicing Agreements, are required to deliver to the Cash Manager periodically, and the Cash Manager is required to make available, as described below under "Information Available Electronically", and to the Rating Agencies, a copy of each of the following reports with respect to the relevant Loans:

(i) a CMSA Historical Liquidation Report;

(ii) a CMSA Delinquent Loan Status Report;

(iii) a CMSA Historical Loan Modification Report;

(iv) a Servicer Watch List; and

(v) a Comparative Financial Status Report.

The reports identified in the preceding paragraph will be in the form as prescribed in the most recent standard CMSA investor reporting package (as it or each such report may be modified to reflect the fact that the Properties are located in the Loan Jurisdictions).

Information Available Electronically. The Cash Manager will make available quarterly, for the relevant reporting periods, to the Trustee, on behalf of the Noteholders, the Payment Date Statement, including any Relevant Information summary provided to it by a Servicer or Special Servicer as described below, and the mortgage loan information presented in the standard CMSA investor reporting package format via the Cash Manager's internet website. All the foregoing reports will be accessible by any potential investors on Bloomberg information systems in addition to the Trustee's website without any restrictions. The Cash Manager's internet website will initially be located at www.eTrustee.net. The Cash Manager's internet website does not form part of this Prospectus.

The Cash Manager will not make any representations or warranties as to the accuracy or completeness of, and may disclaim responsibility for, any information made available by the Cash Manager for which it is not the original source.

The Servicers and Special Servicers, on becoming aware of Relevant Information, shall promptly:

(i) prepare a summary (the "**Relevant Information Summary**") that concisely describes the Relevant Information, provide the Issuer with it for execution and then file the executed Relevant Information Summary with the relevant Regulatory Information Service (as defined below) and Bloomberg (unless directed by the Issuer not to file such summary);

(ii) within one Business Day following the date of the disclosure to the Regulatory Information Service, post any information which is disclosed to a Regulatory Information Service for a period of not less than six months; and

(iii) provide the Cash Manager with the Relevant Information Summary for publication on behalf of the Issuer as part of the Payment Date Statement.

provided that the Servicers and the Special Servicers shall not be required to take the actions described above if Directive 2003/6/EC would permit it to delay the disclosure of the Relevant Information.

A "**Regulatory Information Service**" means a regulatory information service that is provided by or approved for use by the regulated market on which the relevant financial instruments are admitted to trading or in respect of which a request for admission to trading on such a regulated market has been made.

"**Relevant Information**" means any information relating to the Loans or Properties that any Servicer or any Special Servicer reasonably determines is likely to have a material impact on the value of a Loan or any such Property and which is not (to that Servicer's or Special Servicer’s knowledge) already publicly available information.

CREDIT STRUCTURE

The composition of the Loans and Loan Security, the Class A FCC Units and the FTA Note, and the structure of the transaction (involving a French Issuer and a Spanish Issuer) and the other arrangements for the protection of the Noteholders, in the light of the risks involved, have been reviewed by the Rating Agencies. The ratings assigned by the Rating Agencies to each Class of Notes are set out in "

Summary – *The Notes Issued by the Issuer – Ratings:*" on page 38. 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 ratings of the Notes are dependent upon, among other things, the short–term unsecured, unguaranteed and unsubordinated debt ratings of the Liquidity Facility Provider and the Basis Swap Counterparty and the long term unsecured, unguaranteed and unsubordinated debt ratings of the Basis Swap Counterparty. Consequently, a qualification, downgrade or withdrawal of either such ratings may have an adverse effect on the ratings of the Notes.

The principal risks associated with the Notes and the manner in which they are addressed in the structure are set out below. Attention is also drawn to the section of this Prospectus entitled "Risk Factors" for a description of the principal risks in respect of, inter alia, the Loans and Loan Security.

1. Liquidity and Credit Risk

The Issuer is subject to:

(a) the risk of delay arising between scheduled dates for the payment of interest and repayment of principal in respect of a Loan (a "**Loan Payment Date**") and the receipt of payments due from the Borrowers. This risk is addressed in respect of the Notes through the ability of the Issuer to seek drawings (each a "**Senior Expenses Drawing**") under the Liquidity Facility Agreement to cover shortfalls in funds required to make due payment of interest under the Notes (see "*Liquidity Facility*" on page 225);

(b) the risk of any shortfall in interest amounts accrued on the Loans and received by the Issuer (including through the Class A FCC Units and the FTA Note, as applicable) and the amounts of interest payable by the Issuer on the Listed Notes, which might result from a basis mismatch in determinations of the relevant Euribor applicable to interests under the Loans and under the Listed Notes respectively. This risk is addressed in respect of the Notes through the Basis Swap Transactions (see "*The Basis Swap Agreement*" on page 226 below);

(c) the risk of default in payment and the failure by any Servicer or any Special Servicer to realise or to recover sufficient funds under the enforcement procedures in respect of the Loans and Loan Security in order to discharge all amounts due and owing by the relevant Borrowers under the Loans. This risk is addressed in respect of the Notes by the credit support provided to classes of Notes by those classes of Notes (if any) ranking lower in priority to that class.

Liabilities under the Notes

The Notes and interest on the Notes will not be obligations or responsibilities of any person other than the Issuer. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by, the Originator or any associated entity of the Originator, or of or by the FCC Manager, the FCC Custodian, the FTA Manager, the Joint Lead Managers, the Servicers, the Special Servicers, the Trustee, the Corporate Services Provider, the Share Trustee, the Paying Agents, the Agent Bank, the Liquidity Facility Provider, the Basis Swap Counterparty, the Cash Manager or the Operating Bank or any company in the same group of companies as those parties listed above and none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

On each Interest Payment Date, payments of interest on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, respectively, will be due and payable only if and to the extent that there are sufficient funds available to the Issuer to pay interest on the Class A Notes and other liabilities of the Issuer ranking higher in priority to interest payments on the Class B Notes, the Class C Notes, the Class D Notes and the

Class E Notes respectively, as provided in "Cash Flows – Cash Flows at the Issuer Level – Payments out of the Issuer Transaction Account" on page 52, and which have been paid or provided for in full. To the extent that there are insufficient funds available to the Issuer on any Interest Payment Date to pay in full interest otherwise due on any one or more classes of junior–ranking Notes then outstanding, after making the payments and provisions ranking higher in priority to the relevant interest payment, as the case may be, such interest will not then be due and payable but will become due and payable, together with accrued interest on such Notes, on subsequent Interest Payment Dates, if and to the extent that funds are then available or at the latest on the date on which the relevant Notes are due to be redeemed in full.

Liquidity Facility

Senior Expenses Drawing

To address the risk of Available Interest Receipts being insufficient to cover all interest payments due under the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class X Notes, as well as the other Senior Expenses (as are referred to in items (1) to (7) of the Pre–Enforcement Interest Priority of Payments), the Issuer will enter into the Liquidity Facility Agreement with the Liquidity Facility Provider, the Cash Manager and the Trustee under which the Liquidity Facility Provider will provide a revolving committed liquidity facility to the Issuer, in an initial amount equal to Euro 24,400,000. Investors should note that the purpose of the Liquidity Facility Agreement is to provide liquidity, not credit support, and that the Liquidity Facility Provider is entitled to receive interest on drawings made under the Liquidity Facility Agreement in priority to payments to be made to Noteholders which would ultimately reduce the amount available for distribution to Noteholders.

The Liquidity Facility will be available to cover interest payments due under the Notes, other than Prepayment Interest Arrears, to the extent that there is a shortfall and to the extent specified below. Amounts from the Stand–by Account will be available to be drawn by the Issuer on equivalent terms to the Liquidity Facility. Interest due under the Class E Notes and financed by Senior Expenses Drawings under the Liquidity Facility will be restricted to a total of 18 months of interest at any one time (being up to six consecutive Senior Expenses Drawings) due under the Class E Notes.

On each Calculation Date, the Cash Manager will determine whether Available Interest Receipts will be sufficient to make payments due in respect of items (1) to (7) of the Pre–Enforcement Interest Priority of Payments. If there is an anticipated shortfall in Available Interest Receipts, the Issuer will make a Senior Expenses Drawing.

The amount of the advance will, subject as set out below, equal the aggregate shortfall amount. The proceeds of any such drawings will be credited to the Issuer Transaction Account.

Repayment of Senior Expenses Drawings

The Issuer shall repay together with accrued interest thereon each Senior Expenses Drawing made to it in full on the Liquidity Advance Repayment Date therefor.

"**Liquidity Advance Repayment Date**" means the Interest Payment Date immediately following the Liquidity Drawdown Date of a Senior Expenses Drawing.

"**Liquidity Drawdown Date**" means, in respect of a Senior Expenses Drawing or a Stand–by Drawing, the date such Senior Expenses Drawing or Stand–by Drawing (as the case may be) is made.

Amortisation

The initial Liquidity Facility Commitment will be Euro 24,400,000 and on any Interest Payment Date this will start to reduce when the Principal Amount Outstanding of the Notes is less than Euro 280,000,000 as described below. If the Principal Amount Outstanding of the Notes is less than or equal to Euro 280,000,000 but greater than

Euro 210,000,000 the Liquidity Facility Commitment will reduce on each Interest Payment Date in line with the Principal Amount Outstanding of the Notes, such that the available liquidity facility will the higher of (i) 7.25 per cent. of the Principal Amount Outstanding of the Notes and (ii) Euro 16,275,000. Upon the Principal Amount Outstanding of the Notes being equal to or less than Euro 210,000,000 but greater than Euro 110,000,000, the Liquidity Facility Commitment will be the higher of (i) 7.75 per cent. of the Principal Amount Outstanding of the Notes and (ii) Euro 9,075,000. Upon the Principal Amount Outstanding of the Notes being equal to or less than Euro 110,000,000, the Liquidity Facility Commitment will be equal to Euro 9,075,000. Drawings under the liquidity facility are of a revolving nature, repayable on the Liquidity Advance Repayment Date next following the date of drawing. Amounts repaid may be redrawn.

The Liquidity Facility Agreement is a 364 day facility which may be renewed until the earlier of 6 October 2015 or such date upon which the interest payment obligations of the Listed Notes and the Class X Notes have been reduced to zero. The Liquidity Facility Agreement will provide that if at any time the rating of the short–term, unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider falls below the Requisite Rating, or the Liquidity Facility Provider refuses to renew the Liquidity Facility Agreement, then the Issuer may appoint a replacement liquidity facility provider with the Requisite Rating and acceptable to the Trustee. In the event that the Issuer is not able to appoint a replacement liquidity facility provider pursuant to the terms of the Liquidity Facility Agreement, then the Cash Manager will make a drawing under the Stand–by Facility (a "**Stand–by Drawing**") equal to the Liquidity Facility Provider's undrawn commitment under the Liquidity Facility Agreement and pay such amount into the Stand–by Account. In the event that the Cash Manager makes a Stand–by Drawing and/or there are, during an Interest Period, sums standing to the credit of the Issuer Transaction Account, the Cash Manager is required (save to the extent that the same are required to make payments on behalf of the Issuer prior to the next following Interest Payment Date) to invest such funds in Eligible Investments.

Amounts standing to the credit of the Stand–by Account will be available to the Issuer for drawing in respect of a Senior Expenses Drawing as described above, and otherwise in the circumstances provided in the Liquidity Facility Agreement. Following enforcement of the Issuer Security, all funds standing to the credit of the Stand–by Account will be repaid to the Liquidity Facility Provider.

The Basis Swap Agreement

On or before the Closing Date, the Issuer will enter into a swap agreement in the form of an ISDA 1992 Master Agreement (Multicurrency – Cross Border), ISDA Schedule, Credit Support Annex and 5 Basis Swap Confirmations with the Basis Swap Counterparty, the "**Basis Swap Agreement**").

Swap Agreement

The interest rate (3–month EURIBOR, except for the first Interest Period, which will be calculated on an interpolated basis) in respect of the Loans (and, with respect to the French Loans and the Spanish Loan, as reflected in the interest paid on the Class A FCC Units and the FTA Note subscribed or purchased, as the case may be, by the Issuer) will be determined on dates that are different to the dates on which the floating interest rate will be determined in respect of the Notes for the corresponding interest period. As a result the rates of interest on the Loans may not equal the floating rates applicable to the Notes. Accordingly, the interest paid under the Loans (and, in turn with respect to the French Loans and the Spanish Loan, under the Class A FCC Units and the FTA Note, respectively) may be insufficient to meet the floating rate interest payments payable on the Notes. In order to provide the Issuer with protection against any difference or shortfall that might arise as a result of such matters, the Issuer will enter into Basis Swap Transactions. Under these Basis Swap Transactions, the Issuer will pay to the Basis Swap Counterparty an amount calculated by reference to the revenue receipts scheduled to be paid to the Issuer in respect of the Loans (through, with respect to the French Loans and the Spanish Loan, the Class A FCC Units and the FTA Note, respectively), and

(assuming payment of the amount scheduled to be due in full from the Issuer) the Basis Swap Counterparty will pay to the Issuer an amount calculated by reference to the floating rates of interest payable on the Notes.

General Terms

The Basis Swap Transactions may be terminated in accordance with certain termination events and events of default, only some of which are more particularly described below. Save in circumstances where the termination of a Basis Swap Transaction on an Interest Payment Date is triggered by a prepayment of a Loan on a Loan Payment Date, a termination payment may be due if a Basis Swap Transaction is terminated in whole or in part. Such termination payment will be calculated by reference to, amongst other things, the cost quoted by leading dealers of entering into a replacement swap that would have the effect of preserving the economic equivalent of the terminated swap. In addition, if the German Loans are repaid or sold (in full or in part) or if there is a redemption (in full or in part) of the Class A FCC Units issued by the French Issuer, the FTA Note issued by the Spanish Issuer or the Notes issued by the Issuer, then the corresponding portion of the transaction entered into under the Basis Swap Agreement will be terminated. However, in the circumstances described in the last sentence, and provided that such repayment takes places on the relevant German Loan Payment Date, FCC Interest Payment Date or FTA Interest Payment Date, as applicable and the Basis Swap Transaction is terminated on the next Interest Payment Date, it is a term of each Basis Swap Transaction that no termination payment would then be due.

A failure by the Issuer to make timely payment of amounts due from it under the Basis Swap Agreement will constitute a default under the Basis Swap Agreement and entitle the Basis Swap Counterparty to terminate the Basis Swap Agreement.

The Basis Swap Counterparty will be obliged to make payments under the Basis Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Basis Swap Counterparty will, in most circumstances, be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount the Issuer would have received had no such withholding or deduction been required or, if such withholding or deduction is a withholding or deduction which will or would be or become the subject of any tax credit, allowance, set-off, repayment or refund to the Basis Swap Counterparty. The Issuer shall use all reasonable endeavours to reach agreement to mitigate the incidence of tax on the Basis Swap Counterparty. The Issuer is similarly obliged to make payments under the Basis Swap Agreement without any withholding or deduction of taxes unless required by law but is not obliged to pay such additional amounts.

The Basis Swap Agreement will provide, however, that if due to action taken by a taxing authority or brought in a court of competent jurisdiction or any change in tax law either the Issuer or the Basis Swap Counterparty will, or there is a substantial likelihood that it will, on the next scheduled payment date, be required to pay additional amounts in respect of tax under the Basis Swap Agreement or will, or there is a substantial likelihood that it will, receive payment from the other party from which an amount is required to be deducted or withheld for or on account of tax (a "**Swap Tax Event**"), the Basis 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. The Basis Swap Agreement will also provide that if due to action taken by a taxing authority or brought in a court of competent jurisdiction or any change in law the Issuer will, or there is a substantial likelihood that it will, make payment to the Basis Swap Counterparty from which an amount is required to be deducted for or on account of tax, the Basis 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 Basis Swap Tax Event. In either of the foregoing circumstances, if no such transfer can be effected, the Basis Swap Agreement and the Basis Swap Transactions may be terminated by the Basis Swap Counterparty. If the Basis Swap Agreement is terminated and the Issuer is unable to find a replacement Basis Swap

Counterparty, the Issuer may redeem all of the Notes in full. Such redemption will be made by the Issuer in an amount equal to the then aggregate Principal Amount Outstanding of each Class of Notes then outstanding plus interest accrued and unpaid on the Notes. See Condition 5(E) "*Optional Redemption in Full — Basis Swap Transactions*" of the section entitled "*Terms and Conditions of the Notes*",. The Basis Swap Agreement will contain certain other limited termination events and events of default which will entitle either party to terminate it.

The Basis Swap Counterparty may, at its own discretion and expense, transfer its rights and obligations under the Basis Swap Agreement (including the Basis Swap Transactions) to any third party provided that, amongst other things, the transferee's debt obligations meet certain minimum requirements of the Rating Agencies and the transferee will not be required to withhold or deduct any amounts on account of tax in excess of those required for the original Basis Swap Counterparty unless such additional withholding is covered by payment of an additional amount.

The obligations of the Issuer under the Basis Swap Agreement are subject to limited recourse, so that the obligations of the Issuer are extinguished to the extent that funds available to the Issuer and applied pursuant to the relevant priority of payments, as applicable, are not sufficient to pay in full the obligations of the Issuer under the Basis Swap Transaction. The Basis Swap Counterparty agrees to non–petition language, that is, it agrees, for a period of two years and one day after the Legal Final Maturity, not to take any steps to enforce any outstanding rights they may have against the Issuer.

Swap Counterparty Downgrade Event
S&P Downgrade

(1) *S&P Requirements*

Pursuant to the terms of the Basis Swap Agreement, in the event that the rating of the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Basis Swap Counterparty cease to be rated at least as high as "A-l" (or its equivalent) by S&P (such credit rating being the "**Required S&P Rating**" and the loss of any such Required S&P Rating being an "**S&P Downgrade**") then, within 30 days of such downgrade, the Basis Swap Counterparty shall, at its own cost either:

(i) procure another person that has the Required S&P Rating to become co-obligor or guarantor in respect of the obligations of the Basis Swap Counterparty under the Basis Swap Agreement; or

(ii) put in place an appropriate mark-to-market collateral agreement in form and substance acceptable to S&P (which may be based on the credit support documentation published by ISDA, or otherwise, and relates to collateral in the form of cash or securities or both) in support of its obligations under the Basis Swap Agreement provided that the amount of collateral to be provided in the form of cash and/or securities is an amount which shall be determined on a basis which satisfies (but is no more onerous than) the S&P Criteria (as defined below) and the Basis Swap Counterparty provides or ensures that there has been provided to S&P a legal opinion relating to the ability of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official of the Basis Swap Counterparty to reclaim sums paid out and collateral posted by the Basis Swap Counterparty in a form reasonably acceptable to S&P but containing standard qualifications and assumptions in relation to such amounts in the event of a Bankruptcy (as defined in the Basis Swap Agreement) of the Basis Swap Counterparty, provided that if the Basis Swap Counterparty fails to provide such legal opinion, such failure shall not constitute an Event of Default or Termination Event (as such terms are defined in the Basis Swap Agreement) and the collateral to be posted pursuant to this paragraph shall be in the form of cash only; or

(iii) transfer all of its rights and obligations under the Basis Swap Agreement to a replacement third party provided that such third party (or its Credit Support Provider) has the Required S&P Rating; or

(iv) take such other action as the Basis Swap Counterparty may agree with S&P.

If any of the measures described in paragraphs (1)(i), (1)(iii) or (1)(iv) above are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred by the Basis Swap Counterparty pursuant to paragraph (1)(ii) will be retransferred to the Basis Swap Counterparty.

If the rating of the Basis Swap Counterparty is restored to at least the Required S&P Rating by S&P then all collateral (or the equivalent thereof, as appropriate) transferred by the Basis Swap Counterparty pursuant to paragraph (1)(ii) will be retransferred to the Basis Swap Counterparty.

If following an S&P Downgrade, the Basis Swap Counterparty does not take one of the measures described in paragraph (1)(i) to (1)(iv) (inclusive) above, then such failure will not constitute an Event of Default (as defined in the Basis Swap Agreement) but shall constitute an Additional Termination Event (as defined in the Basis Swap Agreement), for which the Basis Swap Counterparty will be the sole Affected Party (as defined in the Basis Swap Agreement) and which Additional Termination Event shall be deemed to occur on the thirtieth day following the Basis Swap Counterparty being notified of such S&P Downgrade.

The "**S&P Criteria**" means the criteria of S&P published on 17 December 2003 and in February 2004, as may be amended from time to time, or any other applicable criteria which enable entities rated lower than a specified level to participate in structured finance transactions which, through collateralisation, are rated at a higher level.

(2) *Further S&P Requirements*

Pursuant to the terms of the Basis Swap Agreement, in the event that the long term, unsecured, unsubordinated and unguaranteed debt obligations of the Basis Swap Counterparty cease to be rated at least as high as "BBB-" (or its equivalent) by S&P (an "**S&P BBB- Downgrade**") then the Basis Swap Counterparty shall, within 10 Business Days of such S&P BBB- Downgrade, and at its own cost, effect one of the following remedies:

(i) procure another person that has the Required S&P Rating to become co-obligor or guarantor in respect of the obligations of the Basis Swap Counterparty under the Basis Swap Agreement;

(ii) transfer all of its rights and obligations with respect to the Basis Swap Agreement to a replacement third party provided that such third party (or its Credit Support Provider) has the Required S&P Rating; or

(iii) take such other action as the Basis Swap Counterparty may agree with S&P.

Pending compliance with any one of the measures described in paragraphs (2)(i) to (2)(iii) above following the occurrence of an S&P BBB- Downgrade, the Basis Swap Counterparty shall deliver or (as the case may be) continue to deliver collateral to the Issuer pursuant to a mark-to-market collateral arrangement described in (1)(ii) above in support of its obligations under the Basis Swap Agreement.

If, following an S&P BBB- Downgrade, the Basis Swap Counterparty does not take such measure within 10 Business Days of such S&P BBB- Downgrade, then such failure shall

not constitute an Event of Default (as defined in the Basis Swap Agreement) but shall constitute an Additional Termination Event (as defined in the Basis Swap Agreement), for which the Basis Swap Counterparty will be the sole Affected Party (as defined in the Basis Swap Agreement) and which Additional Termination Event shall be deemed to occur on the tenth Business Day following such S&P BBB- Downgrade. However, if any of the measures described in paragraphs (2)(i) to (2)(iii) above are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred by the Basis Swap Counterparty pursuant to the above paragraph will be retransferred to the Basis Swap Counterparty and the Basis Swap Counterparty will not be required to transfer any additional collateral.

If, following an S&P BBB- Downgrade by S&P, the Basis Swap Counterparty does not take one of the measures described in paragraphs (2)(i) to (2)(iii) above within 10 Business Days of such BBB- Downgrade by S&P, then such failure shall not constitute an Event of Default (as defined in the Basis Swap Agreement) but shall constitute an Additional Termination Event (as defined in the Basis Swap Agreement), for which the Basis Swap Counterparty will be the sole Affected Party (as defined in the Basis Swap Agreement) and which Additional Termination Event will be deemed to occur on the day immediately following the thirtieth Business Day following such S&P BBB- Downgrade by S&P.

Fitch Downgrade

(1) *Fitch's Requirements*

Pursuant to the terms of the Basis Swap Agreement, in the event that (1) the rating of the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Basis Swap Counterparty cease to be rated at least as high as "F1" (or its equivalent) by Fitch or (2) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Basis Swap Counterparty cease to be rated at least as high as "A" (or its equivalent) by Fitch (such credit rating being the "**Required Fitch Rating**" and the loss of any such Required Fitch Rating being a "**Fitch Downgrade**") then, within 30 days of such downgrade or possible downgrade, the Basis Swap Counterparty shall at its own cost either:

(i) procure another person that has the Required Fitch Rating to become co-obligor or guarantor in respect of the obligations of the Basis Swap Counterparty under the Basis Swap Agreement; or

(ii) put in place an appropriate mark-to-market collateral agreement in form and substance acceptable to Fitch (which may be based on the credit support documentation published by ISDA, or otherwise, and relates to collateral in the form of cash or securities or both to be posted on a weekly basis) in support of its obligations under the Basis Swap Agreement provided that the amount of collateral to be provided in the form of cash and/or securities is an amount which shall be determined on a basis which satisfies (but is no more onerous than) the Fitch Criteria;

(iii) transfer all of its rights and obligations under the Basis Swap Agreement to a replacement third party provided that such third party (or its Credit Support Provider) has the Required Fitch Rating; or

(iv) take such other action as the Basis Swap Counterparty may agree with Fitch.

If any of the measures described in paragraphs (1)(i), (1)(iii) or (1)(iv) above are satisfied at any time, then all collateral (or the equivalent thereof, as appropriate) transferred by the Basis Swap Counterparty pursuant to a mark to market collateral agreement put in place in accordance with paragraph (1)(ii) above will be retransferred to the Basis Swap

Counterparty and the Basis Swap Counterparty will not be required to transfer any additional collateral.

If, following a Fitch Downgrade, the Basis Swap Counterparty does not take one of the measures described in paragraphs (1)(i) to (1)(iv) above, then such failure shall not constitute an Event of Default (as defined in the Basis Swap Agreement) but shall constitute an Additional Termination Event (as defined in the Basis Swap Agreement), for which the Basis Swap Counterparty will be the sole Affected Party (as defined in the Basis Swap Agreement) and which Additional Termination Event shall be deemed to occur on the thirtieth day following the Basis Swap Counterparty being notified of such Fitch Downgrade.

The "**Fitch Criteria**" means the criteria of Fitch published on 13 September 2004 (entitled "**Counterparty Risk in Structured Finance Transactions: Swap Criteria**"), as may be amended from time to time, or any other applicable criteria which enable entities rated lower than a specified level to participate in structured transactions which, through collateralisation, are rated at a higher level.

(2) *Further Fitch Requirements*

Pursuant to the terms of the Basis Swap Agreement, in the event that (l) the short term, unsecured, unsubordinated and unguaranteed debt obligations of the Basis Swap Counterparty cease to be rated at least as high as "F2" (or its equivalent) by Fitch or (2) the long term unsecured, unsubordinated and unguaranteed debt obligations of the Basis Swap Counterparty cease to be rated at least as high as "BBB+" (or its equivalent) by Fitch (a "**Fitch F2 Downgrade**"), then the Basis Swap Counterparty shall within 30 days of the occurrence of such downgrade and at its own cost, effect one of the following remedies:

(i) transfer all of its rights and obligations under the Basis Swap Agreement to a replacement third party provided that such third party (or its Credit Support Provider) has the Required Fitch Rating (as defined below) and is not deemed unacceptable by Fitch (acting in its reasonable discretion);

(ii) obtain a guarantee, a letter of credit (or equivalent) or co-obligor of its rights and obligations under the Basis Swap Agreement from a third party (1) with a rating equal to the Required Fitch Rating or (2) in relation to whom Fitch has confirmed its agreement in writing in advance; or

(iii) take such other action as the Basis Swap Counterparty may agree with Fitch.

Pending compliance with any one of the measures described in paragraphs (2)(i) to (2)(iii) above following the occurrence of a Fitch F2 Downgrade, the Basis Swap Counterparty shall deliver or (as the case may be) continue to deliver collateral to the Issuer pursuant to a mark-to-market collateral arrangement described in paragraph (1)(ii) above in support of its obligations under the Basis Swap Agreement.

If any of the measures described in paragraphs (2)(i) to (2)(iii) above are satisfied at any time, then all collateral (or the equivalent thereof, as appropriate) transferred by the Basis Swap Counterparty pursuant to a mark-to-market collateral agreement put in place in accordance with paragraph (1)(ii) above will be retransferred to the Basis Swap Counterparty and the Basis Swap Counterparty will not be required to transfer any additional collateral. If, following a Fitch F2 Downgrade, the Basis Swap Counterparty does not take the measures described in the paragraph above within 10 Business Days of such Fitch F2 Downgrade, then such failure shall not constitute an Event of Default (as defined in the Basis Swap Agreement) but shall constitute an Additional Termination Event (as defined in the Basis Swap Agreement), for which the Basis Swap Counterparty will be the sole Affected Party (as defined in the Basis Swap Agreement) and which

Additional Termination Event shall be deemed to occur on the tenth Business Day following such Fitch F2 Downgrade.

If, following a Fitch F2 Downgrade, the Basis Swap Counterparty does not take one of the measures described in paragraphs (2)(i) to (2)(iii) (inclusive) within 30 days of such Fitch F2 Downgrade, then, notwithstanding the Basis Swap Counterparty's delivery or (as the case may be) continued delivery of collateral, then such failure shall not constitute an Event of Default (as defined in the Basis Swap Agreement) but shall constitute an Additional Termination Event (as defined in the Basis Swap Agreement), for which the Basis Swap Counterparty will be the sole Affected Party (as defined in the Basis Swap Agreement) and which Additional Event shall be deemed to occur on the thirtieth day following such Fitch F2 Downgrade.

Basis Swap Credit Support Document

In order to provide collateral to the Issuer in respect of any of its obligations under the Basis Swap Agreement, the Basis Swap Counterparty entered into a collateral agreement with the Issuer in the form of a 1995 ISDA Credit Support Annex (Bilateral Form — Transfer) on or prior to the Closing Date (the "**Basis Swap Credit Support Document**"). The Basis Swap Credit Support Document provides that, from time to time, subject to the conditions specified in the Basis Swap Credit Support Document, the Basis Swap Counterparty will make transfers of collateral to the Issuer in support of its obligations under the Basis Swap Agreement and the Issuer will be obliged to return such collateral in accordance with the terms of the Basis Swap Credit Support Document.

Collateral amounts required to be posted by the Basis Swap Counterparty pursuant to a Basis Swap Credit Support Document may be delivered in the form of cash. Cash amounts will be paid into an account designated as Basis Swap Collateral Cash Account. References in this Prospectus to the Basis Swap Collateral Cash Account and to payments from such account are deemed to be a reference to, and to payments from, such account as and when opened by the Issuer in relation the Basis Swap Agreement.

If the Basis Swap Collateral Cash Account is opened, amounts equal to any amounts of interest on the credit balance of the Basis Swap Collateral Cash Account are required to be paid to the Basis Swap Counterparty in accordance with the terms of the Basis Swap Credit Support Document and the Deed of Charge and Assignment in priority to any other payment obligations of the Issuer, other than to the Trustee and to any receiver following the enforcement of the Notes.

Loan Hedge Agreements

In accordance with the terms of each Credit Agreement and as at the drawdown date of each relevant Loan, the Borrower Swap Counterparty entered into hedging arrangements with SG (acting in this instance in the capacity of Loan Hedge Counterparty), in the form of an ISDA 1992 Master Agreement (Multicurrency – Cross Border) or, with respect to the Castor & Pollux Loan, a 2001 FBF Master Agreement Relating to Transactions on Forward Financial Instruments, in order to hedge the interest rate liabilities in relation to all or part of the monies payable under the Loans (see the relevant Loan Summaries under "*The Loans and the Loan Security - The Loan Summaries*" on page 151). In most cases, the Loan Hedge Agreements contain swap rating downgrade provisions.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed.

On the Closing Date, White Tower Europe 2007–1 plc (the "**Issuer**") will issue the Euro 258,750,000 Class A Commercial Mortgage Backed Floating Rate Notes due 2015 (the "**Class A Notes**"), the Euro 300 Class X Commercial Mortgage Backed Floating Rate Notes due 2015 (the "**Class X Notes**"), the Euro 25,450,000 Class B Commercial Mortgage Backed Floating Rate Notes due 2015 (the "**Class B Notes**"), the Euro 25,200,000 Class C Commercial Mortgage Backed Floating Rate Notes due 2015 (the "**Class C Notes**"), the Euro 25,000,000 Class D Commercial Mortgage Backed Floating Rate Notes due 2015 (the "**Class D Notes**" and the Euro 15,150,000 Class E Commercial Mortgage Backed Floating Rate Notes due 2015 (the "**Class E Notes**", and, together with the Class A Notes, the Class X Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "**Notes**" and the Notes other than the Class X Notes, the "**Listed Notes**").

The Notes are constituted by a trust deed dated on or about the Closing Date (the "**Trust Deed**", which expression includes such trust deed as from time to time may be modified in accordance with its provisions and any deed or other document expressed to be supplemental to it as from time to time so modified) and made between the Issuer and ABN AMRO Trustees Limited (the "**Trustee**", which expression includes its successors or any further or other trustee under the Trust Deed) as trustee for the holders for the time being of the Notes. Any reference to a "**Class**" of Notes or of Noteholders shall be a reference to any, or all of, the respective Class A Notes, the Class X Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes or any or all of their respective holders, as the case may be.

These terms and conditions ("**Conditions**") include summaries of, and are subject to the detailed provisions of, the Trust Deed and the Issuer Security Documents (as defined below). The following agreements have been or will be entered into on or prior to the Closing Date in relation to the Notes:

(i) an agency agreement dated on or about the Closing Date (the "**Agency Agreement**") between the Issuer, ABN AMRO Bank N.V. (London Branch), in its capacity as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor or substitute principal paying agent) and in its capacity as agent bank (the "**Agent Bank**", which expression shall include any successor or substitute agent bank appointed pursuant to the Agency Agreement), NCB Stockbrokers Limited in its capacity as Irish paying agent (the "**Irish Paying Agent**", which expression shall include any successor or substitute Irish paying agent and, together with the Principal Paying Agent and any other paying agent appointed pursuant to the Agency Agreement, the "**Paying Agents**") and the Trustee;

(ii) a cash management agreement dated on or about the Closing Date (the "**Cash Management Agreement**") between ABN AMRO Bank N.V. (London Branch) as operating bank (the "**Operating Bank**", which expression shall include any successor or substitute bank appointed pursuant to the terms of the Cash Management Agreement) and in its capacity as cash manager (the "**Cash Manager**", which expression shall include any successor or substitute cash manager appointed pursuant to the terms of the Cash Management Agreement), the Originator, the German Servicer, the German Special Servicer, the Issuer and the Trustee;

(iii) a deed of charge and assignment dated on or about the Closing Date (the "**Deed of Charge and Assignment**") between, amongst others, the Issuer, the Trustee, the Issuer Representative and the Issuer Special Representative;

(iv) a loan servicing agreement in relation to the German Loans dated on or about the Closing Date (the "**German Loan Servicing Agreement**") between the Issuer, the Trustee, the Originator in its capacity as servicer of the German Loans (the "**German Servicer**", which expression shall include any successor or substitute servicer appointed pursuant to the terms of the German Loan Servicing Agreement) and Hatfield Philips International Limited in its capacity as special servicer of such German Loans (the "**German Special Servicer**", which expression shall include any successor or substitute special servicer appointed pursuant to the terms of the German Loan Servicing Agreement);

(v) a loan servicing agreement in relation to the French Loans dated on or about the Closing Date (the "**French Loan Servicing Agreement**") between the French debt mutual fund (*fonds commun de créances*) FCC White Tower Europe 2007–1 (the "**French Issuer**") represented by its management company (*société de gestion*), Paris Titrisation (the "**FCC Manager**"), the custodian of the French Issuer's assets (*établissement dépositaire*), Société Générale (the "**FCC Custodian**") and the Originator in its capacity as servicer and special servicer of the French Loans (the "**French Servicer**", which expression shall include any successor or substitute servicer appointed pursuant to the terms of the French Loan Servicing Agreement);

(vi) a loan servicing agreement in relation to the Spanish Loan dated on the Spanish Closing Date (the "**Spanish Loan Servicing Agreement**" and, together with the German Loan Servicing Agreement and the French Loan Servicing Agreement, the "**Loan Servicing Agreements**") between the Spanish securitisation fund (*fondo de titulización de activos*) White Tower Europe 2007–1, Fondo de Titulización de Activos (the "**Spanish Issuer**") represented by its management company (*gestora*), InterMoney (the "**FTA Manager**") and the Originator in its capacity as servicer and special servicer of the Spanish Loan (the "**Spanish Servicer**", which expression shall include any successor or substitute servicer appointed pursuant to the terms of the Spanish Loan Servicing Agreement; and together with the French Servicer and the German Servicer, the "**Servicers**");

(vii) a liquidity facility agreement dated on or about the Closing Date (the "**Liquidity Facility Agreement**") between the Issuer, Lloyds TSB Bank plc in its capacity as liquidity facility provider (the "**Liquidity Facility Provider**", which expression shall include any person to whom some or all of the rights and obligations under the Liquidity Facility Agreement are transferred or novated), the Cash Manager and the Trustee;

(viii) a loan sale agreement in relation to the purchase of the German Loans dated on or about the Closing Date (the "**German Loan Sale Agreement**") between Société Générale in its capacity as originator of the German Loans (the "**Originator**"), the Issuer and the Trustee;

(ix) a loan sale agreement in relation to the purchase of the French Loans dated on or about the Closing Date (the "**French Loan Sale Agreement**") between Société Générale in its capacity as originator of the French Loans (the "**Originator**"), the FCC Manager and the FCC Custodian;

(x) a deed pursuant to which Société Générale in its capacity as originator of the Spanish Loan (the "**Originator**") has issued to the Spanish Issuer the Spanish Mortgage Certificate referable to the Spanish Loan and the Spanish Loan Security (the "**Spanish Deed of Incorporation**") (such deed, together with the French Loan Sale Agreement and the German Loan Sale Agreement, the "**Loan Sale**

Agreements") between the Originator, acting from its Madrid branch, and the FTA Manager to be dated on the Spanish Closing Date;

(xi) a subscription agreement in relation to subscription of the Class A FCC Units dated on or about the Closing Date (the "**FCC Units Subscription Agreement**") between the Issuer as subscriber of the Class A FCC Units, the Trustee, the FCC Manager and the FCC Custodian;

(xii) a transfer agreement in relation to the transfer of the FTA Note from the FTA Note Subscriber to the Issuer, dated on or about the Closing Date (the "**FTA Note Transfer Agreement**") between the Issuer as purchaser of the FTA Note, the Trustee and the FTA Note Subscriber;

(xiii) a swap agreement (including the related schedule and any Basis Swap Confirmations) dated on or about the Closing Date (the "**Basis Swap Agreement**") between the Issuer and Société Générale in its capacity as the swap counterparty (the "**Basis Swap Counterparty**", which expression shall include any person to whom some or all of the rights and obligations of the Basis Swap Counterparty are transferred or novated);

(xiv) a corporate services agreement dated on or about the Closing Date (the "**Corporate Services Agreement**") between the Issuer and Structured Finance Management (Ireland) Limited as Corporate Services Provider (the "**Corporate Services Provider**") and ABN Amro Trustees Limited as Share Trustee (the "**Share Trustee**");

(xv) a subscription agreement in relation to issue and subscription of Notes dated on or about the Closing Date (the "**Note Subscription Agreement**") between, amongst others, Société Générale as subscriber and the Issuer as issuer of the Notes; and

(xvi) a master definitions agreement dated on or about the Closing Date (the "**Master Definitions Agreement**") between, amongst others, the Issuer and the Trustee.

Copies of the Trust Deed, the Agency Agreement, the Cash Management Agreement, the Deed of Charge and Assignment, the Loan Servicing Agreements, the Liquidity Facility Agreement, the Loan Sale Agreements, the FCC Units Subscription Agreement, the FTA Note Transfer Agreement, the Basis Swap Agreement (together with the Basis Swap Confirmations and the Basis Swap Credit Support Document), the Corporate Services Agreement, the Note Subscription Agreement, the Class A FCC Units Pledge Agreement, the FTA Note Pledge Agreement, and the Master Definitions Agreement are available for inspection during normal business hours at the principal office of the Principal Paying Agent (presently ABN AMRO Bank N.V. (London Branch)) and the Irish Paying Agent (presently at NCB Stockbrokers Limited) for the time being. Noteholders and the holders (the "**Couponholders**") of the interest coupons relating to the Notes in definitive form (the "**Coupons**") and, where applicable, talons for further Coupons (the "**Talons**") are entitled to the benefit of, are bound by and are deemed to have notice of, all the provisions of the Trust Deed and the other Issuer Transaction Documents applicable to them.

1. Definitions

In these Conditions, all capitalised terms that are not otherwise herein defined shall have the meanings given to them in the Master Definitions Agreement.

"**Available Amortisation Funds**" bears the meaning ascribed thereto in Condition 5(B) (*Mandatory Redemption in Part*).

"**Available Interest Receipts**" means, on each Interest Payment Date, prior to the service of a Note Enforcement Notice, the aggregate amount of (without double counting):

(i) all Borrower Interest Receipts transferred into the Issuer Transaction Account during the Collection Period ended immediately before such Interest Payment Date (the "**Relevant Collection Period**") (net of any Borrower Interest Receipts applied by the Issuer during such Collection Period in payment of any Priority Amounts payable by the Issuer);

(ii) any payments (other than any amounts provided by the Basis Swap Counterparty by way of collateral pursuant to the Basis Swap Credit Support Document) received by the Issuer under a Basis Swap Transaction including any Basis Swap Agreement Breakage Receipts (less amounts received by the Issuer upon termination of the Basis Swap Agreement and where the Issuer is required to apply any such amounts to enter into a replacement swap agreement);

(iii) the proceeds of any Eligible Investments and any interest accrued upon the Issuer's Accounts (including on the Class X Collateral Account) and paid into the Issuer Transaction Account;

(iv) the proceeds of any Senior Expenses Drawing made under and in accordance with the Liquidity Facility Agreement in respect of such Interest Payment Date; and

(v) all other monies received by the Issuer and treated as being of a revenue nature.

In the case of sums referred to in (i), (ii), (iv), (v) and (vi) being such amounts received during the Relevant Collection Period and in the case of sums referred to in (ii) and (iii) being such amounts received on the relevant Interest Payment Date.

"**Available General Prepayment Funds**" bears the meaning ascribed thereto in Condition 5(B) (*Mandatory Redemption in Part*).

"**Available Sebastopol Prepayment Funds**" bears the meaning ascribed thereto in Condition 5(B) (*Mandatory Redemption in Part*).

"**Available Prepayment Funds**" bears the meaning ascribed thereto in Condition 5(B) (*Mandatory Redemption in Part*).

"**Available Principal**" means, on each Interest Payment Date, the Available Amortisation Funds, the Available Prepayment Funds, the Available Redemption Funds and the Available Principal Recovery Funds, collectively, in respect of the Collection Period ending immediately before such Interest Payment Date.

"**Available Principal Recovery Funds**" bears the meaning ascribed thereto in Condition 5(B) (*Mandatory Redemption in Part*).

"**Basic Terms Modification**" means any of the following matters in respect of the Notes of any class, namely any modification of the date of maturity of such Notes, any modification which would have the effect of postponing any day for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of such Notes, or altering the currency of payment of such Notes (other than any alteration of this definition of "Basic Terms Modification" or of the majority required to pass any Extraordinary Resolution).

"**Basis Swap Agreement Breakage Receipts**" means all amounts paid or payable to the Issuer by the Basis Swap Counterparty under the Basis Swap Agreement as a result of the termination thereof.

"**Basis Swap Confirmation**" means a confirmation to be executed pursuant to the Basis Swap Agreement evidencing a Basis Swap Transaction.

"**Basis Swap Credit Support Document**" means any collateral agreement in the form of a 1995 ISDA Credit Support Document (Bilateral Form – Transfer) or in such other form as may be acceptable to the Issuer that may be entered into by the Issuer and the Basis Swap Counterparty if so required by the terms of the Basis Swap Agreement.

"**Basis Swap Transaction**" means each of the basis swap transactions between the Issuer and the Basis Swap Counterparty, the terms of which are evidenced by each Basis Swap Confirmation.

"**Borrower**" means, in relation to a Loan, the body corporate, trust, partnership, other body or person, as the case may be, from time to time assuming an obligation to repay the Loan.

"**Borrower Interest Receipts**" means all payments of: (i) interest, fees, breakage costs (other than Basis Swap Agreement Breakage Receipts), expenses, commissions and other sums (other than principal) paid by the German Loan Borrowers in respect of the German Loans, including recoveries of such amounts on enforcement of the German Loans and related Mortgages and Loan Security; (ii) interest on the Class A FCC Units (including interest reflecting recoveries of interest on enforcement of the French Loans and related Mortgages and Loan Security); and (iii) interest on the FTA Note (including such interest reflecting recoveries of interest on enforcement of the Spanish Loan and its related Mortgage and Loan Security).

"**Business Day**" means (other than in relation to Condition 5 and Condition 7) a day (other than a Saturday or a Sunday) which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Dublin, Frankfurt, London, Madrid and Paris.

"**Calculation Date**" means the second Business Day prior to the relevant Interest Payment Date.

"**Cash Investment Account**" means the account in the name of the Issuer, with account number 40215504 (account ref: 700063.3) at the Operating Bank with sort code 40-50-30 and entitled "White Tower Europe 2007–1 No. 1 plc Cash Investment Account" or such other account of the Issuer with any bank with a Requisite Rating as may be opened to replace such account in accordance with the provisions of the Cash Management Agreement.

"**Charged Property**" means all of the assets, rights and undertaking of the Issuer whatsoever and wheresoever situated, present and future, for the time being held as security (whether fixed or floating) for the secured amounts under or pursuant to the Deed of Charge and Assignment.

"**Class A Noteholders**" means holders of the Class A Notes.

"**Class B Noteholders**" means holders of the Class B Notes.

"**Class C Noteholders**" means holders of the Class C Notes.

"**Class D Noteholders**" means holders of the Class D Notes.

"**Class E Noteholders**" means holders of the Class E Notes.

"**Class X Collateral Account**" means the account in the name of the Issuer, with account number 40215504 (account ref: 700063.4) at the Operating Bank with sort code 40-50-30 and entitled "White Tower Europe 2007–1 Class X Collateral Account" or such other account of the Issuer with any bank with a Requisite Rating as may be opened to replace such account in accordance with the provisions of the Cash Management Agreement.

"**Class X Noteholders**" means holders of the Class X Notes.

"**Class X Notes Rate of Interest**" means the annual rate of interest at which each Class X Notes will bear interest on their Principal Amount Outstanding, as determined in accordance with Condition 4(C)(b) "*Interest on the Class X Notes*".

"**Closing Date**" means 31 May 2007 or such other date as may be agreed between the Issuer and the managers that are parties to the Note Subscription Agreement.

"**Collection Period**" has the meaning given to such term in Condition5(B) "*Mandatory Redemption in Part*".

"**Controlling Class**" means the Most Junior Class of Notes (other than the Class X Notes) outstanding from time to time, which Class has a total Principal Amount Outstanding that is not less than 25 per cent. of the original Principal Amount Outstanding of that class, and if such Class of Notes ceases to have a total Principal Amount Outstanding that is not less than 25 per cent. of its original Principal Amount Outstanding, the next Most Junior Class of Notes (other than the Class X Notes) which satisfies such criteria shall become the Controlling Class. However, if no Class of Notes has an aggregate Principal Amount Outstanding that satisfies this requirement, then the Controlling Class will be the Most Junior Class of Notes then outstanding (other than the Class X Notes).

"**Controlling Class Representative**" means the representative appointed by the Controlling Class to represent its interests pursuant to the Conditions and the Loan Servicing Agreements.

"**Corporate Services Agreement**" means the corporate services agreement between the Issuer, the Corporate Services Provider and the Trustee as the same may be amended and/or supplemented in accordance with its terms.

"**Corporate Services Provider**") means Structured Finance Management (Ireland) Limited in its capacity corporate services provider under the Corporate Services Agreement.

"**Credit Agreement**" means a credit agreement documenting a Loan.

"**Cut–Off Date**" means 1 March 2007.

"**Defaulting Party**" means the party regarded as being in default pursuant to the Basis Swap Agreement.

"**Definitive Notes**" means in respect of any Class of Notes, the Notes of the relevant Class in definitive form.

"**Eligible Investments**" means (i) commercial paper and other marketable debt securities issued by any central government of any member of the European Union having been assigned short term unsecured debt credit ratings by the Rating Agencies at least equal to (in the case of S&P) "A–1+" and (in the case of Fitch) "F1+" and having been assigned a long term unsecured debt credit rating by Moody's of "A1"; (ii) certificates of deposit, demand and term deposits of, and banker's acceptances sold by eligible depository institutions and trust companies having been assigned short term unsecured debt credit ratings by the Rating Agencies of at least (in the case of S&P) "A–1+" and (in the case of Fitch) "F1+" and having been assigned a long term unsecured debt credit rating by Moody's of "A1"; and (iii) investments in short term investment funds and in money market instruments with a credit rating from S&P and Fitch of "AAA" and (iv) any other investments confirmed in writing as acceptable to the Rating Agencies; provided that all such investments are denominated in Euro, are held by a custodian (where applicable), have a fixed principal amount at maturity and such investments will mature at least one Business Day prior to the next Interest Payment Date.

"**Eligible Noteholders**" means:

(a) the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Class A Notes then outstanding; or

(b) if there are no Class A Notes outstanding, the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Class B Notes then outstanding; or

(c) if there are no Class A Notes and no Class B Notes outstanding, the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Class C Notes then outstanding;

(d) if there are no Class A Notes, no Class B Notes and no Class C Notes outstanding, the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Class D Notes then outstanding;

(e) if there are no Class A Notes, no Class B Notes, no Class C Notes and no Class D Notes outstanding, the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Class E Notes then outstanding; or

(f) if there are no Class A Notes, no Class B Notes, no Class C Notes, no Class D Notes and no Class E Notes outstanding, the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Class X Notes then outstanding.

"**Event of Default**" has the meaning given to such term in Condition 10 "*Events of Default*".

"**Extraordinary Resolution**" means a resolution passed at a meeting of the relevant Class of Noteholders duly convened and held in accordance with the provisions contained in the Trust Deed by a majority consisting of not less than 75 per cent. of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three–fourths of the votes given on such poll.

"**FCC Transaction Documents**" means:

(a) the French Loan Sale Agreement;

(b) the FCC Transfer Deed;

(c) the French Loan Servicing Agreement;

(d) the FCC Regulations;

(e) the FCC Bank Account Agreement;

(f) the FCC Units Subscription Agreement;

(g) the subscription forms in relation to each class of FCC Units; and

(h) any other agreement, certificate or document entered into in connection with the above documents.

"**French Loan**" means any of the loans purchased by the French Issuer from the Originator pursuant to the French Loan Sale Agreement.

"**FTA Transaction Documents**" means:

(a) the Spanish Mortgage Certificate;

(b) the Spanish Loan Servicing Agreement;

(c) the Spanish Deed of Incorporation;

(d) the FTA Bank Account Agreement;

(e) the FTA Note Transfer Agreement;

(f) the FTA Payment Agency Agreement; and

(g) any other agreement, certificate or document entered into in connection with the above documents.

"**German Loan**" means any of the loans purchased by the Issuer from the Originator pursuant to the German Loan Sale Agreement.

"**Interest Determination Date**" means the first Business Day of each Interest Period or, in the case of the first Interest Period, the Closing Date.

"**Interest Payment**" means, in respect of an Interest Period, the amount of interest payable on the Notes of each class.

"**Interest Payment Date**" means each of 6 January, 6 April, 6 July and 6 October or, if such day is not a Business Day, the next following Business Day (unless such Business Day falls in the next succeeding calendar month, in which event the immediately preceding Business Day), and it being specified that if an FCC Interest Payment Date or an FTA Interest Payment Date, as applicable, is subject to adjustment in the form of a postponement by a certain number of days and does not fall on 4 January, 4 April, 4 July or 4 October, then the Interest Payment Date shall be postponed to fall two Business Days after such adjusted FCC Interest Payment Date or FTA Interest Payment Date, as applicable, or, if each of the FCC Interest Payment Date and the FTA Interest Payment Date are subject to adjustment, two Business Days after the later of such adjusted FCC Interest Payment Date or FTA Interest Payment Date.

"**Interest Period**" means the period beginning on (and including) the Closing Date and ending on (but excluding) the Interest Payment Date falling in 4 July 2007 and each successive period commencing on (and including) such Interest Payment Date and each subsequent Interest Payment Date and ending on (but excluding) the next Interest Payment Date.

"**Irish Stock Exchange**" means the Irish Stock Exchange Limited.

"**Issuer's Accounts**" means the Issuer Transaction Account, the Stand–by Account, the Class X Collateral Account, the Cash Investments Account and the Issuer Domestic Account.

"**Issuer Domestic Account**" means the account in the name of the Issuer, with account number 40215504 (account ref: 700063.5) at the Operating Bank with sort code 40-50-30 and entitled "White Tower Europe 2007–1 Issuer Domestic Account" or such other account of the Issuer with any bank with a Requisite Rating as may be opened to replace such account in accordance with the provisions of the Cash Management Agreement.

"**Issuer Security**" means any and all of the following: (i) the security created by or pursuant to clause 3 of the Deed of Charge and Assignment, (ii) the security created by or pursuant to the Class A FCC Units Pledge, and (iii) the security created by or pursuant to the FTA Note Pledge.

"**Issuer Security Documents**" means any and all of the following: (i) the Deed of Charge and Assignment, (ii) the Class A FCC Units Pledge Agreement, and (iii) the FTA Note Pledge Agreement.

"**Issuer Transaction Account**" means the account in the name of the Issuer, with account number 40215504 (account ref: 700063.1) at the Operating Bank with sort code 40-50-30 and entitled "White Tower Europe 2007–1 Issuer Transaction Account" or such other account of the Issuer with any bank with a Requisite Rating as may be opened to replace such account in accordance with the provisions of the Cash Management Agreement.

"**Issuer Transaction Documents**" means:

(a) the Agency Agreement;

(b) the Cash Management Agreement;

(c) the Corporate Services Agreement;

(d) the Deed of Charge and Assignment;

(e) the Liquidity Facility Agreement;

(f) the Basis Swap Agreement (together with the Basis Swap Confirmations and Basis Swap Credit Support Document);

(g) the German Loan Sale Agreement;

(h) the FCC Units Subscription Agreement;

(i) the FTA Note Transfer Agreement;

(j) the Master Definitions Agreement;

(k) the German Loan Servicing Agreement;

(l) the Note Subscription Agreement;

(m) the Trust Deed;

(n) the Class A FCC Units Pledge Agreement; and

(o) the FTA Note Pledge Agreement,

including any supplements to any of the agreements listed above, and all other agreements and documents comprised in the security for the Notes pursuant to the Deed of Charge and Assignment.

"**Legal Final Maturity**" means the Interest Payment Date falling in October 2015.

"**Liquidation Fee**" means a liquidation fee payable by a Purchaser to the relevant Special Servicer in respect of a Loan purchased by such Purchaser which has become a Specially Serviced Loan, in accordance with the terms and conditions of the relevant Loan Servicing Agreement.

"**Listed Notes Rate of Interest**" means the annual rate of interest at which each Class of Listed Notes will bear interest on their Principal Amount Outstanding, as determined in accordance with Condition 4(c)(A).

"**Loan**" means any of the French Loans, the German Loans and the Spanish Loan.

"**Loan Documentation**" means the documents listed in relation to each Loan in the relevant Loan Sale Agreement.

"**Loan Hedge Counterparty**" means Société Générale.

"**Loan Hedge Agreements**" means, in relation to each Loan, a separate hedging arrangement whereby the Loan Hedge Counterparty has agreed to pay sums to the relevant Borrower(s) based on a floating rate of interest in return for obligations on such Borrower(s) to pay to the Loan Hedge Counterparty sums based on a fixed rate of interest.

"**Loan Security**" means, in respect of each Loan, the Mortgages, the Subordination Agreement, share charges, charges over cash deposits (in each case, if any) and/or any other security granted by any person in respect of a Borrower's liabilities under or in respect of such Loan, the benefit of which is to be acquired by the relevant Purchaser pursuant to the relevant Loan Sale Agreement.

"**Minimum Denomination**" means, in respect of the Listed Notes, a minimum notional amount of Euro 50,000 and, in relation to the Class X Notes, a minimum notional amount of Euro 150.

"**Mortgage**" means, in respect of each Loan, a first–ranking charge by way of legal mortgage granted by the Borrower(s) in respect of one or more Properties as security for such Loan and identified in the relevant Loan Sale Agreement.

"**Mortgage Deeds**" means, in respect of each Loan:

(a) all deeds and documents of title to a Property and associated papers received from a legal advisor including the results of any searches and enquiries and any consents to such Loan or the related Loan Security;

(b) the Mortgage and any Loan Security for such Loan;

(c) where relevant, any deed of postponement, ranking agreement, form of consent or deed of variation in relation thereto; and

(d) where relevant, the submission to immediate enforcement and the relevant security purpose agreement.

"**Most Junior Class of Notes**" means:

(a) whilst any Class E Notes are outstanding, the Class E Notes;

(b) if no Class E Notes are outstanding, the Class D Notes;

(c) if no Class D Notes are outstanding, the Class C Notes;

(d) if no Class C Notes are outstanding, the Class B Notes;

(e) if no Class B Notes are outstanding, the Class A Notes.

"**Most Senior Class of Notes**" means:

(a) while any Class A Notes are outstanding, the Class A Notes;

(b) if no Class A Notes are outstanding, the Class B Notes;

(c) if no Class A Notes or Class B Notes are outstanding, the Class C Notes;

(d) if no Class A Notes, Class B Notes or Class C Notes are outstanding, the Class D Notes; and

(e) if no Class A Notes, Class B Notes, Class C Notes or Class D Notes are outstanding, the Class E Notes.

"**Note Enforcement Notice**" has the meaning given to such term in Condition 10 (*Events of Default*).

"**Note Principal Payment**" means the principal amount (if any) to be redeemed in respect of each Note.

"**Noteholder**" means the holder of a Note.

"**Operating Bank**" means ABN AMRO Bank N.V. (London Branch).

"**Prepayment Interest Arrears**" means any amount of interest in respect of a Class of Notes which is due but not paid on any Interest Payment Date, including any interest accruing on such amounts from time to time, and the Servicer determines that such non–payment is attributable to prepayment of any Loan by the Borrowers (as such prepayment may, with respect to the French Loans and the Spanish Loan, be reflected in any principal payment made under the relevant class of Class A FCC Units or under the FTA Note, as applicable).

"**Principal Amount Outstanding**" means, on any day:

(f) in relation to a Note, the original principal amount of that Note upon issue less the aggregate amount of any principal payments in respect of that Note which have become due and payable (and been paid) on or prior to that day; and

(g) in relation to a class, the aggregate of the amount in paragraph (a) in respect of the Notes outstanding in such class; and

(h) in relation to the Notes outstanding at any time, the aggregate of the amount in paragraph (a) in respect of all Notes outstanding, regardless of class.

"**Principal Deficiency Ledger**" means the principal deficiency ledger maintained by the Cash Manager comprising four sub–ledgers, known as the "**A Note Principal Deficiency Ledger**", the "**B Note Principal Deficiency Ledger**", the "**C Note Principal Deficiency Ledger**", the "**D Note Principal Deficiency Ledger**" and the "**E Note Principal Deficiency Ledger**"for each Class of Notes to which amounts are applied which equal the principal amount still outstanding in respect of a defaulting loan.

"**Priority Amounts**" means, with respect to the Issuer, any sums due to third parties (other than the German Servicer, the Liquidity Facility Provider, the Basis Swap Counterparty, the Originator (other than as specified below), the German Special Servicer, the Corporate Services Provider, the Trustee, the Paying Agents, the Agent Bank, the Cash Manager or the Operating Bank), and the Issuer's liability, if any, to corporation tax and/or value added tax, on a date other than an Interest Payment Date under obligations incurred in the course of the Issuer's business, and any amounts payable to the Originator pursuant to the German Loan Sale Agreement.

"**Property**" means a property identified in schedule 4 of each Loan Sale Agreement.

"**Purchaser**" means: (a) with respect to the French Loans, the French Issuer; (b) with respect to the German Loans, the Issuer; and (c) with respect to the Spanish Loan, the Spanish Issuer.

"**Rate of Interest**" means, with respect to the Listed Notes, the Listed Notes Rate of Interest and, with respect to the Class X Notes, the Class X Notes Rate of Interest.

"**Rating Agencies**" means each of Standard & Poor's Ratings Services, a division of The McGraw–Hill Companies, Inc. ("**S&P**") and Fitch Ratings Ltd. ("**Fitch**", which reference in these Conditions shall include any additional or replacement rating agency appointed by the Issuer, with the prior written approval of the Trustee, to provide a credit rating in respect of the Notes or any Class of the Notes).

"**Reference Banks**" means each of four euro reference banks selected by the Agent Bank and approved by the Trustee for the purpose of providing a quotation of the rate at which deposits in Euro are offered by it in the Eurozone interbank market, and being as at the Closing Date the principal office in Germany of Deutsche Bank, the principal office in France of BNP Paribas, the principal office in Spain of Banco Santander, and the principal office in France of Société Générale.

"**Relevant Date**" has the meaning given to such term in Condition 9 (*Prescription*).

"**Relevant Margin**" means, in relation to the Listed Notes:

(A) in respect of the Class A Notes, 0.18 per cent. per annum;

(B) in respect of the Class B Notes, 0.22 per cent. per annum;

(C) in respect of the Class C Notes, 0.35 per cent. per annum;

(D) in respect of the Class D Notes, 0.80 per cent. per annum; and

(E) in respect of the Class E Notes, 3.40 per cent. per annum.

"**Requisite Rating**" means, with respect to any party (and prospective successor thereto), that its short term unsecured, unguaranteed and unsubordinated debt obligations are rated at least:

(a) "F1" (or its equivalent) by Fitch; and

(b) "A-1+" (or its equaivalent) by S&P.

"**Security Documents**" means, in relation to any Borrower and any Loan, any document creating, evidencing or acknowledging security or guarantees in respect of any of the obligations and liabilities of such Borrower in connection with the financing arrangements for such Loan.

"**Secured Parties**" means each of the Noteholders, the Trustee, the Corporate Services Provider, the German Servicer, the German Special Servicer, the Issuer Representative, the Issuer Special Representative, the French Issuer, the Spanish Issuer, the Liquidity Facility Provider, the Basis Swap Counterparty, the Paying Agents, the Agent Bank, the Cash Manager and the Operating Bank.

"**Senior Expenses Drawing**" means a drawing by the Issuer under the Liquidity Facility Agreement in order to pay any amounts detailed in items (i) through (vii) of clause 6.2.2 of the Deed of Charge and Assignment.

"**Serviced Financings**" means the Loans and any financing, including any capex facilities and any VAT facilities, as shall be (or have been) extended from time to time to the relevant Borrowers.

"**Serviced Financings Documentation**" means any document evidencing a Serviced Financing and including, where such Serviced Financing is subject to a Loan Documentation, such Loan Documentation.

"**Serviced Financings Security**" means, in respect of each Serviced Financing, any security interest or guarantee granted as security therefor.

"**Spanish Loan**" means the loan the financial characteristics of which are reflected in the Spanish Mortgage Certificate issued by the Originator to the Spanish Issuer.

"**Specially Serviced Loan**" means a Loan which has become a specially serviced loan under the terms and conditions of the relevant Loan Servicing Agreement.

"**Stand–by Account**" means the account in the name of the Issuer, with account number 40215504 (account ref: 700063.2) at the Operating Bank with sort code 40-50-30 and entitled "White Tower Europe 2007–1 plc Stand–by Account" or such other account of the Issuer with any bank with a Requisite Rating as may be opened to replace such account in accordance with the provisions of the Cash Management Agreement.

"**Swap Tax Event**" means:

(a) any action taken by a taxing authority, or brought in a court of competent jurisdiction (regardless of whether such action is taken or brought with respect to a party to the Basis Swap Agreement); or

(b) the enactment, promulgation, execution or ratification of, or change in or amendment to, any law (or in the application or interpretation of any law),

as a result of which, on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by any government or taxing authority, either the Issuer or the Basis Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay additional amounts or make an advance in respect of tax under the Basis Swap Agreement or the Basis Swap Counterparty will, or there is a substantial likelihood that it will, receive a payment from the Issuer from which an amount is required to be deducted or withheld for or on account of tax and no additional amount or advance is able to be paid by the Issuer.

"**Transaction Documents**" means the Issuer Transaction Documents, the FCC Transaction Documents, and the FTA Transaction Documents.

"**Valuation**" means, in relation to any Property, a market valuation of that Property addressed to the Lenders and/or the Agent or the Loan Security Agent prepared in accordance with the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors (in association with others).

"**VAT**" means value added tax provided for by applicable tax laws.

"**Workout Fee**" means a workout fee payable by the Issuer to the German Special Servicer in respect of a German Loan which has become a Corrected Loan or by the French Issuer or the Spanish Issuer to the relevant Special Servicer in respect of a French Loan or a Spanish Loan which has become a Corrected Loan, as applicable, in accordance with the terms and conditions of the relevant Loan Servicing Agreement.

2. Form, Status, Security and Priority

(A) Form and Denomination, Title and Transfer

(a) The Listed Notes will be serially numbered and in bearer form in the denomination of Euro 50,000, each with Coupons (and, where appropriate, a Talon) attached on issue. Title to each of the Notes, Coupons and Talons will pass by delivery.

(b) The Class X Notes will be serially numbered and in bearer form in the denomination of Euro 150, each with Coupons (and, where appropriate, a Talon) attached on issue. Title to each of the Notes, Coupons and Talons will pass by delivery.

(c) The holder of any Note, Coupon or Talon shall be deemed to be and may 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, any writing on it, or its theft, destruction or loss) and no person will be liable for so treating the holder.

(d) For so long as the Notes of any Class are represented by a Global Note, and the rules of Euroclear and Clearstream, Luxembourg so permit, the Notes of that Class will be tradeable in minimum nominal amounts of, in relation to the Listed Notes, Euro 50,000, and, in relation to the Class X Notes, Euro 150, being for the relevant Class the "**Minimum Denomination**".

(e) If Definitive Notes for that Class of Listed Notes are required to be issued and printed, such Listed Notes will be in the denomination of Euro 50,000.

(B) Status and relationship between the Notes

(a) The Notes constitute direct, secured and unconditional obligations of the Issuer. The Notes of each Class rank *pari passu* without preference or priority among themselves.

(b) As between the classes of the Notes, in the event of the Issuer Security being enforced, the Class A Notes and the Class X Notes will, in respect of interest payments, rank *pari passu* among themselves, and will both (but in respect of interest payments only for the Class X Notes) rank higher in priority to the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes; the Class B Notes will rank higher in priority to the Class C Notes, the Class D Notes and the Class E Notes; the Class C Notes will rank higher in priority to the Class D Notes and the Class E Notes, and the Class D Notes will rank higher in priority to the Class E Notes. Prior to enforcement of the Issuer Security, payments of principal of and interest on the Class E Notes will be subordinated to payments of principal of and interest on the Class A Notes, payments of interest on the Class X Notes and payments of principal and interest on the Class B Notes, Class C Notes and Class D Notes; payments of principal of and interest on the Class D Notes will be subordinated to payments of principal of and interest on the Class A Notes, payments of interest on the Class X Notes and payments of principal and interest on the Class B Notes and Class C Notes; payments of principal of and interest on the Class C Notes will be subordinated to payments of principal of and interest on the Class A Notes, payments of interest on the Class X Notes and payments of principal of and interest on the Class B Notes; and payments of principal of and interest on the Class B Notes will be subordinated to payments of principal of and interest on the Class A Notes and payments of interest on the Class X Notes.

(c) The Trust Deed contains provisions requiring the Trustee to have regard to the interests of the holders of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes equally as regards all powers,

trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), provided that:

(i) if, in the Trustee's opinion, there is a conflict between the interests of:

(A) the Class A Noteholders (for so long as any Class A Notes are outstanding (as defined in the Trust Deed)); and

(B) the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders and/or the Class E Noteholders,

then the Trustee shall have regard only to the interests of the Class A Noteholders;

(ii) if, in the Trustee's opinion, there is a conflict between the interests of:

(A) the Class B Noteholders (for so long as any Class B Notes (but no Class A Notes) are outstanding); and

(B) the Class C Noteholders and/or the Class D Noteholders and/or the Class E Noteholders,

then the Trustee shall, subject to (i) above, have regard only to the interests of the Class B Noteholders; and

(iii) if, in the Trustee's opinion, there is a conflict between the interests of:

(A) the Class C Noteholders (for so long as the Class C Notes (but no Class A Notes or Class B Notes) are outstanding); and

(B) the Class D Noteholders and/or the Class E Noteholders,

then the Trustee shall, subject to (i) and (ii) above, have regard only to the interests of the Class C Noteholders.

(iv) if, in the Trustee's opinion, there is a conflict between the interests of:

(A) the Class D Noteholders (for so long as the Class D Notes (but no Class A Notes, Class B Notes or Class C Notes) are outstanding); and

(B) the Class E Noteholders,

then the Trustee shall, subject to (i), (ii) and (iii) above, have regard only to the interests of the Class D Noteholders.

The Trustee is only required to have regard to the interests of the Class X Noteholders where Class X Notes are the only Notes outstanding, as more particularly described in the Trust Deed.

Except where expressly provided otherwise, so long as any of the Notes remains outstanding, the Trustee is not required to have regard to the interests of any other persons entitled to the benefit of the Issuer Security.

(d) The Trust Deed contains provisions limiting the powers of: (i) the Class B Noteholders, amongst other things, to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect such may have on the interests of the Class A Noteholders; (ii) the Class C Noteholders, amongst other things, to request or direct the Trustee to take any

action or to pass an effective Extraordinary Resolution according to the effect such may have on the interests of the Class A Noteholders or the Class B Noteholders; (iii) the Class D Noteholders, amongst other things, to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect such may have on the interests of the Class A Noteholders, the Class B Noteholders or the Class C Noteholders; and (iv) the Class E Noteholders, amongst other things, to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect such may have on the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders or the Class D Noteholders.

Except in certain circumstances, the Trust Deed contains no such limitation on the powers of the Class A Noteholders, the exercise of which powers will be binding on the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders and/or the Class E Noteholders irrespective of the effect on their interests. Except in certain circumstances, the exercise of their powers by: (i) the Class B Noteholders will be binding on the Class C Noteholders, the Class D Noteholders and the Class E Noteholders, irrespective of the effect on their interests, (ii) the Class C Noteholders will be binding on the Class D Noteholders and the Class E Noteholders, irrespective of the effect on their interests, and (iii) the Class D Noteholders will be binding on the Class E Noteholders, irrespective of the effect on their interests.

The Class X Noteholders have no power to request or direct the Trustee to take any action or to pass an Extraordinary Resolution.

(C) Security and Priority of Payments

The security in respect of the Notes is set out in the Deed of Charge and Assignment, the Class A FCC Units Pledge Agreement and the FTA Note Pledge Agreement. The Deed of Charge and Assignment contains provisions regulating the priority of application of the Available Principal and Available Interest Receipts among the persons entitled to the same prior to the service of a Note Enforcement Notice, and of the Available Principal and the Available Interest Receipts and the proceeds of enforcement or realisation of the Issuer Security by the Trustee after the service of a Note Enforcement Notice.

3. Covenants

(A) *Restrictions*

Save with the prior written consent of the Trustee or unless otherwise provided in or envisaged by these Conditions or the Issuer Transaction Documents, the Issuer shall not, so long as any Note remains outstanding:

(a) *Negative Pledge*

create or permit to subsist any mortgage, standard security, sub–mortgage, sub–standard security, assignment, charge, sub–charge, pledge, lien (unless arising by operation of law) or other security interest whatsoever over any of its assets, present or future (including any uncalled capital);

(b) *Restrictions on Activities*

(i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities which the Issuer Transaction Documents provide or envisage that the Issuer will engage in;

(ii) have any subsidiaries or any employees or own, rent, lease or be in possession of any buildings or equipment; or

(iii) amend, supplement or otherwise modify its memorandum or articles of association or other constitutive documents;

(c) *Disposal of Assets*

transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertaking (including for these purposes the Charged Property) or any interest, estate, right, title or benefit in its assets or undertaking;

(d) *Premises and employees*

enter into any lease in respect of, or own, any premises or have any employees;

(e) *Dividends on Distributions*

pay any dividend or make any other distribution to its shareholders or issue any further shares, other than in accordance with the Deed of Charge and Assignment, if applicable;

(f) *Borrowings*

incur or permit to subsist any indebtedness in respect of borrowed money whatsoever, except in respect of the Notes, the Basis Swap Transactions or the Liquidity Facility Agreement or give any guarantee or indemnity in respect of any indebtedness or of any obligation of any person;

(g) *Merger*

consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;

(h) *Variation*

permit the validity or effectiveness of any of the Issuer Transaction Documents, or the priority of the security interests created by any of the Issuer Transaction Documents, to be amended, terminated, postponed or discharged, or consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of, the Trust Deed, the Deed of Charge and Assignment or any of the other Issuer Transaction Documents, or permit any party to any of the Issuer Transaction Documents or the Issuer Security or any other person whose obligations form part of the Issuer Security to be released from such obligations or dispose of all or a part of the Issuer Security;

(i) *Bank Accounts*

have an interest in any bank account other than the Issuer's Accounts unless such account is charged to the Trustee on terms acceptable to it;

(j) *Assets*

own assets other than those representing its share capital, the funds arising from the issue of the Notes, the property, rights and assets secured by the Issuer Security and associated and ancillary rights and interests to the Issuer Security, the benefit of the Issuer Transaction Documents and any investments and other rights or interests created or acquired under the Issuer Transaction Documents, as all of the same may vary from time to time; and

(k) *Residence*

conduct its business and affairs such that, at any time:

(i) its registered office is maintained in a country other than Ireland;

(ii) its meetings of its board of directors are held in a country other than Ireland and such directors are not resident in Ireland for tax purposes;

(iii) it opens any office or branch or place of business outside of Ireland; and

(iv) it knowingly does anything which may result in the Issuer creating an establishment (whether for the purposes of the EU Regulation on Insolvency Proceedings or otherwise) in another jurisdiction than Ireland.

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 Issuer Transaction Documents or may impose such other conditions or requirements as the Trustee may deem expedient (in its absolute discretion) in the interests of the Noteholders, provided that each of the Rating Agencies has provided written confirmation to the Trustee that the then applicable ratings of each Class of Notes then rated by them under any of the Issuer Transaction Documents will not be qualified, downgraded or withdrawn as a result of such modifications or additions.

(B) German Servicer and German Special Servicer

So long as any of the Notes remains outstanding, the Issuer will procure that there will at all times be a German Servicer in respect of the German Loans. In certain circumstances a German Special Servicer will also be appointed in respect of German Loans becoming Specially Serviced Loans. Neither the German Servicer nor the German Special Servicer will be permitted to terminate its appointment unless a replacement German Servicer or German Special Servicer acceptable to the Issuer and the Trustee has been appointed. The appointment of the German Servicer and the German Special Servicer (in respect of a Specially Serviced Loan) may be terminated by the Issuer and/or Trustee if, amongst other things, the German Servicer or the German Special Servicer fails to comply with any of its obligations under the German Loan Servicing Agreement which failure in the opinion of the Trustee is materially prejudicial to the interests of the Noteholders and such failure is not remedied within 30 days after written notice has been served on the German Servicer or German Special Servicer (as applicable) by the Issuer and/or by the Trustee.

(C) Controlling Class Representative

(a) *Appointment*

The Controlling Class Representative will be appointed (or replaced) by Noteholders representing a majority of the Controlling Class upon delivery of a written instrument by such majority to the Trustee. No Extraordinary Resolution is required in connection with the appointment (or replacement) of the Controlling Class Representative. Upon receipt of such written appointment (or replacement), the Trustee shall forward a copy of such written instrument to the Special Servicer.

The Controlling Class may terminate the appointment of the Controlling Class Representative at any time and appoint a successor in the same manner as the appointment of the Controlling Class Representative.

Each Noteholder acknowledges and agrees, by its purchase of the Notes, that:

(i) the Controlling Class Representative may have special relationships and interests that conflict with those of the holders of one or more classes of the Notes;

(ii) the Controlling Class Representative may act solely in the interests of the Controlling Class;

(iii) the Controlling Class Representative does not have any duties to any Noteholders (other than, if applicable, the Controlling Class);

(iv) the Controlling Class Representative may take actions that favour the interests of the Controlling Class over the interests of the other Noteholders;

(v) the Controlling Class Representative will not be deemed to have been negligent or reckless, or to have acted in bad faith or engaged in wilful misconduct, by reason of its having acted solely in the interests of the Controlling Class; and

(vi) the Controlling Class Representative will have no liability whatsoever for having acted solely in the interests of the Controlling Class and no holder of any other Class of Notes may take any action whatsoever against the Controlling Class Representative for having so acted.

(b) *Rights of the Controlling Class Representative*

The Controlling Class Representative, on behalf of the Controlling Class, will have the right to:

(i) upon any Loan becoming a Specially Serviced Loan, appoint an Operating Adviser, in which case, the appointment of the Operating Adviser will be deemed effective upon notification by the Controlling Class Representative to the Issuer Representative, the Issuer Special Representative, the German Servicer, the German Special Servicer, the Issuer and the Trustee;

(ii) require the Issuer to dismiss the German Special Servicer or the Issuer Special Representative, as the case may be, with regard to any relevant Specially Serviced Loan; and

(iii) be consulted on certain actions by:

(a) the German Special Servicer with respect to a German Loan that becomes a Specially Serviced Loan including, among other things, any enforcement of the relevant German Loan, modifications, waivers and amendments of any monetary terms of a German Loan, the release of any related Loan Security, the release of any German Loan Borrower's obligations under the relevant German Credit Agreement and actions taken on the German Properties with respect to environmental matters; and

(b) the Issuer Special Representative in relation to: (i) any course of action or matter proposed or raised by the FCC Manager to the FCC Unitholders in any consultation initiated by the FCC Manager concerning the enforcement of the relevant French Loan, modifications, waivers and amendments of any monetary terms of a French Loan, the release of any related Loan Security, the release of any French Loan Borrower's obligations under the relevant French Credit Agreement and actions taken on the Properties with respect to environmental matters, and (ii) any course of action or matter proposed or raised by the FTA Manager to the FTA Noteholder in any consultation initiated by the FTA Manager concerning the enforcement of the Spanish Loan, modifications, waivers and amendments of any monetary terms of the Spanish Loan, the release of any related Loan Security, the release of the Spanish Loan Borrower's obligations under the Spanish Credit Agreement and actions taken on the Properties with respect to environmental matters.

The Controlling Class Representative will have no liability to the Issuer, the French Issuer, the FCC Manager, the Spanish Issuer, the FTA Manager, the Servicers, the Special Servicers or the Trustee for any action taken, or for refraining from the taking of any action in good faith or for any errors in judgement.

(c) *The Operating Adviser*

Following the appointment of an Operating Adviser becoming effective:

(i) the German Special Servicer will be required to consult with the Operating Adviser appointed in relation to the German Specially Serviced Loans with respect to proposals by the German Special Servicer to take any actions with respect to a German Loan that has become a Specially Serviced Loan; and

(ii) the Issuer Special Representative will be required to consult with the Operating Adviser appointed in relation to the French or Spanish Specially Serviced Loans with respect to (i) any proposals of the FCC Manager made to the FCC Unitholders in any consultations initiated by the FCC Manager concerning a French Loan being a Specially Serviced Loan, and (ii) any proposals of the FTA Manager made to the FTA Noteholder in any consultations initiated by the FTA Manager concerning the Spanish Loan provided it is a Specially Serviced Loan.

In addition, the German Special Servicer or the Issuer Special Representative, as applicable, will be required with respect to any Specially Serviced Loan to:

(A) consider taking alternative actions recommended by the Operating Adviser;

(B) with respect to the Issuer Special Representative only, consider recommending to the FCC Manager, in any consultation with the FCC Unitholders initiated by the FCC Manager, that it authorise the French Special Servicer to take alternative actions recommended by the Operating Adviser; and

(C) with respect to the Issuer Special Representative only, consider recommending to the Issuer, in any consultation with the FTA Noteholder initiated by the FTA Manager, that it advise the FTA Manager to authorise the Spanish Special Servicer to take alternative actions recommended by the Operating Adviser,

in each case relating to the following:

(1) any modification of, or waiver with respect to the relevant Specially Serviced Loan that would result in the extension or shortening of its maturity date (other than extensions provided for in the relevant Credit Agreement);

(2) a reduction in the relevant Specially Serviced Loan's interest rate or its quarterly payment;

(3) a forgiveness of interest on or principal of the relevant Specially Serviced Loan;

(4) a modification or waiver of any other monetary term under a Specially Serviced Loan;

(5) any determination not to enforce any provision of a Specially Serviced Loan that requires the consent or waiver of the Lender in connection with: (i) the sale or other transfer of an interest in the relevant Property, (ii) the assumption of the Loan by an entity other than the relevant Borrower, (iii) the creation of any lien or other encumbrance on the relevant Property or (iv) any similar provision (unless such provision is not exercisable under applicable law or such exercise is reasonably likely to result in successful legal action by the relevant Borrower); and

(6) where relevant, any appointment of a receiver or similar enforcement actions.

Each Noteholder acknowledges and agrees, by its purchase of the Notes, that the Operating Adviser:

(a) may have special relationships and interests that conflict with those of the holders of one or more classes of the Notes;

(b) may act solely in the interests of the Controlling Class;

(c) does not have any duties to any Noteholders (other than, if applicable, the Controlling Class);

(d) may take actions that favour the interests of the Controlling Class over the interests of the other Noteholders;

(e) will not be deemed to have been negligent or reckless, or to have acted in bad faith or engaged in wilful misconduct, by reason of its having acted solely in the interests of the Controlling Class ; and

(f) will have no liability whatsoever for having acted solely in the interests of the Controlling Class and no holder of any other Class of Notes may take any action whatsoever against the Controlling Party for having so acted.

4. Interest

(A) Period of Accrual

Each Note will bear interest on its Principal Amount Outstanding from (and including) the Closing Date.

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 its due date for redemption unless, upon due presentation, payment of the relevant amount of principal or any part of such principal is improperly withheld or refused. In such event, interest will continue to accrue on the Note (after as well as before any judgment) at the rate applicable to such Note up to (but excluding) the date on which, on presentation of such Note, payment in full of the relevant amount of principal, together with the interest accrued on it, is made or (if earlier) the seventh day after notice is duly given to the holder of the Note (either in accordance with Condition 15 (*Notice to Noteholders*) or individually) that, upon presentation of the Note being duly made, such payment will be made, provided that upon presentation of the Note being duly made, payment is in fact made.

(B) Interest Payment Dates, Interest Periods and Deferral of Interest

Subject to the terms of this Condition 4(B), interest on the Notes will be paid quarterly in arrear on each Interest Payment Date in respect of the Interest Period ending immediately prior thereto. The first Interest Payment Date in respect of each Class of Notes will be the Interest Payment Date falling on 6 July 2007. Interest in respect of any Interest Period or any other period will be calculated on the basis of the actual number of days elapsed and a 360 (or, in the case of an Interest Period or other period ending in a leap year, 361) day year.

Subject to Condition 11 (*Enforcement*) and for so long as any Class A Note or any Class X Note is outstanding, in the event that on any Interest Payment Date there are insufficient Available Interest Receipts, after deducting the amounts ranking in priority to a particular Class of Notes in accordance with clause 6.2.2 of the Deed of Charge and Assignment (each such available amount with respect to the relevant Class of Notes, an "**Interest Residual Amount**"), to satisfy in full the Interest Amount due and, subject to

this Condition, payable on all Classes of Notes, on such Interest Payment Date, there shall instead be payable on such Interest Payment Date, by way of interest on each Class B Note and/or Class C Note and/or Class D Note and/or Class E Notes, as the case may be, only a *pro rata* share of the amount available to be applied in payment of amounts due on that particular Class of Notes on such Interest Payment Date. The amount payable shall be calculated by dividing the original principal amount of each such Class B Note, Class C Note, Class D Note or Class E Notes, as the case may be, by the aggregate principal amount of the Class B Notes, Class C Notes, Class D Notes or Class E Notes or, as at the Closing Date, as the case may be, and multiplying the result by the relevant Interest Residual Amount, and then rounding down to the nearest Euro cent.

The shortfall, equal to the amount by which the aggregate amount of interest paid on the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes as the case may be, on any Interest Payment Date in accordance with this Condition falls short of the Interest Amount due on the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes as the case may be, on that date pursuant to this Condition (the "**Shortfall**"), shall be payable on the earlier of (a) any succeeding Interest Payment Date, but only if and to the extent that, on such Interest Payment Date, there are sufficient Available Interest Receipts, after deducting amounts ranking in priority to the relevant Class of Notes in accordance with clause 6.2.2 of the Deed of Charge and Assignment and (b) the date on which the relevant Notes are due to be redeemed in full.

Such Shortfall shall itself accrue interest during the period from (and including) the due date therefor to (and excluding) the Interest Payment Date upon which such Shortfall is paid at the same rate as that payable in respect of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as applicable. Such accrued interest shall be paid together with the Shortfall and under the same terms as the Shortfall.

Notwithstanding the deferral provisions above, where, on any Interest Payment Date, any Shortfall attributable to the Class D Notes or the Class E Notes, as the case may be, results from Prepayment Interest Arrears, then such Shortfall will be extinguished and will not be rolled-over to the following Interest Payment Date and the affected Noteholders will have no claim against the Issuer in respect thereof.

In the event that no Class A Note is outstanding, the provisions in this Condition shall apply, *mutatis mutandis*, save that reference to the Class A Notes shall be read as a reference to the next Most Senior Class of Notes (other than, for the avoidance of doubt, the Class X Notes) outstanding and the remainder of this Condition 4(B) shall be construed accordingly.

(C) *Rate of Interest*

(a) *Rate of Interest on the Listed Notes*

Each Listed Notes Rate of Interest will be determined by the Agent Bank on the Interest Determination Date.

Each Listed Notes Rate of Interest for the Interest Period commencing on the relevant Interest Determination Date shall be the aggregate of:

(i) the Relevant Margin; and

(ii) (1) the Eurozone Interbank Offered Rate for three month Euro deposits ("**EURIBOR**") (or, in the case of the first Interest Period, the linear interpolation of two and three month Euro deposits) which appears on Reuters Screen on page EURIBOR01 (the "**EURIBOR Screen Rate**") (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of

displaying comparable rates) as of 11:00 a.m. (Brussels time) on each Interest Rate Determination Date;

(2) if such rate does not appear on that page, the Agent Bank will request the principal Eurozone office of each of the Reference Banks to provide a quotation of the rate at which deposits in Euro are offered by it in the Eurozone interbank market at approximately 11:00 a.m. (Brussels time) on the Interest Rate Determination Date to prime banks in the Eurozone interbank market for a period equal to the relevant Interest Period (or, in the case of the first Interest Period, the linear interpolation of two and three month Euro deposits) and in an amount that is representative for a single transaction in that market at that time. If at least two (2) such quotations are provided, the rate for the relevant Interest Period will be the arithmetic mean (rounded if necessary, to the nearest one hundred–thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations. If fewer than two (2) such quotations are provided as requested, the Agent Bank shall forthwith consult with one (1) additional bank (where only one of the banks provided such a quotation) or two (2) additional banks (where none of the banks provided such a quotation) to provide such a quotation or quotations to the Agent Bank (such bank or banks to be selected by the Agent Bank at its sole discretion),

(b) *Interest on the Class X Notes*

The rate of interest applicable to the Class X Notes for any Interest Period will be the Class X Interest Rate as calculated by the Cash Manager on each Interest Determination Date.

"**Class X Interest Rate**" means with respect to each Interest Period, the percentage calculated by multiplying a fraction, the numerator of which is the Expected Class X Excess Spread Amounts and the denominator of which is the Principal Amount Outstanding of the Class X Notes, by 100

"**Expected Class X Excess Spread Amounts**" means an amount (higher than zero) equal to:

(a) on any day prior to the service of a Note Enforcement Notice or the Notes otherwise becoming due and repayable in full, the amount equal to the Expected Available Issuer Income after (i) deducting Senior Expenses, amounts of interest due and payable on the Notes (other than interest on the Class X Notes representing Expected Class X Excess Spread Amounts) and amounts paid under item 8 of the Pre-enforcement Interest Priority of Payments, and (ii) on the last Interest Determination Date only, and provided the Issuer has not purchased the Class B FCC Units, adding Euro 300 by debit of the Class X Collateral Account; except if such amount is less than zero, then the Expected Class X Excess Spread Amount is zero; or

(b) on any day following the service of a Note Enforcement Notice or the Notes otherwise becoming due and repayable in full, all sums standing to the credit of the Issuer Transaction Account and those resulting from the enforcement of the Issuer Security, after deducting amounts required to pay Senior Expenses and all amounts of interest and principal due in respect of the Notes (other than interest on the Class X Notes representing Expected Class X Excess Spread Amounts).

"**Expected Available Issuer Income**" means, with respect to an Interest Period, the amount of Available Interest Receipts that would have been available on the Interest Payment Date falling at the end of such Interest Period assuming full and timely payment

by (i) the Borrowers of amounts due and payable under the Loans, on the relevant Loan Payment Date falling in the relevant Collection Period (or FCC Collection Period or FTA Collection Period as applicable); and (ii) by the French Issuer and the Spanish Issuer of amounts due and payable under the Class A FCC Units and the FTA Note, respectively, on the immediately following FCC Interest Payment Date and FTA Interest Payment Date, as applicable, without double counting.

"**Senior Expenses**" means for any Interest Period, the sum of all fees, costs and expenses or other remuneration and indemnity payments, inclusive of VAT, if applicable, estimated on the relevant Calculation Date by the Cash Manager to be payable by the Issuer on the Interest Payment Date related to such Interest Period in accordance with items 1 and 2 under the Pre–enforcement Interest Priority of Payments and under the Post–Enforcement Priority of Payments. The amount of Senior Expenses payable with respect to any Interest Payment Date will vary to the extent that some are payable on an annual basis while other fees are payable on a quarterly basis and the actual senior expenses may vary from the estimate of Senior Expenses as determined on each Calculation Date and, in respect of any shortfall resulting therefrom in respect of items 1 and 2 under the Pre–Enforcement Interest Priority of Payments and under the Post–Enforcement Priority of Payments, the Cash Manager may make a drawing under the Liquidity Facility Agreement.

(D) Determination of Rates of Interest and Calculation of Interest Amounts for Notes

The Agent Bank shall, on or as soon as practicable after each Interest Determination Date, determine and notify the Issuer, the Trustee, the German Servicer and the Paying Agents in writing of: (i) the relevant Rate of Interest applicable to the Interest Period beginning on and including the immediately succeeding Interest Payment Date (or, in respect of the first Interest Amount, the Closing Date) in respect of the Listed Notes of each Class; and (ii) the euro amount (the "**Listed Notes Interest Amount**") payable, subject to Condition 4(b), in respect of such Interest Period in respect of the Listed Notes of each Class. The Cash Manager will, on or as soon as practicable after each Interest Determination Date, determine and notify the Issuer, the Trustee and the Paying Agents in writing of the Class X Interest Rate applicable to the Interest Period in which such Interest Determination Date falls and the Class X interest amount (the "**Class X Interest Amount**") and such Class X Interest Amount, together with the Listed Notes Interest Amount, the "**Interest Amount**") that will accrue on the Class X Note during that Interest Period.

(E) Publication of Rates of Interest for the Notes, Interest Amounts and other Notices

As soon as practicable after receiving notification thereof, the Issuer shall cause the Rate of Interest and Interest Amount applicable to the Notes of each class for each Interest Period and the Interest Payment Date in respect thereof to be notified in writing to the Irish Stock Exchange (for so long as the Notes are listed on the Irish Stock Exchange) and shall cause notice thereof to be given to the Noteholders in accordance with Condition 15 (*Notice to Noteholders*). The Interest Amounts and any Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Interest Period for the Notes.

(F) Determination or Calculation by the Trustee

If the Agent Bank (or, in the case of the Class X Note, the Cash Manager) does not at any time for any reason determine the Rate of Interest and/or calculate the Interest Amount for each Class of the Notes in accordance with the foregoing Conditions, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable in all the circumstances and any such determination and/or calculation shall be deemed to have been made by the Agent Bank.

(G) *Notifications to be Final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition, whether by the Reference Banks (or any of them), the Agent Bank, the Cash Manager or the Trustee shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Reference Banks, the Agent Bank, the Trustee, the German Servicer, the German Special Servicer, the Paying Agents and all Noteholders and (in such absence as aforesaid) no liability to the Noteholders shall attach to the Issuer, the Reference Banks, the Agent Bank, the Cash Manager or the Trustee in connection with the exercise or non–exercise by them or any of them of their powers, duties and discretions hereunder.

(H) *Reference Banks and Agent Bank*

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there are, at all times, four Reference Banks and an Agent Bank. If any such Reference Bank or Agent Bank is unable or unwilling to continue to act as a Reference Bank or Agent Bank, as the case may be, the Issuer shall nominate such other bank as may have been previously approved in writing by the Trustee to act as such in its place. Any purported resignation by the Agent Bank shall not take effect until a successor so approved by the Trustee has been appointed.

5. Redemption and Cancellation

(A) *Final Redemption*

Unless previously redeemed in full and cancelled as provided in this Condition 5, the Issuer shall redeem the Notes at their Principal Amount Outstanding together with accrued interest on the Interest Payment Date falling in October 2015.

The Issuer may not redeem Notes in whole or in part prior to that date except as provided in this Condition 5 but without prejudice to Condition 11 (*Enforcement*).

With respect to the Class X Notes, such redemption (prior to the service of a Note Enforcement Notice) is subject to the following provisions:

(i) the Class X Notes shall be redeemed only if and to the extent that all Listed Notes have been redeemed or extinguished in full;

(ii) the funds to be used by the Issuer to redeem the Class X Notes shall exclusively be drawn from the Class X Collateral Account, it being specified that if such amount is insufficient to provide for the full redemption of the then Principal Amount Outstanding of the Class X Notes, the Class X Noteholder's claim for the remaining amount shall irrevocably be extinguished.

The Class X Notes, therefore, do not rank against any other Class of Notes with respect to any principal amounts distributable from the Issuer Transaction Account to such other Class of Notes.

(B) *Mandatory Redemption in Part*

Subject as provided in Condition 5(C) (*Optional Redemption for Tax or Other Reasons*), 5(D) (*Optional Redemption in Full*) or 5(E) (*Optional Redemption in Full — Basis Swap Transactions*) below, the Issuer shall, prior to the service of a Note Enforcement Notice by the Trustee and subject as provided below, redeem some or all of the Listed Notes then outstanding in part on each Interest Payment Date in accordance with the Pre–Enforcement Principal Priority of Payments if, on the Calculation Date relating thereto, there are any Available Amortisation Funds, Available Prepayment Funds, Available Redemption Funds or Available Principal Recovery Funds (each as defined below), after

paying in accordance with the Deed of Charge and Assignment any and all amounts payable out of such funds in priority to payments on the relevant class of Listed Notes, and if the amount of such funds after paying any and all amounts payable in priority to payments on the relevant class of Listed Notes, is not less than Euro 1.

For the purposes of these Conditions:

(a) "**Amortisation Funds**" means: (a) the aggregate amount of principal received by the Purchasers in respect the Loans on a scheduled payment date and in accordance with the terms of the Credit Agreements; and (b) in relation to the Issuer only, on the first Interest Payment Date falling after the Closing Date only, an amount equal to the Principal Amount Outstanding of the Notes on the Closing Date less the aggregate outstanding principal balance of the Loans as at the Closing Date; and "**Available Amortisation Funds**" means, in respect of any Calculation Date: (i) the Amortisation Funds received by or on behalf of the Purchasers during the period from (but excluding) the preceding Calculation Date to (and including) such Calculation Date (or, if applicable, in the case of the first Calculation Date, the period from (and including) the Closing Date to (and including) such first Calculation Date) (each a "**Collection Period**"), less (ii) the aggregate amount of Amortisation Funds applied by the Purchasers in respect of any Priority Amounts during that Collection Period in accordance with the Deed of Charge and Assignment, the FCC Regulations and the Spanish Deed of Incorporation as applicable, as such Available Amortisation Funds shall have been upstreamed by the French Issuer and the Spanish Issuer under the Class A FCC Units and FTA Note, where relevant.

(b) "**Prepayment Redemption Funds**" means: (a) the aggregate amount of principal payments received by or on behalf of the Purchasers as a result of any prepayment in part or in full of any Loan (including any release premium, as applicable) pursuant to the terms of the Credit Agreement; (b) the aggregate amount of payments in respect of principal received by or on behalf of the Purchasers as a result of a repurchase by the Originator (or any person as it may have designated) or the rescission of the sale of any Loan pursuant to the Loan Sale Agreements; and (c) the aggregate amount of Available Interest Receipts payable pursuant to item 11 of "*Cash Flows at the Issuer Level – Payments out of the Issuer Transaction Account - Pre–Enforcement of the Notes* "; and "**Available Prepayment Funds**" means, in respect of any Calculation Date, the sum of the Available General Prepayment Funds and the Available Sebastopol Prepayment Funds, as shall have been upstreamed by the French Issuer and the Spanish Issuer under the Class A FCC Units and FTA Note, where relevant, where (1) "**Available General Prepayment Funds**" means, in respect of any Calculation Date: (i) the Prepayment Redemption Funds received during the Collection Period then ended by or on behalf of the Issuer in relation to all the Loans with the exception of the Sebastopol Loan; *less* (ii) the aggregate amount of Prepayment Redemption Funds applied by the Purchasers in relation to all the Loans, with the exception of the Sebastopol Loan, in respect of any Priority Amounts during that Collection Period in accordance with the Deed of Charge and Assignment, the FCC Regulations and the Spanish Deed of Incorporation as applicable; and (2) "**Available Sebastopol Prepayment Funds**" means, in respect of any Calculation Date, (i) the Prepayment Redemption Funds received during the Collection Period then ended by or on behalf of the French Issuer in relation to the Sebastopol Loan; *less* (ii) the aggregate amount of Prepayment Redemption Funds applied by the French Issuer in relation to the Sebastopol Loan in respect of any Priority Amounts during that Collection Period in accordance with the FCC Regulations.

(c) "**Final Redemption Funds**" means the aggregate amount of principal payments received by or on behalf of the Purchasers in respect of the Loans as a result of the repayment of the Loans upon their respective scheduled final maturity dates; and "**Available Redemption Funds**" means, in respect of any Calculation Date: (a) the Final Redemption Funds received by or on behalf of the Issuer during the

Collection Period then ended; (b) *less* the aggregate amount of Final Redemption Funds applied by the Purchasers in respect of Priority Amounts during that Collection Period in accordance with the Deed of Charge and Assignment, the FCC Regulations and the Spanish Deed of Incorporation as applicable, as such Available Redemption Funds shall have been upstreamed by the French Issuer and the Spanish Issuer under the Class A FCC Units and FTA Note, where relevant.

(d) "**Principal Recovery Funds**" means all amounts which are recovered in respect of principal of any Loan as a result of the enforcement of such Loan or the related Loan Security; and "**Available Principal Recovery Funds**" means, in respect of any Calculation Date: (a) the Principal Recovery Funds received or recovered by or on behalf of the Purchasers during the Collection Period then ended; (b) less the aggregate amount of Principal Recovery Funds applied by the Purchasers in respect of any Priority Amounts during that Collection Period in accordance with the Deed of Charge and Assignment, the FCC Regulations and the Spanish Deed of Incorporation, as the case may be,

but in each case, only to the extent that such moneys have not been taken into account in the calculation of Available Amortisation Funds, Available Prepayment Funds, Available Redemption Funds and Available Principal Recovery Funds, as applicable, on any preceding Calculation Date. Available Amortisation Funds, Available Prepayment Funds, Available Redemption Funds and Available Principal Recovery Funds determined on each Calculation Date shall be applied, on the immediately following Interest Payment Date, in order to redeem Notes in accordance with and in the order of priority set out in Clauses 6.2 and 6.3 of the Deed of Charge and Assignment.

If on any Calculation Date the Trustee receives written confirmation from the Rating Agencies that the then applicable ratings of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will not be downgraded, withdrawn or qualified by them, the Available Amortisation Funds, Available Prepayment Funds, Available Redemption Funds and Available Principal Recovery Funds may, at the option of the Issuer, be applied on any Interest Payment Date to redeem in whole or in part the Principal Amount Outstanding of any other Class or Classes of Notes that would not otherwise be entitled to redemption on such Interest Payment Date.

(C) Optional Redemption for Tax or Other Reasons

If the Issuer at any time satisfies the Trustee immediately prior to giving the notice referred to below that:

(a) by virtue of a change in the tax law of Ireland, France, Spain, Germany, Luxembourg, the United Kingdom or any other jurisdiction (or the application or official interpretation thereof) from that in effect on the Closing Date, on the next Interest Payment Date the Issuer or any Paying Agent on its behalf would be required to deduct or withhold from any payment of principal or interest in respect of any Note (other than where the relevant holder or beneficial owner has some connection with the relevant jurisdiction other than the holding of Notes and other than in respect of default interest), 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 the relevant jurisdiction (or any political sub-division thereof or authority thereof or therein having power to tax) and such requirement cannot be avoided by the Issuer taking reasonable measures available to it; or

(b) by virtue of a change in the tax law of Ireland, France, Spain, the United Kingdom or any other jurisdiction (or the application or official interpretation thereof) from that in effect on the Closing Date, on the next FCC Interest Payment Date or FTA Interest Payment Date, as applicable, the French Issuer or the Spanish Issuer, as applicable, would be required to deduct or withhold from any payment of principal

or interest in respect of any Class A FCC Unit or FTA Note, as applicable, (other than where the Issuer has some connection with the relevant jurisdiction other than the holding of the Class A FCC Units and FTA Note and other than in respect of default interest), 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 the relevant jurisdiction (or any political sub-division thereof or authority thereof or therein having power to tax) and such requirement cannot be avoided by the French Issuer or the Spanish Issuer, as applicable, taking reasonable measures available to it; or

(c) (1) by virtue of a change in the tax law of Ireland, Germany, the United Kingdom or any other jurisdiction (or the application or official interpretation thereof) from that in effect on the Closing Date, on the next Interest Payment Date, any German Loan Borrower would be required to deduct or withhold from any payment of principal or interest in respect of any German Loan (other than where the Issuer has some connection with the relevant jurisdiction other than the holding of the German Loan and other than in respect of default interest), 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 the relevant jurisdiction (or any political sub-division thereof or authority thereof or therein having power to tax) and such requirement cannot be avoided by such German Loan Borrower, taking reasonable measures available to it; or (2) any amount payable by the German Loan Borrowers in relation to the German Loans is reduced or ceases to be receivable (whether or not actually received); or

(d) the Class A FCC Units or the FTA Note as applicable, is subject to an optional redemption pursuant to the FCC Regulations or the Spanish Deed of Incorporation, as applicable, during the Interest Period preceding the next Interest Payment Date,

and, in either case, the Issuer has, prior to giving the notice referred to below, certified to the Trustee that it will have the necessary funds on such Interest Payment Date to discharge all of its liabilities in respect of the Listed Notes to be redeemed under this Condition 5(c) and any amounts required under the Deed of Charge and Assignment to be paid in priority to, or pari passu with, the Notes to be so redeemed, which certificate shall be conclusive and binding, and provided that, on the Interest Payment Date on which such notice expires, no Note Enforcement Notice has been served, then the Issuer may, but shall not be obliged to, on any Interest Payment Date on which the relevant event described above is continuing, after having given not more than 60 nor less than 30 days' written notice ending on such Interest Payment Date to the Trustee, the Paying Agents and to the Noteholders in accordance with Condition 15, redeem all the Listed Notes in full, where the event described in paragraph (a) above has occurred, or in part, where any of the events described in paragraphs (b), (c) or (d) above has occurred, in the following order:

(A) all Class A Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Class A Notes plus interest accrued and unpaid thereon; and

(B) all Class B Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Class B Notes plus interest accrued and unpaid thereon; and

(C) all Class C Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Class C Notes plus interest accrued and unpaid thereon;

(D) all Class D Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Class D Notes plus interest accrued and unpaid thereon; and

(E) all Class E Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Class E Notes plus interest accrued and unpaid thereon.

Once all the Listed Notes have been repaid or extinguished in full, the Issuer may redeem the Class X Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Class X Notes, plus interest accrued (in accordance with Condition 4(c)(B)) and unpaid thereon.

After giving notice of redemption pursuant to this sub–paragraph, the Issuer shall not make any further payment of principal on the Notes and no further reduction shall be made to the Principal Amount Outstanding of any Note other than by way of redemption pursuant to this Condition 5(c).

(D) Optional Redemption in Full

On giving not more than 60 nor less than 30 days' written notice to the Trustee and the Paying Agents and to the Noteholders in accordance with Condition 15 and provided that: (i) on the Interest Payment Date on which such notice expires, no Note Enforcement Notice in relation to the Notes has been served; (ii) the Issuer has, prior to giving such notice, certified to the Trustee, that it will have the necessary funds to discharge on such Interest Payment Date all of its liabilities in respect of the Notes to be redeemed under this Condition 5(d) and any amounts required under the Deed of Charge and Assignment to be paid on such Interest Payment Date which rank higher in priority to, or *pari passu* with, the Notes, which certificate will be conclusive and binding, and (iii) on the relevant Interest Payment Date, both of the following conditions are met:

(a) the then aggregate Principal Amount Outstanding of the Notes is less than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes as at the Closing Date; and

(b) either: (1) (i) the outstanding French Loans shall have been repurchased by the Originator from the French Issuer and the French Issuer shall have redeemed the Class A FCC Units, both in accordance with the provisions of the FCC Regulations; (ii) the Issuer and the FTA Manager have agreed, subject to the CNMV's consent, to liquidate the Spanish Issuer such that the outstanding Spanish Mortgage Certificate shall have been sold by the Spanish Issuer and shall have been fully redeemed; and (iii) the outstanding German Loans shall have been repurchased by the Originator from the Issuer in accordance with the German Loan Sale Agreement and the Deed of Charge and Assignment; or (2) (i) the outstanding Class A FCC Units and FTA Note shall have been purchased by the Originator from the Issuer; and (ii) the outstanding German Loans shall have been repurchased by the Originator from the Issuer in accordance with the German Loan Sale Agreement and the Deed of Charge and Assignment,

the Issuer shall redeem all the Listed Notes on such Interest Payment Date in an amount equal to the then aggregate Principal Amount Outstanding thereof plus interest accrued and unpaid thereon.

Once all the Listed Notes have been repaid or extinguished in full, the Issuer may redeem the Class X Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Class X Notes, plus interest (accrued in accordance with Condition 4(c)(B)) and unpaid thereon.

After giving notice of redemption pursuant to this sub–paragraph, the Issuer shall not make any further payment of principal on the Notes and no further reduction shall be made to the Principal Amount Outstanding of any such Note other than by way of redemption pursuant to this Condition 5(d).

(E) *Optional Redemption in Full — Basis Swap Transactions*

If, at any time, one or more of the Basis Swap Transactions is terminated by reason of the occurrence of a Swap Tax Event under the Basis Swap Agreement and the Issuer is unable to find a replacement Basis Swap Counterparty (the Issuer being obliged to use its best endeavours to find a replacement Basis Swap Counterparty) then, on giving not more than 60 nor less than 30 days' written notice to the Trustee and the Paying Agents and to the Noteholders in accordance with Condition 15 and provided that, on the Interest Payment Date on which such notice expires, no Note Enforcement Notice in relation to the Notes has been served and further provided that the Issuer has, prior to giving such notice, certified to the Trustee that it will have the necessary funds to discharge on such Interest Payment Date all of its liabilities in respect of the Notes to be redeemed under this Condition 5(e) and any amounts required under the Deed of Charge and Assignment to be paid on such Interest Payment Date which rank higher in priority to, or *pari passu* with, the Notes, which certificate will be conclusive and binding, the Issuer may, but will not be obliged to, redeem all the Listed Notes in full on such Interest Payment Date in an amount equal to the then aggregate Principal Amount Outstanding thereof plus interest accrued and unpaid thereon.

Once all the Listed Notes have been repaid or extinguished in full, the Issuer may redeem the Class X Notes in an amount equal to the then aggregate Principal Amount Outstanding of the Class X Notes, plus interest (accrued in accordance with Condition 4(c)(B)) and unpaid thereon.

After giving notice of redemption pursuant to this sub-paragraph, the Issuer shall not make any further payment of principal on the Notes and no further reduction shall be made to the Principal Amount Outstanding of any Note other than by way of redemption pursuant to this Condition 5(e).

(F) *Note Principal Payments*

The Note Principal Payment on any Interest Payment Date under Condition 5(b) or Condition 5(c), Condition 5(d) or Condition 5(c), as applicable, will, in relation to the Notes of a particular class, be a pro rata share of the aggregate amount required to be applied in redemption of the Notes of that Class on such Interest Payment Date under Condition 5(b) or Condition 5(c) or Condition 5(d) or Condition 5(c), as applicable, (rounded down to the nearest Euro cent) provided always that no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.

(G) *Irrevocable Notices*

Any notice of redemption given by the Issuer in connection with a redemption described in any of Conditions 5(b), (c), (d) or (e) shall be irrevocable and, upon the expiry of such notice, the Issuer will be bound to redeem the Notes of the related Class in the amounts specified in these Conditions.

(H) *Cancellation*

All Notes redeemed in full pursuant to the foregoing provisions shall be cancelled forthwith and may not be resold or re–issued.

(I) *Purchase of Notes*

The Issuer may not at any time purchase any Notes in the open market or otherwise.

6. Condition to redemption of the Class E Notes

Notwithstanding any provision to the contrary, if the Castor & Pollux Loan has not been fully amortised or has not been retransferred to the Originator, or if the sale of the Castor

& Pollux Loan has not been rescinded, then any redemption of the Class E Notes shall be conditional upon the Principal Amount Outstanding of such Class of Notes not falling below Euro 6,000,000.

7. Payments

(A) Notes

Payments of principal and interest in respect of any Note will be made only against presentation, surrender (or, in the case of part payment only, endorsement) of such Note or the appropriate Coupon (as the case may be) at the specified office of any Paying Agent by euro cheque drawn on, or by transfer to, a euro account maintained by the payee to which euro may be lawfully transferred or credited.

(B) Laws and Regulations

Payments of principal, interest and premium (if any) in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable to them.

(C) Overdue Principal Payments

If payment of principal is improperly withheld or refused on or in respect of any Note or part of the Note, the interest which continues to accrue in respect of such Note or part of the Note in accordance with Condition 4(a) will be paid against presentation of such Note at the specified office of any Paying Agent and in accordance with Condition 7(a).

(D) Change of Paying Agents and Agent Bank

The Principal Paying Agent is ABN AMRO Bank N.V. (London Branch). The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or, subject to the appointment of replacement, terminate the appointment of the Principal Paying Agent, any other Paying Agent and the Agent Bank and to appoint additional or other agents. The Issuer will at all times maintain a Paying Agent with a specified office in Dublin, for so long as the Notes are listed on the Irish Stock Exchange and the Irish Stock Exchange requires such a Paying Agent. The Issuer shall cause at least 30 days' notice of any change in or addition to the Paying Agents to be given to the Noteholders in accordance with Condition 15.

(E) Presentation on Non–Business Days

If any Note or Coupon is presented (if required) for payment on a day which is not a business day in the place where it is so presented and (in the case of payment by transfer to an account as referred to in Condition 7(a) above) in London, payment will be made on the next succeeding day that is a business day and no further payments of additional amounts by way of interest, principal or otherwise will be due in respect of such Note or Coupon. For the purposes of Condition 5 and this Condition 7, "**business day**" means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments in that place.

(F) Unmatured Coupons and unexchanged Talons

Upon the date on which any Note becomes due and payable in full pursuant to Conditions 5, unmatured Coupons appertaining to such Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons and any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(G) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet).

(H) *Accrual of Interest on Late Payments*

If interest is not paid in respect of a Note of any class on the date when due and payable (other than by reason of non–compliance with Condition 7(a) or (b)), then such unpaid interest shall itself bear interest at the applicable Rate of Interest until such interest and interest on the unpaid interest is available for payment and applicable notice has been duly given to the Noteholders in accordance with Condition 15, provided that such interest and interest on the unpaid interest are, in fact, paid.

8. Taxation

All payments in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any Paying Agent is required by applicable law in any jurisdiction to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent (as the case may be) will make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to holders of Notes in respect of such withholding or deduction.

9. Prescription

Claims for principal in respect of Notes will become void unless the relevant Note is presented for payment within 10 years of the appropriate Relevant Date. Claims for interest in respect of Coupons will become void unless the relevant Coupon is presented for payment within five years of the appropriate Relevant Date.

In this Condition 9, the "**Relevant Date**" means the date on which a payment in respect of this Condition 9 first becomes due, but if the full amount of the moneys payable has not been received by the Principal Paying Agent or the Trustee on or prior to such date, it means the date on which the full amount of such moneys shall have been so received, and notice to that effect shall have been duly given to the Noteholders in accordance with Condition 15.

10. Events of Default

(A) *Eligible Noteholders*

If any of the events mentioned in sub–paragraphs (i) to (v) inclusive below occurs (each such event being an "**Event of Default**") the Trustee may, and if so requested in writing by the Eligible Noteholders or if so directed by or pursuant to an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes (other than the Class X Notes), shall, and in any case as aforesaid, subject to the Trustee being indemnified and/or secured to its satisfaction, give notice (a "**Note Enforcement Notice**") to the Issuer declaring all the Notes to be due and repayable and the Issuer Security enforceable:

(i) default is made for a period of five days or more in the payment on the due date of any principal or interest due on the Most Senior Class of Notes (for such purposes, ignoring any deferral of interest and excluding, for the avoidance of doubt, any default on the Class X Notes); or

(ii) default is made by the Issuer in the performance or observance of any obligation, Condition or provision binding upon it under any of the Notes of any class, the Trust Deed, the Deed of Charge and Assignment or the other Issuer Transaction Documents to which it is party (other than any obligation referred to in (i) above for the payment of any principal or interest on any Class of Notes) and, (except where in the opinion of the Trustee such default is incapable of remedy in which case no notice of default will be required to be delivered) such default continues for a period of 30 days following the service by the Trustee on the Issuer of written notice requiring the same to be remedied and provided that the Trustee shall have certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders; or

(iii) the Issuer, otherwise than for the purposes referred to in Condition 10(iv) below, ceases or threatens to cease to carry on its business or a substantial (in the opinion of the Trustee acting in the interests of the Noteholders) part of its business or the Issuer is deemed unable to pay its debts or becomes unable to pay its debts as they fall due or otherwise becomes insolvent; or

(iv) an order is made or an effective resolution is passed for winding up the Issuer except a winding up for the purpose of a merger, reconstruction or amalgamation, the terms of which have previously been approved either in writing by the Trustee or by an Extraordinary Resolution of the holders of the relevant Class of Notes (other than the Class X Notes); or

(v) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, including, for the avoidance of doubt, any application to court for an administration order or the appointment of an administrator, administrative receiver, other receiver or other similar official in relation to the Issuer or in relation to the whole or any substantial part (in the opinion of the Trustee acting in the interests of the Noteholders) of the assets or undertaking of the Issuer or an encumbrancer shall take possession of the whole or any substantial part (in the opinion of the Trustee acting in the interests of the Noteholders) of the assets or undertaking of the Issuer or a distress, execution, or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part (in the opinion of the Trustee acting in the interests of the Noteholders) of the assets or undertaking of the Issuer and in any of the foregoing cases it shall not be discharged within 14 days or if the Issuer initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally.

(B) Effect of Declaration by Trustee

Upon any declaration being made by the Trustee in accordance with Condition 10(a) above, all the Notes then outstanding shall immediately become due and repayable at their Principal Amount Outstanding together with accrued interest and the Issuer Security shall become enforceable, all in accordance with the Trust Deed and the Deed of Charge and Assignment.

11. Enforcement

Subject to the provisions of Condition 10 and Condition 13, the Trustee may, at its discretion and without notice, take such proceedings against the Issuer or any other person as it may think fit to enforce the provisions of the Notes and the Issuer Transaction Documents and may, at any time after the Issuer Security has become enforceable, without notice, take possession of the Issuer Security or any part of the Issuer Security and may in its discretion sell, call in, collect and convert into money the Issuer Security or any part of the Issuer Security in such manner and upon such terms as the Trustee may think fit to enforce the Issuer Security, but it will not be bound to take any such proceedings or steps unless:

(a) it is directed to do so by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding (or, if the Class X Note is the only Note outstanding, the holder of Class X Note) or by a notice in writing signed by the Eligible Noteholders; and

(b) it shall be indemnified and/or secured to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable under the Notes and the Issuer Transaction Documents and all liabilities, losses, costs, charges, damages and expenses (including any VAT) which it may incur by so doing.

No Noteholder shall be entitled to proceed directly against the Issuer or any other party to the Issuer Transaction Documents or to enforce the Issuer Security. No Noteholder will be entitled to take proceedings for the winding up or administration of the Issuer. The Trustee cannot, while any of the Notes are outstanding, be required to enforce the Issuer Security at the request of any other Secured Party under the Issuer Security Documents.

12. Meetings of Noteholders, Modification and Waiver

(a) The Trust Deed contains provisions for convening meetings of the Noteholders of any class (other than the Class X Notes) to consider any matter affecting their interests including the sanctioning by Extraordinary Resolution of, inter alia, the removal of the Trustee, a modification of the Notes (including these Conditions) or the provisions of any of the Issuer Transaction Documents.

(b) In relation to each Class of Notes:

(i) no Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes (other than the Class X Notes, the holders of which may not pass an Extraordinary Resolution unless the Class X Notes is the only Class of Notes then outstanding) to the extent that there are outstanding Notes in each such other Classes;

(ii) no Extraordinary Resolution to approve any matter other than a Basic Terms Modification of any Class of Notes shall be effective unless (1) it is sanctioned by an Extraordinary Resolution of each Class of Noteholders (other than the Class X Noteholders) senior to such Class of Noteholders (to the extent that there are outstanding Notes ranking senior to such class), and (2) the Trustee is of the opinion that it would not be materially prejudicial to the interests of the Class or Classes of Noteholders senior to such Class of Noteholders (for the purposes of this Condition 12, Class A Notes rank senior to Class B Notes, which rank senior to Class C Notes, which rank senior to Class D Notes, which rank senior to Class E Notes). The Class X Noteholders may not at any time pass an Extraordinary Resolution (except in such circumstances where the Class X Note is the only Class of Notes then outstanding and only then may the Class X Noteholders pass an Extraordinary Resolution);

(iii) any resolution passed at a meeting of Noteholders of one or more Classes of Notes duly convened and held in accordance with Trust Deed shall be binding upon all Noteholders of such Class or Classes, whether or not present at such meeting and whether or not voting and, except in the case of a meeting relating to a Basic Terms Modification, any resolution passed at a meeting of the holders of the Most Senior Class of Notes duly convened and held as aforesaid shall also be binding upon the holders of all the other Classes of Notes.

(iv) Notwithstanding the foregoing, no Extraordinary Resolution to authorise or sanction a modification of (including a Basic Terms Modification) or, a waiver or authorisation of any breach or proposed breach of any provisions of the Trust Deed, these Conditions or any of the Issuer Transaction Documents by the Trustee shall be binding on the Class X Noteholders unless such Extraordinary Resolution shall not in the opinion of the Trustee, in its sole discretion, be materially prejudicial to the interests of the Class X Noteholders.

(c) The Trust Deed contains provisions for convening meetings of the Class X Noteholders to consider the sanctioning of a Basic Terms Modification that relates to the Conditions applicable to the Class X Notes. A meeting of the Class X Noteholders is not required by the Trust Deed, the Notes or these Conditions to be convened for any other purpose. An Extraordinary Resolution of the Class X Noteholders relating to a Basic Terms Modification in respect of the Class X Notes shall not be effective for any purpose unless none of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes remains outstanding.

(d) Subject as provided below, the quorum at any meeting of the Noteholders of any class for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. in Principal Amount Outstanding of the Notes of such class or, at any adjourned meeting, two or more persons being or representing Noteholders of such class whatever the Principal Amount Outstanding of the Notes of such class so held or represented. For so long as all the Notes of a class are held by one person, such person will constitute two persons for the purposes of forming a quorum for meetings. Furthermore, a proxy for the holder of a Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders.

The quorum at any meeting of the Noteholders of any Class for passing an Extraordinary Resolution in respect of a Basic Terms Modification (as defined in the Trust Deed) will be two or more persons holding or representing not less than 75 per cent. or, at any adjourned such meeting 33 per cent. in Principal Amount Outstanding of the Notes of such Class for the time being outstanding.

The majority required for an Extraordinary Resolution shall be not less than 75 per cent. of the votes cast on the resolution. An Extraordinary Resolution passed at any meeting of Noteholders of any Class shall be binding on all Noteholders of such Class whether or not they are present at such meeting.

(e) The Trustee may agree, without the consent of the holders of Notes of any Class or any other Secured Party: (i) to any modification (except a Basic Terms Modification) of, or to any waiver or authorisation of any breach or proposed breach of, the Notes (including these Conditions) or any of the Issuer Transaction Documents which, in the opinion of the Trustee, is not materially prejudicial to the interests of the holders of the Most Senior Class of Notes then outstanding (or, if the Class X Notes are the only Notes outstanding, the holders of Class X Notes); or (ii) to any modification of the Notes (including these Conditions) or any of the Issuer Transaction Documents which, in the opinion of the Trustee, is to correct a manifest error or is of a formal, minor or technical nature. The Trustee may also, without the consent of the Noteholders of any class, determine that an Event of Default will not, subject to specified conditions, be treated as such, provided always that the Trustee will not exercise such powers of waiver, authorisation or determination in contravention of any express direction given by the Eligible Noteholders or by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding (or, if the Class X Notes are the only Notes outstanding, the holders of Class X Notes) (provided that no such direction shall affect any authorisation, waiver or determination previously made or given). Any such modification, waiver, authorisation or determination will be binding on the

Noteholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable after such modification in accordance with Condition 15.

(f) Where the Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions, to have regard to the interests of the Noteholders of any class, it shall have regard to the interests of such Noteholders as a class and, in particular, but without prejudice to the generality of the foregoing, the Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

(g) The Trustee may determine whether or not any event, matter or thing is, in its opinion, materially prejudicial to the interests of a relevant Class of Noteholders and if the Trustee shall certify that any such event, matter or thing is, in its opinion, materially prejudicial, such certificate shall be conclusive and binding upon the Issuer and the Noteholders. In making such a determination, the Trustee shall be entitled to take into account, amongst other things, any confirmation by the Rating Agencies (if available) that the then current rating of the Notes of the relevant class would or, as the case may be, would not, be adversely affected by such event, matter or thing.

13. Indemnification and Exoneration of the Trustee

The Trust Deed and certain of the Issuer Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of the Trustee and for its indemnification in certain circumstances, including provisions relieving it from taking enforcement proceedings or enforcing the Issuer Security unless indemnified and/or secured to its satisfaction. The Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security, or any deeds or documents of title to the Issuer Security, being uninsured or inadequately insured or being held by or to the order of other parties to the Issuer Transaction Documents, clearing organisations or their operators or by intermediaries such as banks, brokers, depositories, warehousemen or other similar persons whether or not on behalf of the Trustee.

The Trust Deed contains provisions pursuant to which the Trustee or any of its related companies is entitled, inter alia: (i) to enter into business transactions with the Issuer and/or any other person who is a party to the Issuer Transaction Documents or whose obligations are comprised in the Issuer Security and/or any of their subsidiary or associated companies and to act as trustee for the holders of any other securities issued by or relating to the Issuer and/or any other person who is a party to the Issuer Transaction Documents or whose obligations are comprised in the Issuer Security and/or any of their subsidiary or associated companies; (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 the Noteholders; and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received as a result of or in connection with the same.

The Trust Deed also relieves the Trustee of liability for not having made or not having caused to be made on its behalf the searches, investigations and enquiries which a prudent chargee would normally have been likely to make in entering into the Issuer Security Documents. The Trustee has no responsibility in relation to the validity, sufficiency and enforceability of the Issuer Security. The Trustee will not

be obliged to take any action which might result in its incurring personal liabilities unless indemnified and/or secured to its satisfaction or to supervise the performance by the German Servicer, the German Special Servicer, the Operating Bank, the Liquidity Facility Provider, the Basis Swap Counterparty, or any other person of their obligations under the Issuer Transaction Documents and the Trustee will assume, until it has actual knowledge to the contrary, that all such persons are properly performing their duties, notwithstanding that the Issuer Security (or any part of the Issuer Security) may, as a consequence, be treated as floating rather than fixed security.

14. Replacement of Notes, Coupons and Talons

If any Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent subject in each case to all applicable laws and Irish Stock Exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

15. Notice to Noteholders

(a) All notices, other than notices given in accordance with the following paragraphs of this Condition 15, to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 15 on the date of delivery to Euroclear and Clearstream, Luxembourg; *provided, however*, that, so long as the Notes are listed on the Irish Stock Exchange and its rules so require, notices will also be published in a leading newspaper printed in the English language having general circulation in Dublin (which is expected to be *The Irish Examiner*) or, if that is not practicable, in such English language newspaper or newspapers as the Trustee approves having a general circulation in Ireland and the rest of Europe. Any such notice so published in a newspaper shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which publication is required.

(b) Any notice specifying an Interest Payment Date, a Rate of Interest, an Interest Amount or Principal Amount Outstanding shall be deemed to have been duly given if the information contained in such notice appears on the relevant page of the Reuters Screen or such other medium for the electronic display of data as may be previously approved in writing by the Trustee and notified to the Noteholders in accordance with Condition 15(a). Any such notice shall be deemed to have been given on the first date on which such information appeared on the relevant screen. If it is impossible or impractical to give notice in accordance with this paragraph then notice of the matters referred to in this paragraph shall be given in accordance with Condition 15(a).

(c) A copy of each notice given in accordance with this Condition 15 shall be provided to (for so long as the Notes of any Class are listed on the Irish Stock Exchange) the Company Announcements Office of the Irish Stock Exchange and at all times to Standard & Poor's Ratings Services, a division of The McGraw–Hill Companies, Inc. ("**S&P**") and Fitch Ratings Ltd. ("**Fitch**" and, together with S&P, the "**Rating Agencies**"), which reference in these Conditions shall include any additional or replacement rating agency appointed by the Issuer, with the prior written approval of the Trustee, to provide a credit rating in respect of the Notes or any Class of the Notes). For the avoidance of doubt, and unless the context otherwise requires, all references to "rating" and "ratings" in these Conditions shall be deemed to be references to the ratings assigned by the Rating Agencies.

(d) The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or to a class or category of them 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 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. Privity of Contract, Limited Recourse and Non–Petition

(A) Privity of Contract

No person shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term or Condition of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

(B) Limited Recourse and Non–Petition

(i) Interest and principal on the Notes will be payable only from, and to the extent of, sums paid to, or net proceeds recovered by or on behalf of, the Issuer or the Trustee in respect of the Issuer Security, and there will be no other assets of the Issuer available for any further payments. The Trustee and the other Secured Parties will look solely to such sums and proceeds and the rights of the Issuer in respect of the Issuer Security for payments to be made by the Issuer. The obligations of the Issuer to make such payments will be limited to such sums and the proceeds of realisation of the Issuer Security and the Trustee and the other Secured Parties will have no further recourse in respect thereof. Having exhausted the Issuer Security and having distributed the net proceeds in accordance with the terms of the Deed of Charge and Assignment, none of the Trustee nor any other Secured Party may take any further steps against the Issuer to recover any sum still unpaid and the Issuer's liability for any sum still unpaid shall be extinguished and discharged.

(ii) Only the Trustee may pursue the remedies available under applicable law, under the Issuer Security and under the other Issuer Transaction Documents to enforce the rights of the Secured Parties against the Issuer and no other Secured Parties shall be entitled to proceed directly against the Issuer, unless the Trustee having been bound to take steps and/or proceedings, fails to do so within a reasonable time and such failure is continuing.

(iii) Notwithstanding any other provision of these Conditions or any other Issuer Transaction Documents, none of the parties to the Issuer Transaction Documents (other than in the case of the Issuer its shareholders or directors if required by law so to do) shall be entitled to petition or take any corporate action or other steps or legal proceedings for the winding–up, dissolution, court protection, examinership, reorganisation, liquidation, bankruptcy or insolvency of the Issuer or for the appointment of a receiver, administrator, receiver manager, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer in respect of the Issuer or any of its revenues or assets for so long as the Notes are outstanding or for two years and a day after all sums outstanding and owing in respect of the Notes have been paid in full, provided that the Trustee may enforce the Issuer Security and appoint a receiver, receiver and manager, administrative receiver or a similar officer as permitted under the terms of the Deed of Charge and Assignment and may prove or lodge a claim in a liquidation of the Issuer initiated by another party and provided further that the Trustee may take proceedings to obtain a declaration or judgment or order as to the

obligations and liabilities of the Issuer under the Issuer Security and/or the other Issuer Transaction Documents.

(iv) None of the parties to the Issuer Transaction Documents shall have any recourse against any director, shareholder or officer of the Issuer in respect of any obligation, covenant or agreement entered into or made by the Issuer pursuant to the terms of the Issuer Security or any other Issuer Transaction Document to which it is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

17. Governing Law

The Deed of Charge and Assignment, the Trust Deed, the Agency Agreement, the other Issuer Transaction Documents (other than the Class A FCC Units Pledge Agreement and the FTA Note Pledge Agreement, which are governed by French and Spanish laws respectively, the Corporate Services Agreement, which is governed by Irish law, and other than the German Loan Servicing Agreement and the German Loan Sale Agreement which are governed by German law) and the Notes are governed by, and shall be construed in accordance with, English law, it being specified however that certain provisions of the Deed of Charge and Assignment are governed by German law.

FORM OF THE NOTES

Global Notes

The Notes of each class will be represented initially by a Temporary Global Note in bearer form, without Coupons which will be deposited with the Common Depositary for Euroclear and Clearstream, Luxembourg on the Closing Date.

Upon the deposit of the Temporary Global Notes, Euroclear or Clearstream, Luxembourg will credit, by means of book entries, each subscriber of the Notes represented by the Temporary Global Notes with the principal amount of the Notes for which it has subscribed and paid.

Interests in each Temporary Global Note will be exchangeable not earlier than the Exchange Date (provided customary certification of non–U.S. beneficial ownership by the Noteholders has been received) for an interest in a Permanent Global Note of the corresponding class in bearer form without Coupons attached in a principal amount equal to the Principal Amount Outstanding of the corresponding Temporary Global Note. References in this Prospectus to the "**Global Notes**" means the Temporary Global Notes and the Permanent Global Notes or any of them, as the context may require.

On the exchange of each Temporary Global Note for the corresponding Permanent Global Note, such Permanent Global Note will remain deposited with the Common Depositary.

Title to the Global Notes will be transferable by delivery. Definitive Notes will not be available except in the limited circumstances described below and not in any event before the Exchange Date. While any Global Note is outstanding, payments on the Notes represented by such Global Note will be made to, or to the order of, the Common Depositary as the holder of the Global Note. In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, each of the persons appearing from time to time in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note (each, an "**Accountholder**") will be entitled to receive any payment made in respect of that Note, provided, however, that if any payment of principal and/or interest in respect of any Notes falls due whilst such Notes are represented by a Temporary Global Note, payment of principal and/or interest in respect of such Notes will be made only to the extent that customary certification of non–U.S. beneficial ownership has been received by Euroclear or Clearstream, Luxembourg.

Each Accountholder must, for as long as the Notes remain represented by a Global Note, look solely to Euroclear or, as the case may be, Clearstream, Luxembourg for its share of each payment made by the Issuer to the bearer of such Global Note, subject to and in accordance with the rules and procedures of Euroclear or Clearstream, Luxembourg, as appropriate.

Whilst the Notes are represented by a Global Note, the relevant Accountholders shall have no claim directly against the Issuer in respect of payments due on the relevant Notes and the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

To the extent permitted by applicable law, the Issuer, the Trustee, the Principal Paying Agent and any other Paying Agents may treat the holder of a Note represented by a Global Note as the absolute owner of the same (notwithstanding any notice of ownership, trust or other interest including that of the Noteholders) for the purpose of making payments on the Notes represented by it, and the expression "**Noteholder**" shall be construed accordingly.

For so long as the Notes are represented by Global Notes, the Notes will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate.

Principal and interest on the Permanent Global Note will be payable against presentation of that Global Note at the specified office of the Principal Paying Agent or any other Paying Agents. A record of each payment made on a Global Note, distinguishing between any payment of principal and payment of interest, will be endorsed on that Global Note by or on behalf of the Principal Paying Agent and such record shall be prima facie evidence that the payment in question has been made.

Amendments to Conditions

Each Global Note contains provisions that apply to the Notes that it represents, some of which modify the effect of the Conditions of the Notes set out in this Prospectus. The following is a summary of those provisions:

(a) **Payments**: Payments of principal and interest in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the relevant Notes, surrender of such Global Note to or to the order of the Principal Paying Agent. A record of each payment so made will be endorsed in the appropriate schedule to the relevant Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the relevant Notes.

(b) **Meetings**: The holder of each Global Note will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each Euro 50,000 of principal amount of Notes for which the relevant Global Note may be exchanged.

(c) **Cancellation**: Cancellation of any Note required by the Conditions to be cancelled will be effected by reduction in the principal amount of the applicable Global Note.

(d) **Issuance of Definitive Notes**: If, after the Exchange Date: (i) either Euroclear or Clearstream, Luxembourg 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 satisfactory to the Trustee is available; or (ii) the Issuer would suffer a material disadvantage in respect of the Notes as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or Ireland or in the applicable laws of any other jurisdiction (or of any political subdivision or other authority having power to tax in the United Kingdom or in the Republic of Ireland or in such other jurisdiction) or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make a deduction or withholding from any payment in or in respect of the Notes which would not be required were the Notes in definitive form, then the Issuer will, at its sole cost and expense within 30 days of the occurrence of the relevant event, but in the case of a Temporary Global Note, not prior to the Exchange Date and subject to customary certification as to non-U.S. beneficial ownership, issue the Definitive Notes (with Coupons and Talons attached) relating to the Class of Notes represented by the relevant Global Note(s) in exchange for the whole (or the remaining part(s) outstanding) of the relevant Global Note(s). If any such event referred to above occurs while any Notes are represented by a Temporary Global Note, then Definitive Notes will not be issued until the relevant Temporary Global Note has been exchanged for the Permanent Global Note, which exchange shall

not, in any event, occur before the Exchange Date. Definitive Notes, if issued, will be available at the offices of any Paying Agent.

If the Issuer fails to meet its obligations to issue Notes in definitive form in exchange for a Permanent Global Note, then the Permanent Global Note shall remain in full force and effect.

ESTIMATED AVERAGE LIVES OF THE NOTES AND ASSUMPTIONS

The average lives of the Notes cannot be predicted as the actual date at which each Loan will be repaid or prepaid and a number of other relevant factors are unknown.

Calculations of possible average lives of the Notes can be made based on certain assumptions. For example, based on the assumptions that:

(a) the Loans are not sold by the relevant Purchaser;

(b) the Loans does not default, prepay or is enforced and no loss arises;

(c) any extension options offered to the relevant Borrowers under the relevant Loans are not exercised;

(d) the Borrowers will not sell or dispose of any Property, save for the Castor & Pollux Borrower, which may sell or dispose of its Properties pursuant to its controlling shareholder's business plan;

(e) the Loan Hedge Agreements will not be terminated;

(f) the Basis Swap Transactions will not be terminated;

(g) the Closing Date is 31 May 2007;

(h) the cut–off date assumed for the calculation is 21 May 2007; and

(i) the Issuer does redeem the Notes (in accordance with Condition 5(c)) upon the aggregate Principal Amount Outstanding of such Notes being less than 10 per cent. of their aggregate Principal Amount Outstanding as at the Closing Date,

then the approximate percentage of the initial principal amount outstanding of the Notes on each payment date of the Notes and the approximate average lives of the Notes would be as follows:

Payment Date of Notes	Class A Notes	Class X Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes
Weighted Average Life (years)	3.89	Not applicable	4.44	4.44	4.44	4.44
First Principal Payment Date	06/07/07	Not applicable	06/07/07	06/07/07	06/07/07	06/07/07
Last Principal Payment Date	06/01/12	Not applicable	06/01/12	06/01/12	06/01/12	06/01/12

Assumptions (a), (b) and (c) relate to circumstances which are not predictable.

The average lives of the Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that any of the estimates above will in fact be realised and they must therefore be viewed with considerable caution.

The day count fraction used for the above was "30/360", being the number of days in the relevant period divided by 360 (the number of days being calculated on the basis of a year of 360 days with 12 30–day months).

USE OF PROCEEDS

The net proceeds from the issue of the Notes will be approximately Euro 349,550,000 and this will be applied by the Issuer in part towards payment:

(a) to the Originator, of the purchase consideration in respect of the German Loans (and the Loan Security) to be purchased on the Closing Date pursuant to the German Loan Sale Agreement (See "*The Loans and the Loan Security*" on page 148 and "*Acquisition of the Loans*" on page 177);

(b) to the French Issuer, of the subscription price of the Class A FCC Units to be subscribed on the Closing Date pursuant to the FCC Units Subscription Agreement ("*The French Issuer, its Related Parties and the FCC Units*" on page 127). The net proceeds from the issue of the Class A FCC Units will be applied by the French Issuer towards payment to the Originator, of the purchase consideration in respect of the French Loans (and the Loan Security) to be purchased on the Closing Date pursuant to the French Loan Sale Agreement (See "*The Loans and the Loan Security*" on page 148 and "*Acquisition of the Loans*" on page 177); and

(c) to FTA Note Subscriber, of the purchase consideration in respect of the FTA Note initially subscribed by the FTA Note Subscriber and issued by the Spanish Issuer, to be purchased on the Closing Date pursuant to the FTA Note Transfer Agreement (see "*The Spanish Issuer, its Related Parties and the FTA Note*" on page 137). The net proceeds from the issue of the FTA Note will be applied by the Spanish Issuer towards payment to the Originator, pursuant to the Spanish Deed of Incorporation, of the purchase consideration for the Spanish Mortgage Certificate (See "*The Loans and the Loan Security*" on page 148 and "*Acquisition of the Loans*" on page 177).

Fees, commissions and expenses incurred by the Issuer in connection with the issue of the Notes will be met by the Originator.

IRISH TAXATION

The following is a summary of certain Irish tax consequences of the purchase, ownership and disposition of the Notes. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes. The summary relates only to the position of persons who are the absolute beneficial owners of the Notes and may not apply to certain other classes of persons such as dealers in securities.

The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners as in effect on the date of this Prospectus, which are subject to prospective or retroactive change. Prospective investors in the Notes should consult their own advisors as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of the Notes including, in particular, the effect of any state or local tax laws.

Income Tax

In general, persons who are resident in Ireland are liable to Irish taxation on their world-wide income whereas persons who are not resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

A Note issued by the Issuer may be regarded as property situate in Ireland (and hence Irish source income) on the grounds that a debt is deemed to be situate where the debtor resides. However, the interest earned on such Notes is exempt from income tax if paid to a person who for the purposes of section 198 of the Taxes Consolidation Act 1997 ("**TCA 1997**") is regarded as being a resident of a relevant territory. A relevant territory for this purpose is a Member State of the European Communities (other than Ireland) or not being such a Member State a territory with which Ireland has entered into a double tax treaty. A list of the countries with which Ireland has entered into a double tax treaty is available on www.revenue.ie.

If the above exemption does not apply it is understood that there is a long standing unpublished practice whereby no action will be taken to pursue any liability to such Irish tax in respect of persons who are regarded as not being resident in Ireland except where such persons:

(a) are chargeable in the name of a person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of the interest; or

(b) seek to claim relief and/or repayment of tax deducted at source in respect of taxed income from Irish sources; or

(c) are chargeable to Irish corporation tax on the income of an Irish branch or agency or to income tax on the profits of a trade carried on in Ireland to which the interest is attributable.

There can be no assurance that this practice will continue to apply.

Withholding Taxes

In general, withholding tax at the rate of 20 per cent. must be deducted from interest payments made by an Irish company. However, section 246 TCA 1997 ("**Section 246**") provides that this general obligation to withhold tax does not apply in respect of, inter alia, interest payments made by the Issuer to a person, who by virtue of the law of the relevant

territory, is resident for the purposes of tax in a relevant territory (see above for details). This exemption does not apply if the interest is paid to a company in connection with a trade or business which is carried on in Ireland by the company through a branch or agency.

Apart from Section 246, section 64 TCA 1997 ("**Section 64**") provides for the payment of interest on a "Quoted Eurobond" without deduction of tax in certain circumstances. A Quoted Eurobond is defined in Section 64 as a security which:

(a) is issued by a company;

(b) is quoted on a recognised stock exchange (this term is not defined but is understood to mean an exchange which is recognised in the country in which it is established); and

(c) carries a right to interest.

There is no obligation to withhold tax on Quoted Eurobonds where:

(i) the person by or through whom the payment is made is not in Ireland, or

(ii) the payment is made by or through a person in Ireland, and

  (A) the Quoted Eurobond is held in a recognised clearing system (Euroclear, Clearstream, Frankfurt and Clearstream, Luxembourg have been designated as recognised clearing systems); or

  (B) the person who is the beneficial owner of the Quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate written declaration to this effect.

In certain circumstances, Irish encashment tax may be required to be withheld at the standard rate (currently 20 per cent.) from interest on any Quoted Eurobond, where such interest is collected by a person in Ireland on behalf of any holder of Notes.

Whilst the Class X Notes are not quoted and do not qualify as Quoted Eurobonds, no obligation to withhold tax in Ireland would arise if the holder of the Notes is resident for tax purposes in a relevant territory (see above for details).

Capital Gains Tax

A Noteholder will not be subject to Irish taxes on capital gains provided that such Noteholder is neither resident nor ordinarily resident in Ireland and such Noteholder does not have an enterprise, or an interest in an enterprise, which carries on business in Ireland through a branch or agency or a permanent representative to which or to whom the Notes are attributable.

Capital Acquisitions Tax

If the Notes are comprised in a gift or inheritance taken from an Irish domiciled, resident or ordinarily resident disposer or if the donee/successor is resident or ordinarily resident in Ireland, or if any of the Notes are regarded as property situate in Ireland, the donee/successor may be liable to Irish capital acquisitions tax. As a result, a donee/successor may be liable to Irish capital acquisitions tax, even though neither the disposer nor the donee/successor may be domiciled, resident or ordinarily resident in Ireland at the relevant time.

Stamp duty

For as long as the Issuer is a qualifying company within the meaning of section 110 TCA 1997, no Irish stamp duty will be payable on either the issue or transfer of the Notes, provided that the money raised by the issue of the Notes is used in the course of the Issuer's business.

EU DIRECTIVE ON THE TAXATION OF SAVINGS INCOME

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "EU Savings Directive") EU Member States are required 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, or collected by such person for, an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments, deducting tax at a rate rising over time to 35 per cent. (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 certain dependent or associated territories of certain Member States have agreed to adopt equivalent measures.

SUBSCRIPTION AND SALE

Société Générale Corporate & Investment Banking ("**SGCIB**") and Banco Bilbao Vizcaya Argentaria, S.A. ("**BBVA**") (together the "**Joint Lead Managers**") are appointed as Joint Lead Managers pursuant to a subscription agreement dated the Closing Date in relation to the Notes (the "**Note Subscription Agreement**"), between the Joint Lead Managers, the Issuer and the Originator. Under the Note Subscription Agreement, SGCIB has agreed on a several basis, subject to certain conditions, to subscribe and pay for the Class A Notes at 100 per cent. of the principal amount of such Notes, the Class X Notes at 100 per cent. of the principal amount of such Notes, the Class B Notes at 100 per cent. of the principal amount of such Notes, the Class C Notes at 100 per cent. of the principal amount of such Notes, the Class D Notes at 100 per cent. of the principal amount of such Notes and the Class E Notes at 100 per cent. of the principal amount of such Notes.

The Issuer has agreed to reimburse the Sole Arranger on behalf of itself and the Joint Lead Managers for certain of their expenses in connection with the issue of the Notes. The Note Subscription Agreement is subject to a number of conditions and may be terminated by SGCIB in certain circumstances prior to payment to the Issuer. The Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Notes.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Joint Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State prior to the publication (or where an offer is made in Austria, prior to the day following the publication on a banking day) of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that each may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State at any time:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than Euro 43,000,000; and (3) an annual net turnover of more than Euro 50,000,000, as shown in its last annual or consolidated accounts; or

(c) in any other circumstances which do not require the publication by the respective Issuer of a prospectus pursuant to article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Note in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United States of America

Each of the Joint Lead 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**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except in certain transactions exempt from the registration requirements of the Securities Act. Each of the Joint Lead Managers has agreed that, except as permitted by the Note 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 Closing Date (for the purposes only of this section "*Subscription and Sale*", 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, 40 days after the commencement of the offering of the Notes, 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.

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 Joint Lead Managers has further represented and agreed that:

(a) 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; and

(b) 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.

Ireland

Each Joint Lead Manager has represented and agreed that it will not offer, sell or do anything in Ireland in connection with the Notes otherwise than in circumstances which do not require the publication of a prospectus pursuant to article 3 of Directive 2003/71/EC.

Each Joint Lead Manager has represented and agreed that it will not offer place or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Irish Investment Intermediaries Act 1995 (as amended), including, without limitation, sections 9, 23 and 37 thereof.

Each Joint Lead Manager has represented and agreed that anything done in Ireland in respect of the notes will only be done in conformity with the provisions of the Irish Market Abuse Directive (2003/6/EC) Regulations 2005 and any rules issued by the Financial Regulator pursuant thereto.

France

Each Joint Lead Manager has each represented and agreed that it has not offered or sold and will not offer or sell, directly, or indirectly, the Notes to the public in the Republic of France and that any offers or sales of the Notes in the Republic of France will be made in accordance with articles L. 411–2 of the French Financial Code only to: (a) (i) qualified investors (*investisseurs qualifiés*) acting for their own account; and/or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*) acting for their own account, all as defined in article D. 411–1 et seq and articles L. 411–2 of the French Financial Code; and/or (b) persons providing portfolio management financial services (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*); and/or (c) investors investing each at least Euro 50,000 per transaction, provided that the Issuer is a French *société anonyme or société en commandite par actions* or a foreign limited company with a similar status.

The Notes have not been and will not be subject to any approval by or registration (visa) with the AMF.

In addition, each Joint Lead Manager 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 investors to whom offers or sales of the Notes in the Republic of France may be made as described above. This Prospectus has not been submitted for clearance to the AMF.

Spain

The Notes may not be offered, sold or distributed in the Kingdom of Spain save in accordance with the requirements of Law 24/1988, of 28 July, on the Securities Market (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) as amended and restated, and Royal Decree 1310/2005, of 4 November 2005, partially developing Law 24/1988, of 28 July, on the Securities Market in connection with listing of securities in secondary official markets, initial purchase offers, rights issues and the prospectus required in these cases (*Real Decreto 1310/2005, de 4 de noviembre, por el que se dearrolla parcialmente la Ley 24/1 988, de 28 de Julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) and the decrees and regulations made thereunder. Neither the Notes nor this Prospectus have been verified or registered in the administrative registries of the CNMV.

The Notes may not be directly/indirectly sold, transferred or delivered in any manner, at any time other than to institutional investors in Spain (defined under Spanish Law as "Qualified Investor" to include: (a) legal entities authorised or regulated to operate in the financial markets, including: credit entities, investment service companies, other authorised or regulated financial entities, insurance companies, collective investment schemes and the management companies thereof, pension funds and the management companies thereof, authorised dealers in raw materials derivatives, as well as non-authorised or non-regulated entities which sole activity is the investment in securities; (b) national and regional governments, central banks, international and supranational organisms as the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organizations; (c) other legal entities not qualifying as "small or medium size companies"; (d) individuals residing in the Spanish State that have expressly requested to be considered as a "Qualified Investor" provided that he/she fulfils at least two of the three following conditions: (i) that the relevant investor has carried out transactions of a significant volume in the securities markets with a frequency of at least 10 transactions per quarter during the preceding four quarters; and /or (ii) that the investor's securities portfolio has a volume higher than Euro 500,000; and /or (iii) that the investor is currently working or worked in the past for at least a year in the financial market in a post requiring a knowledge in securities investment; (e) "small or

medium size companies" having their registered office in Spain that have expressly requested to be considered as a "Qualified Investor").

Each investor will be deemed to have represented that: (i) such investor has made its own independent decision to purchase the Notes and has not relied on any recommendation or advice from any of Joint Lead Manager, (ii) such investor has not received any advertising or marketing material from any Joint Lead Manager regarding the sale of the Notes, and (iii) such investor already has all the required information and understands all the indicative terms, conditions and restrictions of the Notes.

General

Except for listing the Listed Notes on the Official List of the Irish Stock Exchange and delivery of this document to the Registrar of Companies 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 of the Joint Lead Managers has undertaken not to offer or sell any of the Notes, or to distribute this document or any other material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with applicable law and regulations.

GENERAL INFORMATION

1. The issue of the Notes was authorised by resolution of the board of directors of the Issuer passed on 22 May 2007.

2. It is expected that listing of the Listed Notes on the Official List of the Irish Stock Exchange will be granted on or about 25 May 2007, subject only to the issue of the Global Notes. The listing of the Listed Notes will be cancelled if the Global Notes are not issued. Transactions will normally be effected for settlement in euro and for delivery on the third working day after the day of the transaction.

3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg as follows:

Class of Notes	Common Code	ISIN
Class A Notes	030005562	XS0300055620
Class X Notes	030205383	XS0302053839
Class B Notes	030005619	XS0300056198
Class C Notes	030005627	XS0300056271
Class D Notes	030005635	XS0300056354
Class E Notes	030005651	XS0300056511

4. No statutory or non–statutory accounts in respect of any financial year of the Issuer have been prepared. So long as the Notes are listed on the Official List of the Irish Stock Exchange, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified offices of the Paying Agent in Dublin. The Issuer does not publish interim accounts.

5. Each of the Issuer, the French Issuer, and the Spanish Issuer is not, and has not been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had, since the date of its incorporation, a significant effect on it's financial position.

6. Since the date of its incorporation, the Issuer has not entered into any material contracts or arrangements, other than those disclosed in this Prospectus.

7. Save as disclosed herein, since 15 March 2007 (being the date of incorporation of the Issuer), there has been: (i) no material adverse change in the financial position or prospects of the Issuer; and (ii) no significant change in the trading or financial position of the Issuer.

8. For the life of the Prospectus, copies of the following documents will be available in electronic format for inspection during usual business hours on any week day (excluding Saturdays, Sundays, and public holidays) at the offices of the Issuer at 25 – 26 Windsor Place, Lower Pembroke Street, Dublin 2, Ireland and at the specified offices of the Irish Paying Agent in Dublin:

(i) the Memorandum and Articles of Association of the Issuer;

(ii) the Note Subscription Agreement; and

(iii) drafts (subject to modification) of the following documents:

(a) the Agency Agreement;

(b) the Cash Management Agreement;

(c) the Corporate Services Agreement;

(d) the Deed of Charge and Assignment;

(e) the Class A FCC Units Pledge Agreement;

(f) the FTA Note Pledge Agreement;

(g) the Liquidity Facility Agreement;

(h) the Basis Swap Agreement (together with the Basis Swap Confirmations and the Basis Swap Credit Support Document);

(i) the German Loan Sale Agreement;

(j) the French Loan Sale Agreement;

(k) the Spanish Deed of Incorporation;

(l) the FCC Units Subscription Agreement;

(m) the FTA Note Transfer Agreement;

(n) the Master Definitions Agreement;

(o) the German Loan Servicing Agreement;

(p) the French Loan Servicing Agreement;

(q) the Spanish Loan Servicing Agreement; and

(r) the Trust Deed,

including any supplements to any of the above, and all other agreements and documents comprised in the security for the Notes pursuant to the Deed of Charge and Assignment.

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