

**Draco (Eclipse 2005-4) plc**  
**Quarterly Surveillance Report for the**  
**Collection Period**  
**April 2016 - July 2016**  
**Issue Date: 12<sup>th</sup> September 2016**

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## Deal Overview

Draco (Eclipse 2005-2) plc initially represented a pooled transaction of 5 commercial property loans originated by Barclays Capital between December 2004 and November 2005. At closing the portfolio had core exposure to the Prime Office market across locations in South East and Greater London. There were 5 loans, 36 properties with 152 distinct tenants across the portfolio. There is now only one loan remaining, the Herbert House Loan.

Interest and principal on the notes is paid quarterly in arrears and commenced in January 2006. The loans were grouped into three groups – Group A (Pitch), Group B (Trafalgar Square and Flintstone Portfolio) and Group C (Clifton Portfolio and Herbert House). All scheduled principal payments will be allocated 100% sequentially. Each group has the following principal allocation for prepayments and balloons – Group A – 100% sequential, Group B – 50% /50% sequential/pro-rata and Group C – 100% pro-rata. Pro-rata amounts are calculated based on the then outstanding balance of notes after having paid sequential amounts due on that interest payment date.

The liquidity facility committed amount was for an initial amount of £17,500,000 and with respect to each Interest Period decreased as the outstanding principal balance of the loans decreased. At all times, the liquidity facility is equal to the lower of £17,500,000 and 10% of the outstanding principal balance of the loans or such lower amount as the Rating Agencies confirm will not adversely affect the then current ratings (if any) of any Class of Notes.

As at the July 2016 IPD, the aggregate outstanding securitised balance, which only consists of the Herbert House Loan, was £7,189,405.67.

## Special Servicing

### Herbert House

The Unpaid Principal Balance currently stands at £7,189,405.67 following a paydown of principal from part of the funds received as a result of the settlement of the dilapidations claim against the former tenant.

This loan is secured against a single tenanted office building located in Birmingham City Centre. This is now the last and only loan left in this securitisation.

The Borrower failed to repay the outstanding balance of the loan on 7 January 2014 and consequently an Event of Default under the Facility Agreement occurred resulting in the loan being transferred to Special Servicing.

A valuation of the Herbert House Property in Birmingham, England was conducted by BNP Paribas in October 2013 on behalf of the Servicer.

On the basis of that valuation and that the Special Servicer having determined in February 2014 that neither the Property nor the property market had at that time experienced any material change since the valuation was obtained, the Special Servicer determined, in order not to prejudice any further marketing of the Property, that further details of the valuation will not be disclosed unless and until appropriate.

The Property was occupied by a single tenant, Cable & Wireless under the terms of a lease which was due to expire on 18 July 2025. The tenant however validly served a break notice and the lease determined on 18 July 2015. The Property is currently vacant.

On 21 October 2014 Richard Murphy and Philip Glenn were appointed by the Special Servicer as joint fixed charge receivers of the Property (the "Receivers"). Following the departure of the single tenant on 18 July 2015, a terminal schedule of dilapidations was served on Cable & Wireless and a settlement has now been reached with Cable & Wireless in respect of the dilapidations.

The Property has been marketed for sale by Cushman & Wakefield and the Receivers have now agreed a sale of the Property; further details will be published on the Irish Stock Exchange in due course.

## Contact Details

**For any questions, please contact**

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**Link to the Deal Summary Report**

<http://www.capitaassetservices.ie>

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